

# Successful Collaboration in Estate Planning

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# Acknowledgements



**With Deep Appreciation for the hard work of the members of Multi-Disciplinary Teaming Committee of the National Association of Estate Planners and Councils and the Legacy Companies without whose collaborative efforts this presentation would not be possible**

# TODAY'S OBJECTIVES



- What is Collaboration?
- What isn't Collaboration?
- Why Collaborate?
- Benefits to Clients
- Benefits to Advisors
- Your Seat at the Table
- Process of Collaboration



# Communication is not Collaboration



- Many advisors communicate with other advisors about a mutual client
  - Sharing documents
  - Exchanging emails
  - Answering phone calls
- Communication is an important component of but does not rise to the level of collaboration

# Coordination is not Collaboration



- **Many advisors coordinate their work**
  - Financial advisor may change title of assets after the lawyer helps a client execute a newly formed trust
  - The insurance advisor may submit beneficiary or ownership changes to the company to reflect trust or trustee information to reflect new documents prepared by the lawyer
  - An accountant may provide minimum distribution calculations to a financial advisor to make the distributions to the client.
- **Coordination is an important component of but it is not collaboration**

# Our Definition of Collaboration



Two or more advisors agree to work together (with authorization from the client) to:

1. Choose, design and recommend strategies to the client.
2. Explain their conclusions and recommendations to the client.
3. Execute their parts to implement their recommendations.

# When to Collaborate?



When the estate planning process would be enhanced by:

- the input from other advisors from other disciplines; or
- when the planning will result in the need for services from an advisor from another discipline.

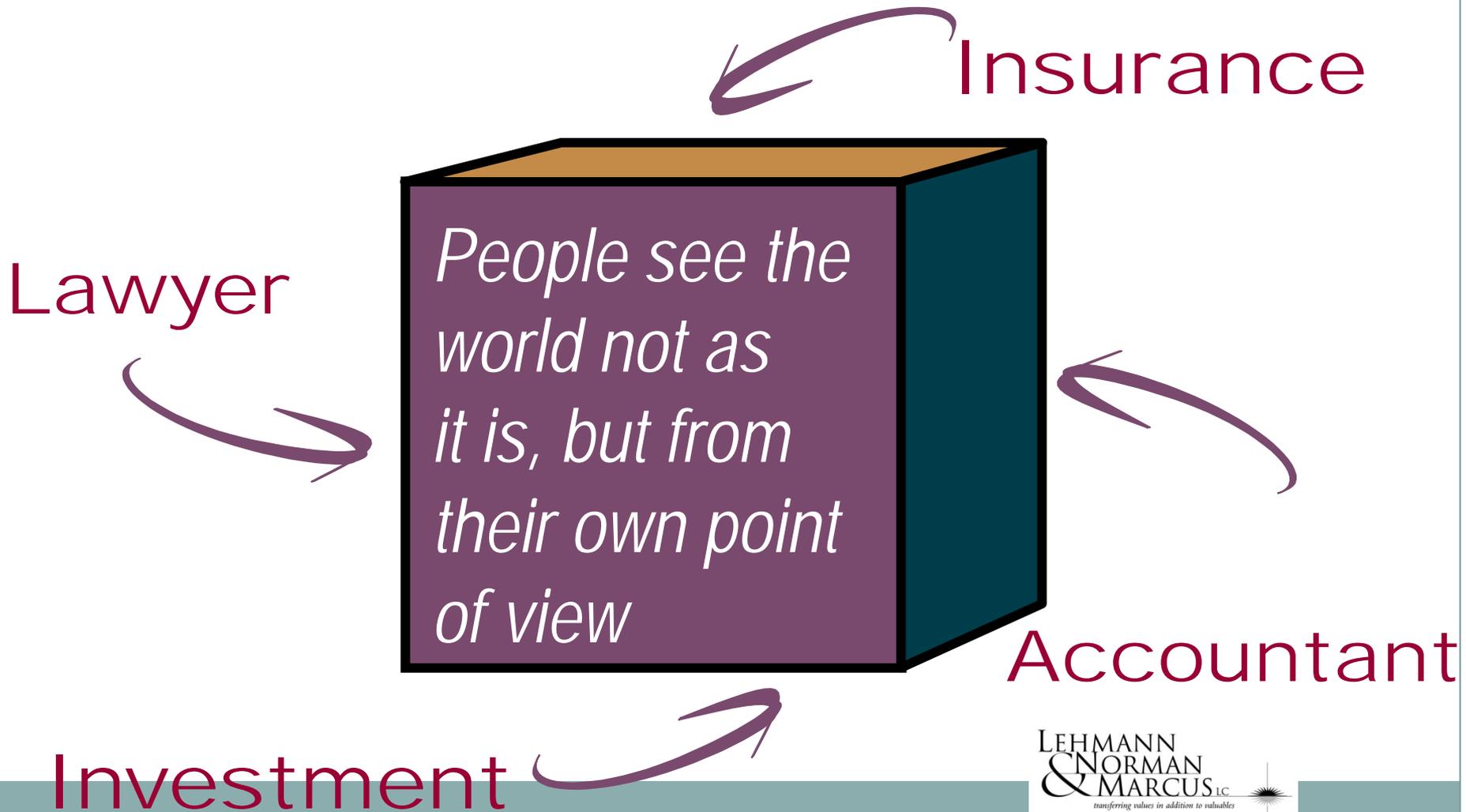
**Collaboration is generally not appropriate for day to day issues.**

# Practicing in Silos



- Practicing in Silos
  - What can go wrong?
    - Failure of plan to reflect what is truly important to the client;
    - Missed opportunities;
    - Drafting wrong documents;
    - Inconsistent beneficiary designations;
    - Lack of tax efficiency;
    - Wrong or no insurance;
    - Inappropriate risk analysis;
    - Unnecessary expense
- What else?

# Professional bias



# Why Collaborate?



## Professional Bias and Compensation

- **Lawyers draft wills, trusts and contracts;**
- **Accountants prepare tax returns, financial statements, audits and sometimes business valuations;**
- **Insurance Professionals sell insurance;**
- **Financial Planners manage assets;**
- **Gift Planners close gifts.**

# Beneficial to Advisors



- **Better Advice**
- **Client Satisfaction**
- **Referral Business**
- **Higher Implementation Rate**
- **Harmonious Working Relationships**
- **Avoid Mistakes**
- **Build Lifetime Trusted Client Relationships**

# Beneficial to Clients



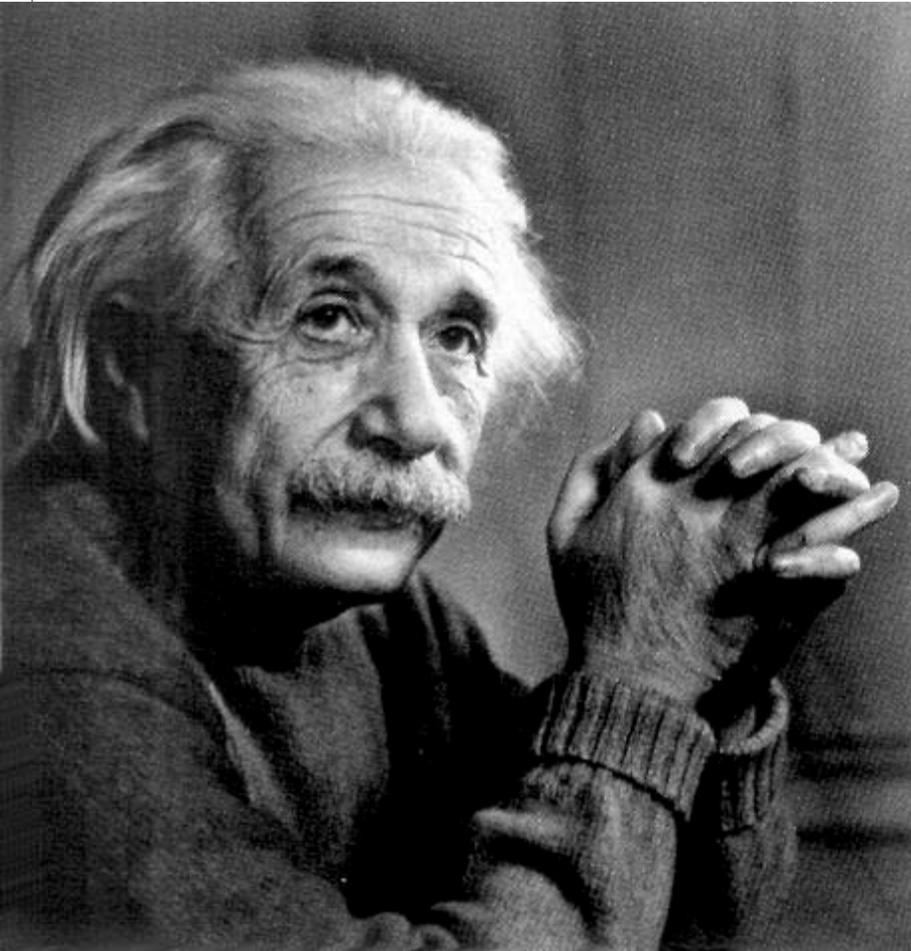
- Clarification of Estate Planning Goals
- Better advice
- Less expensive
- More confidence to act
- Significantly better outcomes

# Why Don't Advisors Collaborate?



- Not part of my normal process
- Fear of losing control
- Fear of embarrassment
- Seems complicated and time consuming
- Don't know how to begin

# Albert Einstein



“If I had one hour to save the world I would spend fifty-five minutes defining the problem and only five minutes finding the solution!”

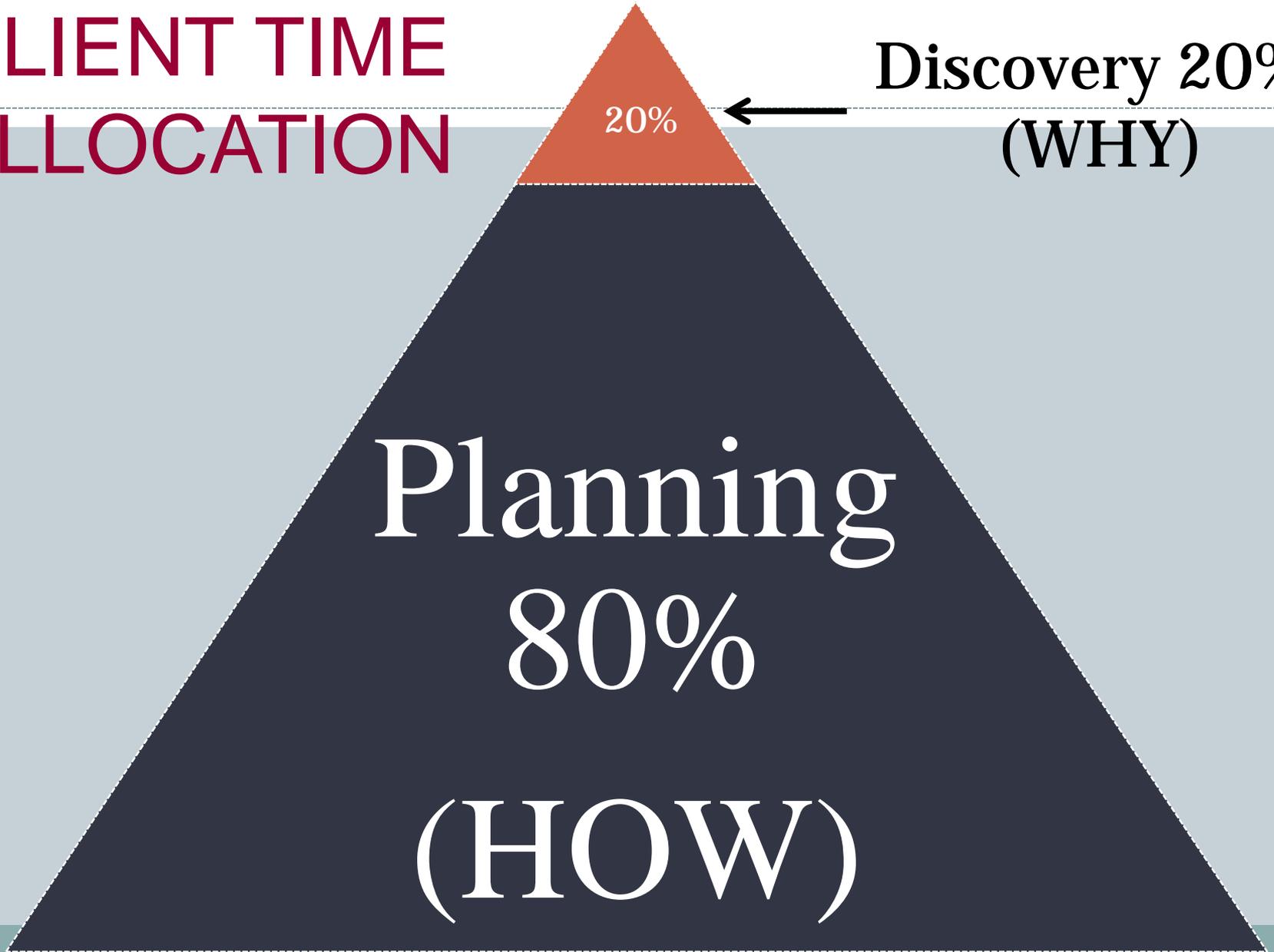


**CLIENT TIME  
ALLOCATION**

**Discovery 20%**  
**(WHY)**

20%

**Planning**  
**80%**  
**(HOW)**



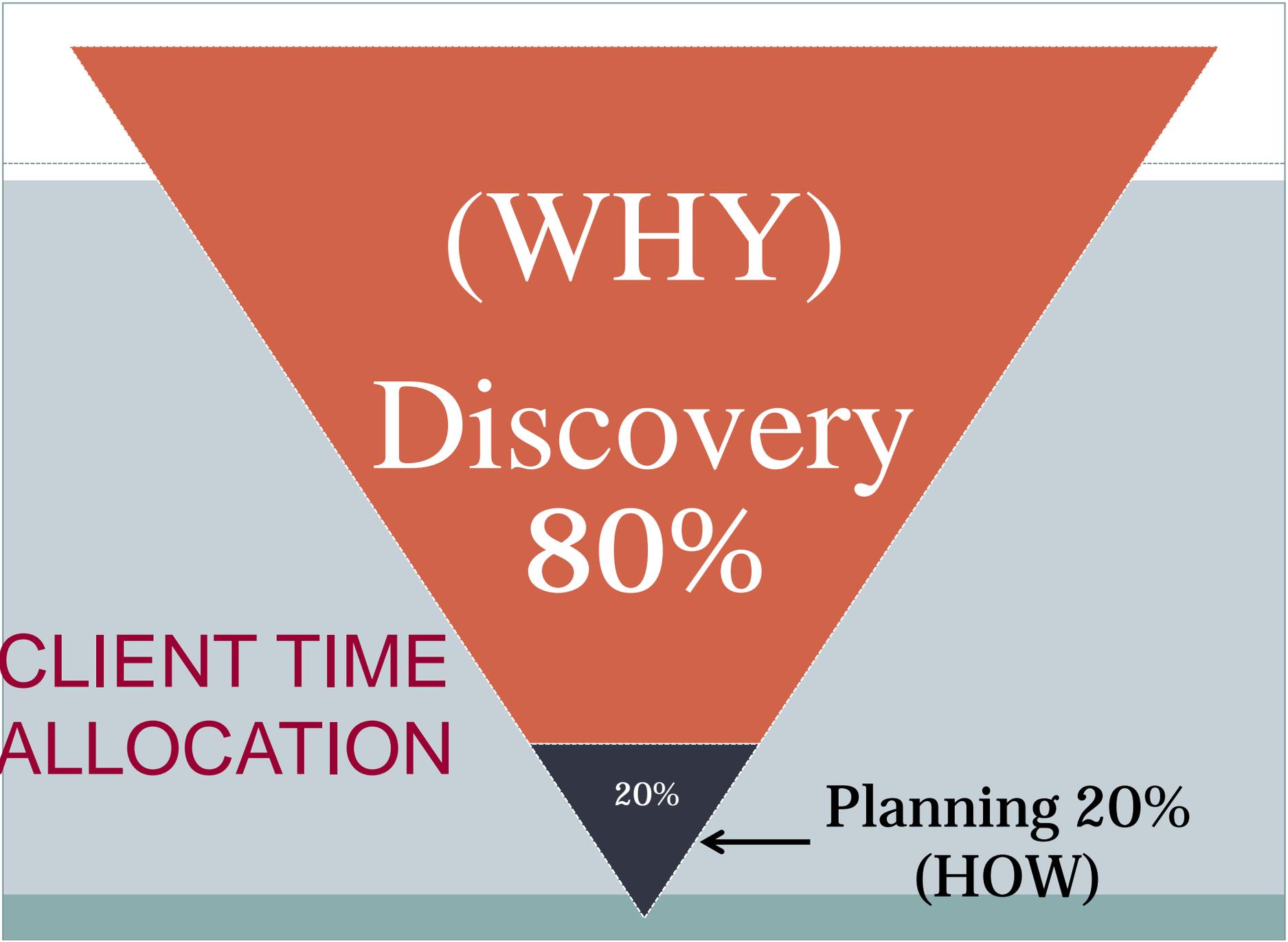
(WHY)

Discovery  
80%

20%

Planning 20%  
(HOW)

CLIENT TIME  
ALLOCATION



Mission, Vision, Values & Goals

# Client Discovery

Above



Below

The Planning Horizon

Strategies, Tactics and Tools



# Self Actualization



Mission, Vision, Values & Goals

WHY

Above



Below

The Planning Horizon

HOW

Strategies, Tactics and Tools



Mission, Vision, Values & Goals

## Client Vision

# WHY?

## The Planning Horizon

Will ♦ Revocable Trusts ♦ Irrevocable Trusts ♦ Health Powers ♦ Long-term Care ♦  
Business Continuity ♦ Costless Collars ♦ STAMPS ♦ COLI ♦ BOLI ♦ LESOP ♦ S-corps ♦  
LLC ♦ Fractional Ownership Discounts ♦ ESOP ♦ Tax Efficient Investment Strategies ♦  
Family Bank ♦ Advanced Asset Allocation & Style Analysis ♦ Private Equity ♦ 402E Roll-  
Over ♦ ESO Foundation ♦ Portfolio Design ♦ Contingent Deferred Swap ♦ Dynasty Trusts  
♦ Non-taxable Installment Sales ♦ GRAT ♦ QPRT ♦ CLAT ♦ CLUT ♦ Multi Class FLP ♦  
ILIT ♦ CRUT ♦ CRAT ♦ NIMCRUT ♦ VCUT ♦ ULP ♦ QDOT ♦ NIMCRUT ♦ IRA Access  
Strategy ♦ Private Foundations ♦ SERP Exchange ♦ Tundra Trusts ♦ Offshore  
Investments ♦ Education Trusts ♦ Incentive Trusts ♦ GDOT ♦

Strategies, Tactics and Tools

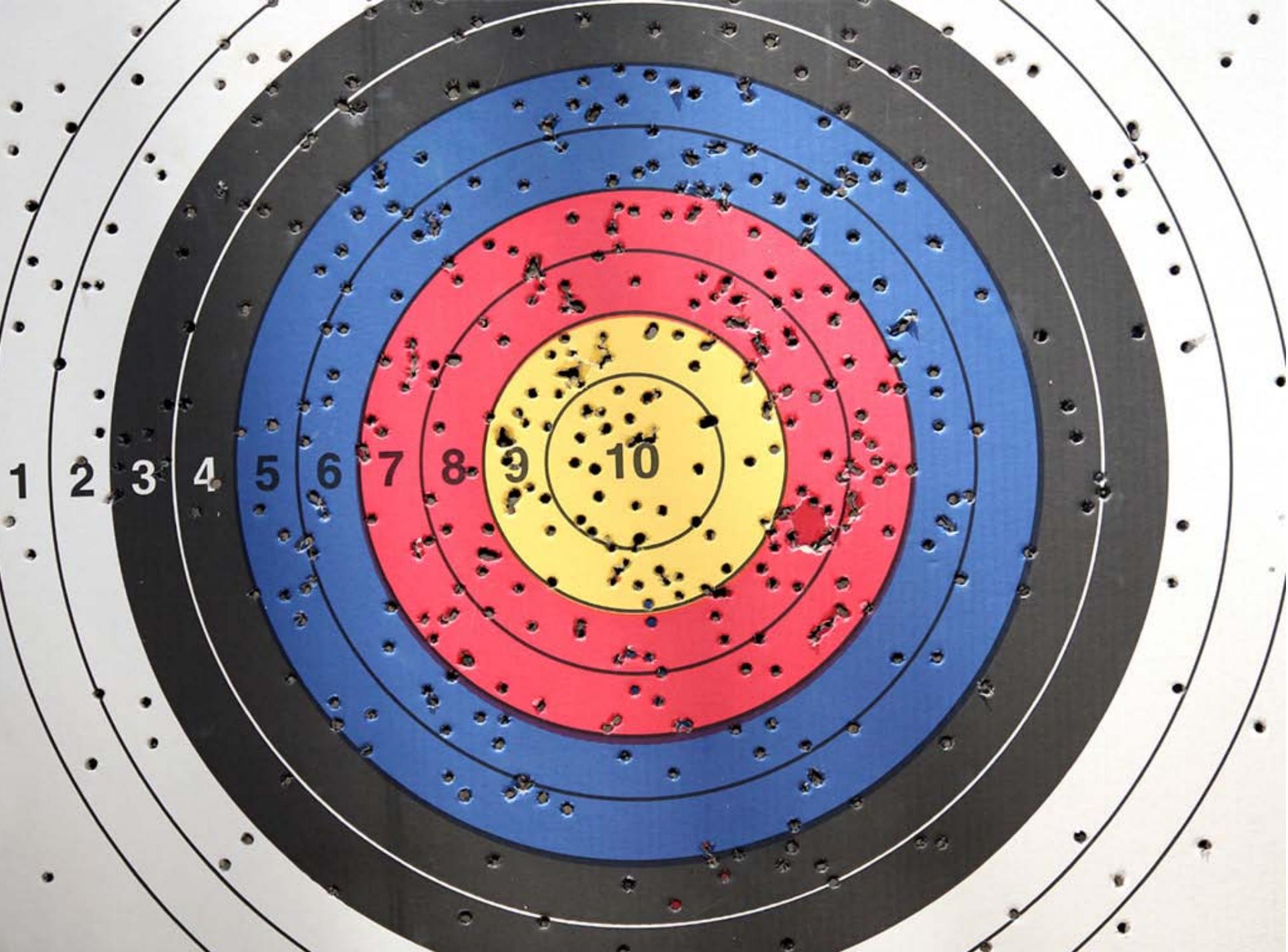
# Clarity



Most Clients don't know what  
they don't know!

So how can you know  
what they don't know?

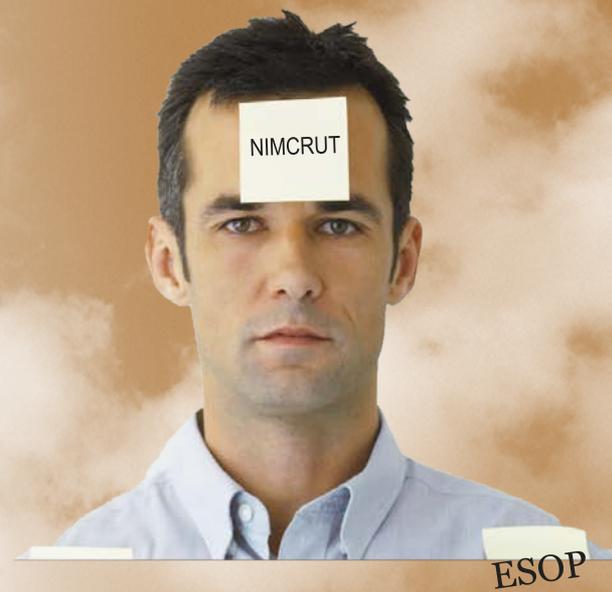




Clients are often  
overwhelmed by  
complexity



Clients are often left in the clouds with technical jargon



ILIT

IRA

FLP

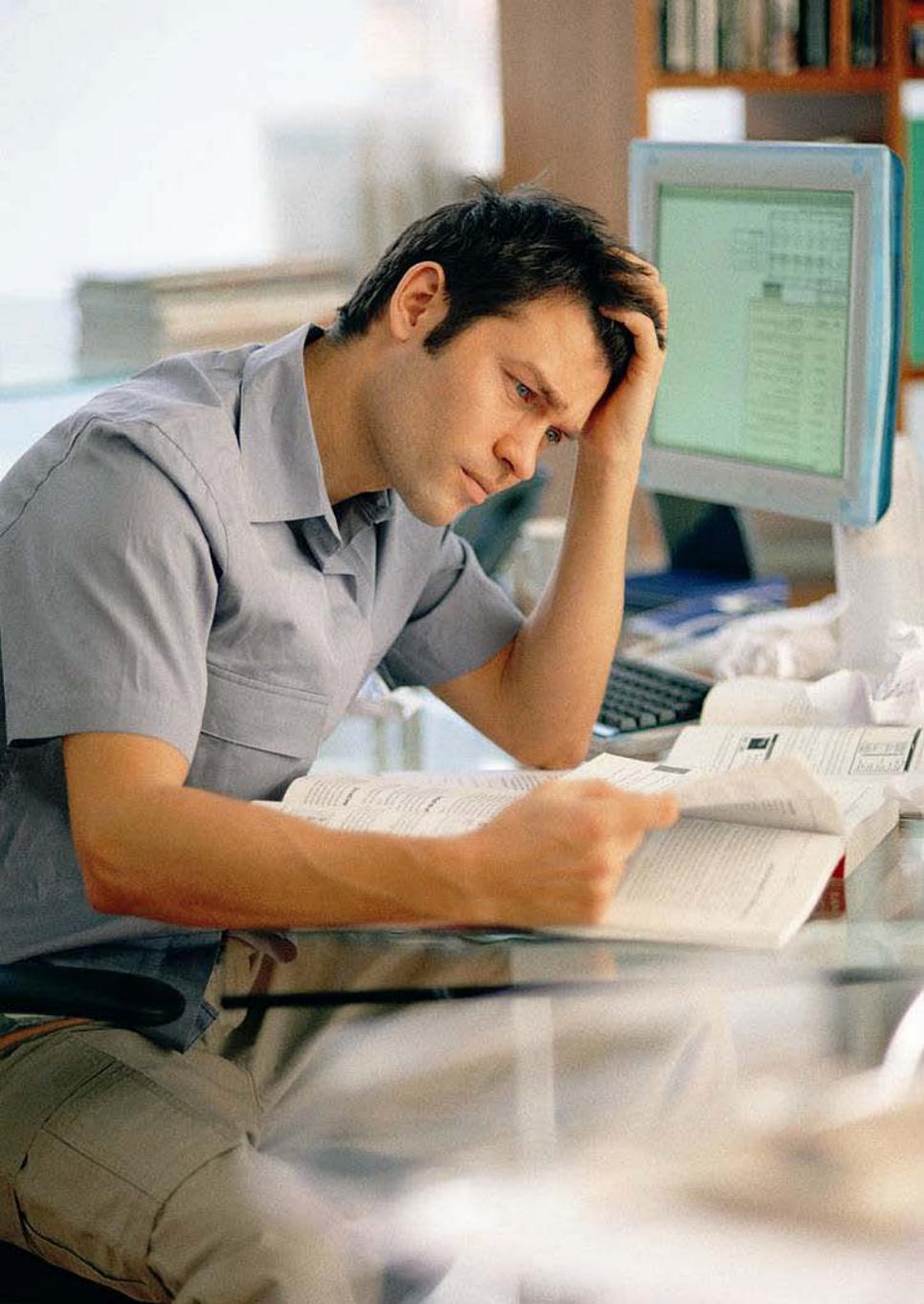
CRT

CRAT





Advisors often establish objectives  
by analyzing strategies



Advisors often  
interpret total  
confusion as the  
need for more  
information

LEHMANN  
& NORMAN  
& MARCUS LC  
*transferring values in addition to valuables*



# Character & Capacity

Character

Quality  
of Choice

Complexity

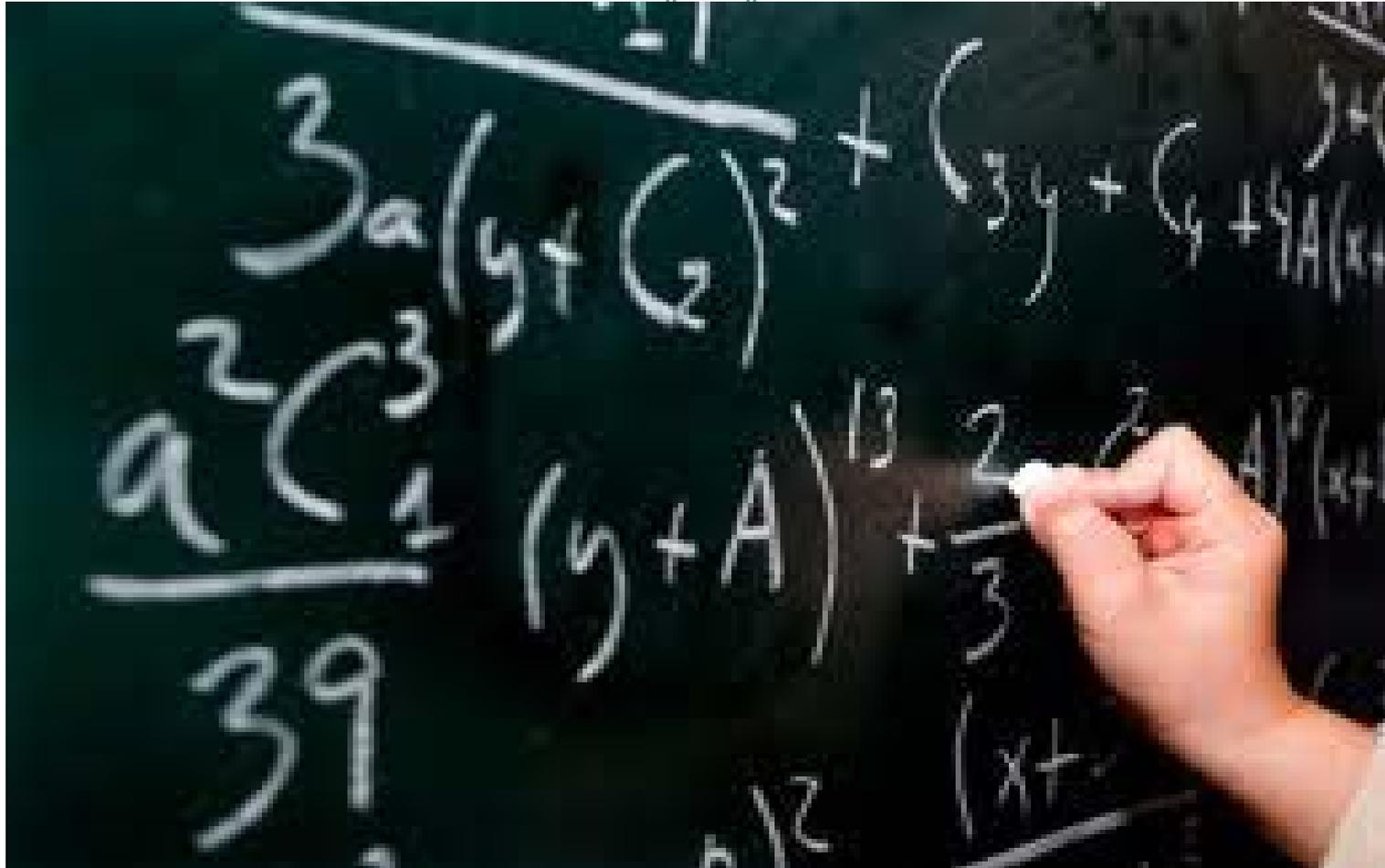
Good  
Bad

Amount  
of Choice

Capacity



# Competence



You'll need a team.



# Beginning the Process for Collaboration



- **Questions for the client collaboration conversation:**
  - Who would you consult before you made a major financial decision?
  - When was the last time your key advisors met together without you present to give their best thinking to promote your best interest?
  - Begs the question: Why?

# Client Request of Other Advisors



- **The client must be the one who asks the other advisors to collaborate.**
- **Ask the client to send an email request to each collaborative team member.**
- **Ask the client to copy you on the message to each other advisor.**

# Initial Face to Face Advisor Meetings



- **Phone call to each advisor rather than email to request meeting**
- **Goals for meeting:**
  - Build rapport and trust
  - Reach common understanding on collaboration
  - Set expectations for the process
  - Discuss roles and protocols
  - Demonstrate your respect for the other advisor's role and sensitivity to his or her concerns
  - Reduce fears and increase positive expectations

# Talking Points



1. Ice Breaker
2. Purpose of Meeting
3. Your Story
4. Their Story
5. The Collaborative Process
6. Collaboration Protocols
7. Next Actions

# Documentation for Initial Group Meeting



- **Transmit Summary to Advisory Team of:**
  - Client's Articulated Goals and Planning Gaps
  - Financial, Legal and Tax Information
  - Current net worth
  - Portfolio Details
  - Income sources
  - Business interests
  - Buy sell arrangements
  - Trial estate tax calculation
  - Diagram of existing plan if any

# Initial Team Meetings



- **Strategy Sessions**

- Each advisor should come prepared with ideas.
- Goal is for facilitating advisor will try to develop consensus within the group and summarize the leading ideas that appear to be best aligned with the client's stated goals.
- Develop internal analysis to compare various alternatives and permutations.
- Meet again as advisors to review analysis and agree on best set of recommendations.

# Client Presentations



- **Advisor team meets with client to present proposed plan and address client questions and concerns**
- **Advisor team meets again and agrees on refinements**
- **Refine plan and prepare the final draft for the next client meeting**
- **Meet with client again and present the final draft**

# Effective Follow Up



- **Circulating Reports and Information**
- **Making sure printed reports are printed and bound as needed for client meetings**
- **Coordinating teleconference calls and client meetings**
- **Keeping track of commitments made by each team member with respect to getting work done on time**
- **Give every team member an opportunity to be heard**
- **Build Consensus**
- **Get Clarity after every meeting of exactly what everyone has agreed to do and when it will be done**

# The Different Advisor Styles

Although all advisors relate to some elements of each style, each is predisposed to one style.

## Sales

## Advice

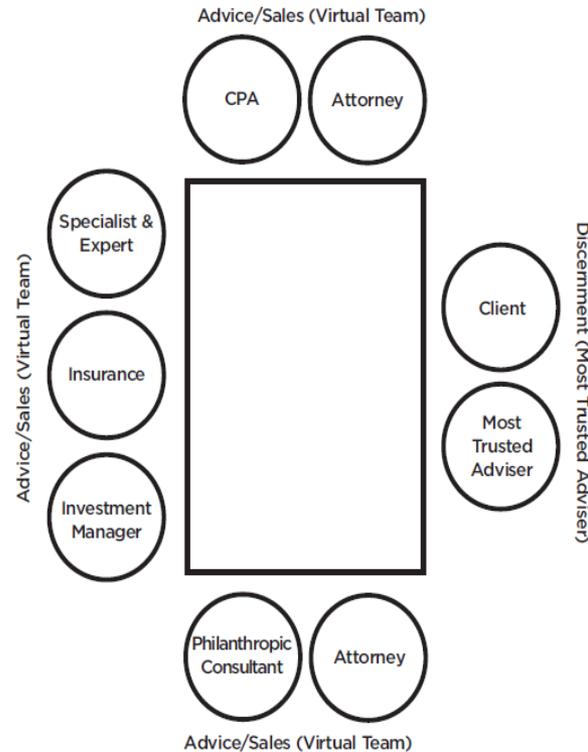
## Discernment

### Style Attributes

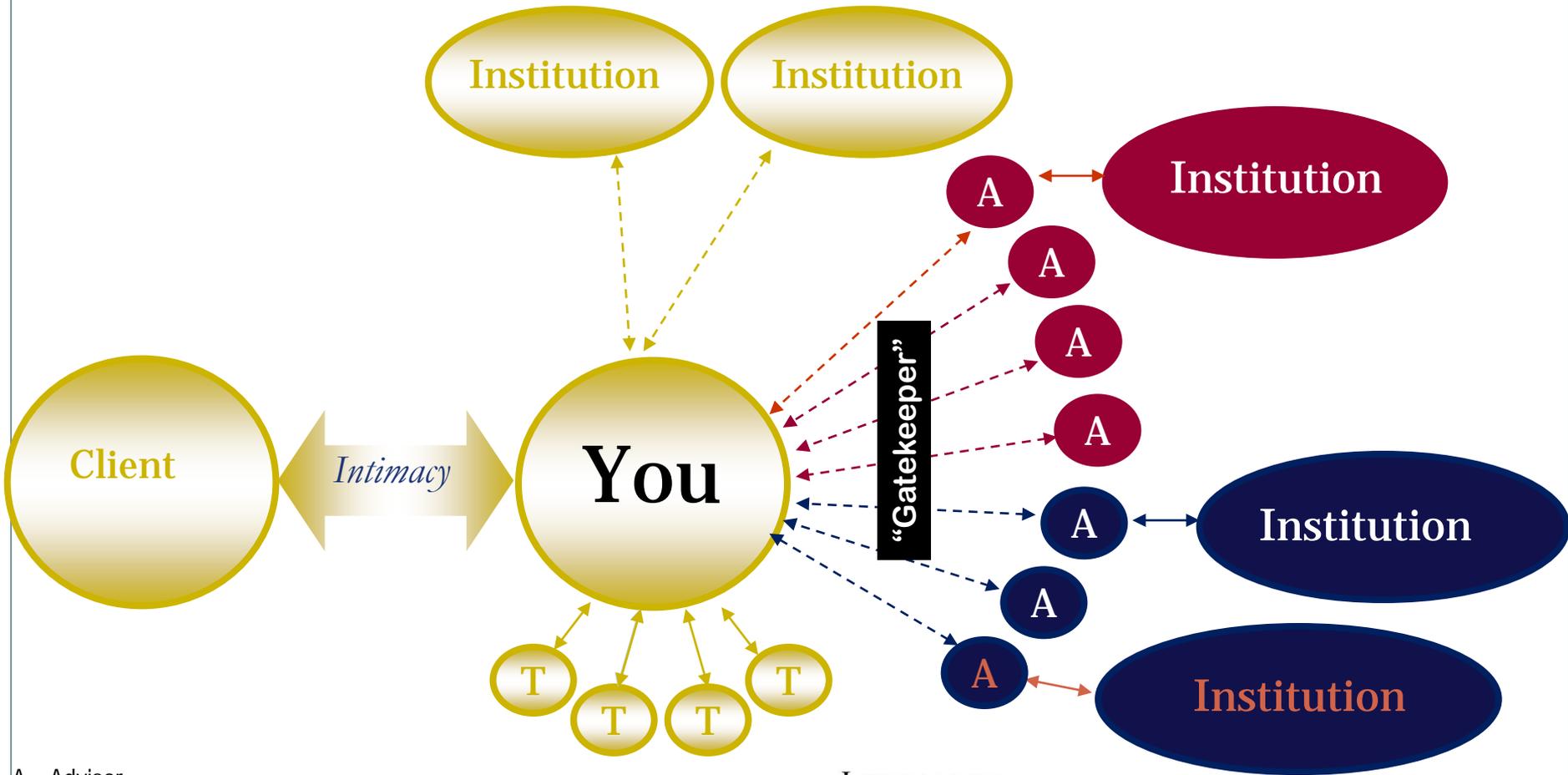
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2	<input type="checkbox"/> Commodity	<input type="checkbox"/> Service	<input type="checkbox"/> Unique Experience
3	<input type="checkbox"/> Self-Oriented	<input type="checkbox"/> Credibility/Reliability	<input type="checkbox"/> Intimacy
4	<input type="checkbox"/> Salesmen	<input type="checkbox"/> Technician	<input type="checkbox"/> Generalist
5	<input type="checkbox"/> Task	<input type="checkbox"/> Planning	<input type="checkbox"/> Management
6	<input type="checkbox"/> Team Evasion	<input type="checkbox"/> Team Participation	<input type="checkbox"/> Team Leadership
7	<input type="checkbox"/> Guarded	<input type="checkbox"/> Trusted	<input type="checkbox"/> Most Trusted
8	<input type="checkbox"/> Income Earner	<input type="checkbox"/> Business Manager	<input type="checkbox"/> Business Owner
9	<input type="checkbox"/> Solicitous	<input type="checkbox"/> Consultative	<input type="checkbox"/> Reflective
10	<input type="checkbox"/> Fatal Alternative	<input type="checkbox"/> Options	<input type="checkbox"/> Single Best Solution
11	<input type="checkbox"/> Sales Proposition	<input type="checkbox"/> Planning Proposition	<input type="checkbox"/> Value Proposition
12	<input type="checkbox"/> Transaction Oriented	<input type="checkbox"/> Fee Oriented	<input type="checkbox"/> Relationship Oriented
13	<input type="checkbox"/> Client Quantity	<input type="checkbox"/> Client Continuity	<input type="checkbox"/> Client Quality
14	<input type="checkbox"/> Fear	<input type="checkbox"/> Responsibility	<input type="checkbox"/> Inspiration
15	<input type="checkbox"/> Product	<input type="checkbox"/> Information	<input type="checkbox"/> Wisdom
16	<input type="checkbox"/> Solution Superiority	<input type="checkbox"/> Objective Process	<input type="checkbox"/> Client Intimacy
17	<input type="checkbox"/> Give Away Value	<input type="checkbox"/> Sell Advice	<input type="checkbox"/> Paid For Wisdom
18	<input type="checkbox"/> Product-Based Compensation	<input type="checkbox"/> Product-Based Fee	<input type="checkbox"/> Results Based Fee
19	<input type="checkbox"/> Happenstance	<input type="checkbox"/> Planning Process	<input type="checkbox"/> Turnkey System
20	<input type="checkbox"/> Tactical	<input type="checkbox"/> Comprehensive	<input type="checkbox"/> Strategic
21	<input type="checkbox"/> Handoff	<input type="checkbox"/> Delegation	<input type="checkbox"/> Integrated Team
22	<input type="checkbox"/> Paid Per Transaction	<input type="checkbox"/> Paid Per Plan	<input type="checkbox"/> Paid Per Relationship
23	<input type="checkbox"/> Short-Term Focus	<input type="checkbox"/> Annual Focus	<input type="checkbox"/> Lifetime Focus
24	<input type="checkbox"/> Minimize Liberty	<input type="checkbox"/> Overcome Liberty	<input type="checkbox"/> Maximize Liberty
25	<input type="checkbox"/> No Insight	<input type="checkbox"/> Advisor Insight	<input type="checkbox"/> Client Insight
26	<input type="checkbox"/> Minimize Contact	<input type="checkbox"/> Maintain Contact	<input type="checkbox"/> Maximize Contact
27	<input type="checkbox"/> Improvisational	<input type="checkbox"/> Logical	<input type="checkbox"/> Curious
28	<input type="checkbox"/> Strategies, Tactics and Tools	<input type="checkbox"/> Goals	<input type="checkbox"/> Mission and Vision

# What's Your Seat at the Table?

## The Table Diagram

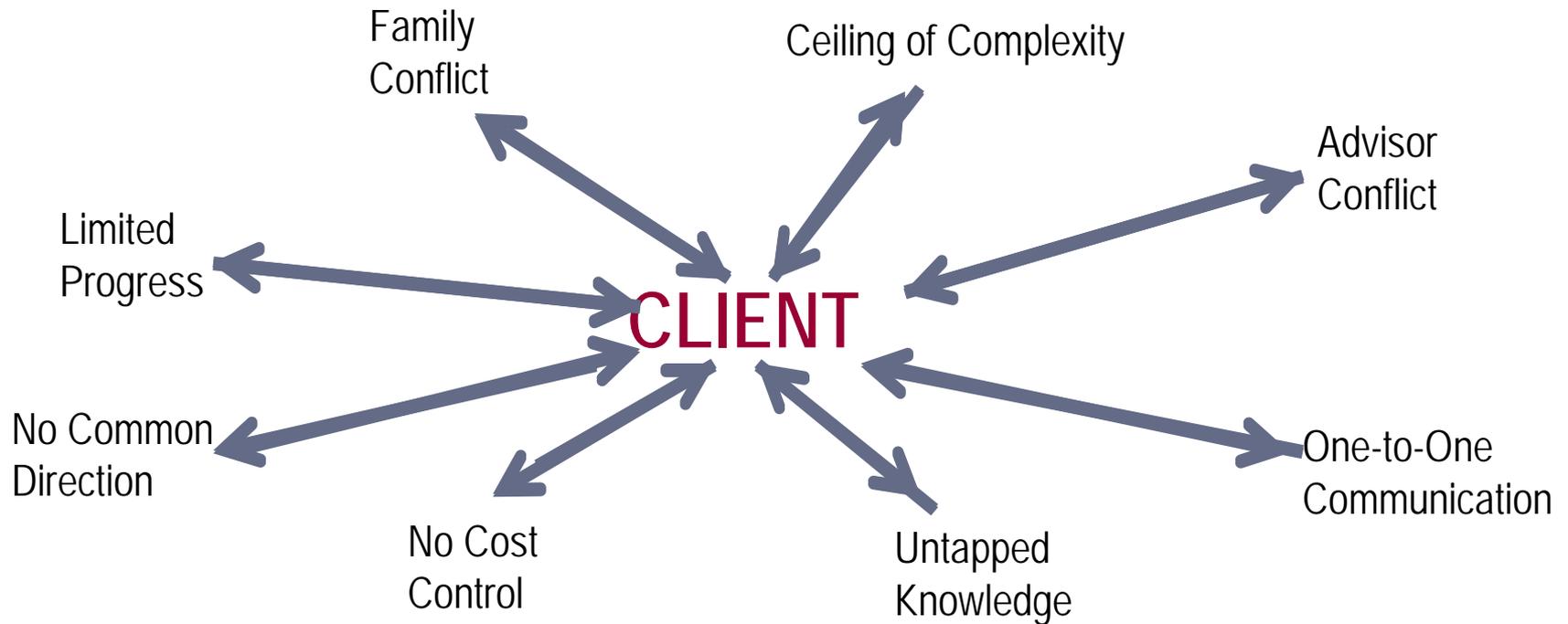


# Your Seat at the Table: Where do you sit in the minds of your clients?

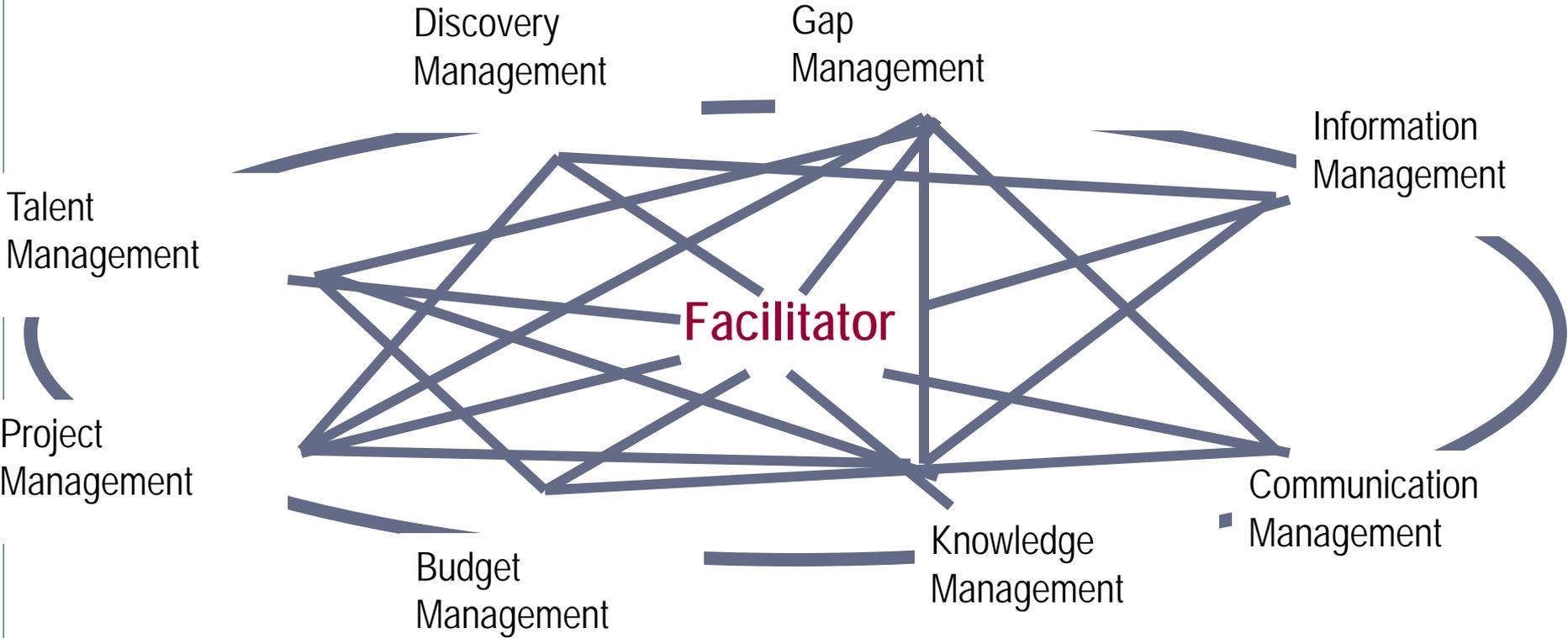


A = Advisor  
T = Advisor Team

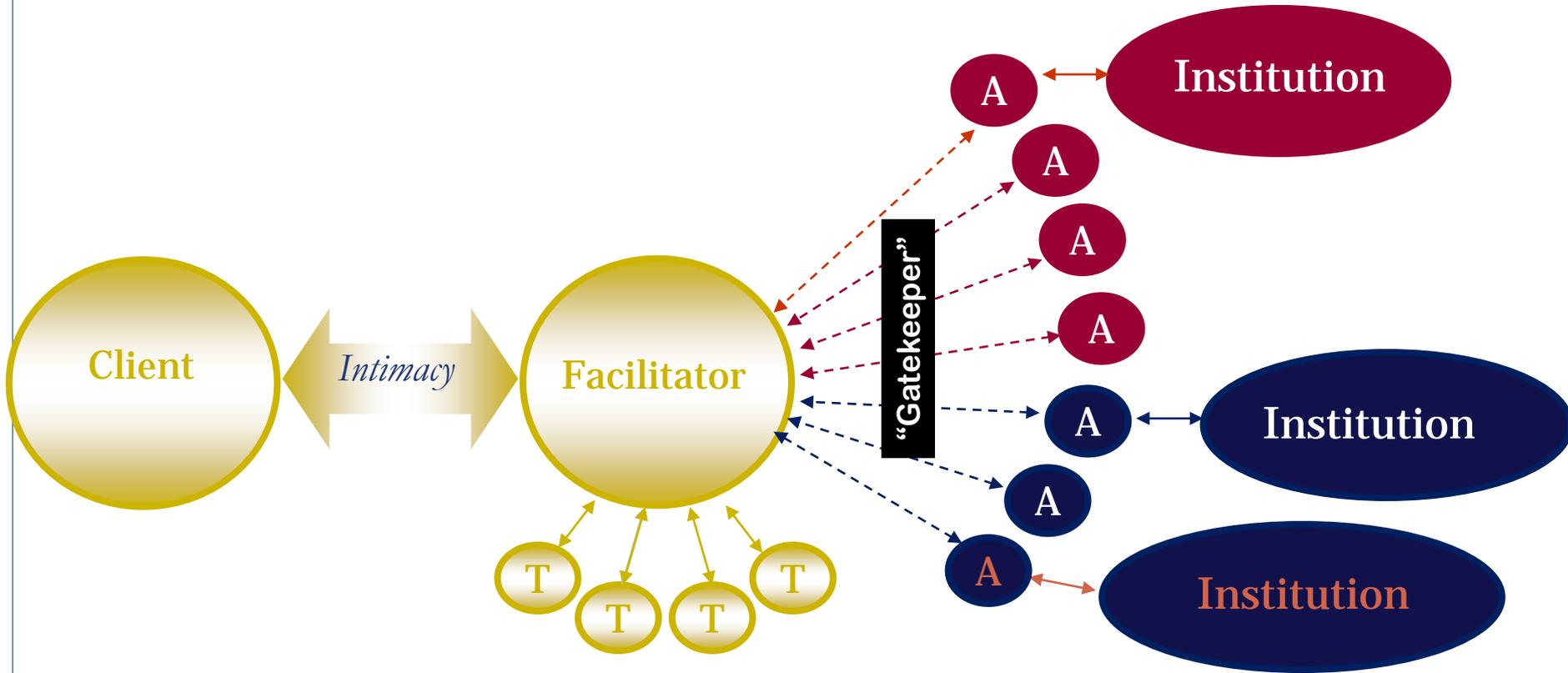
# Unmanaged Team



# Managed Team



# Effective Team Model



A = Advisor  
T = Advisor Team

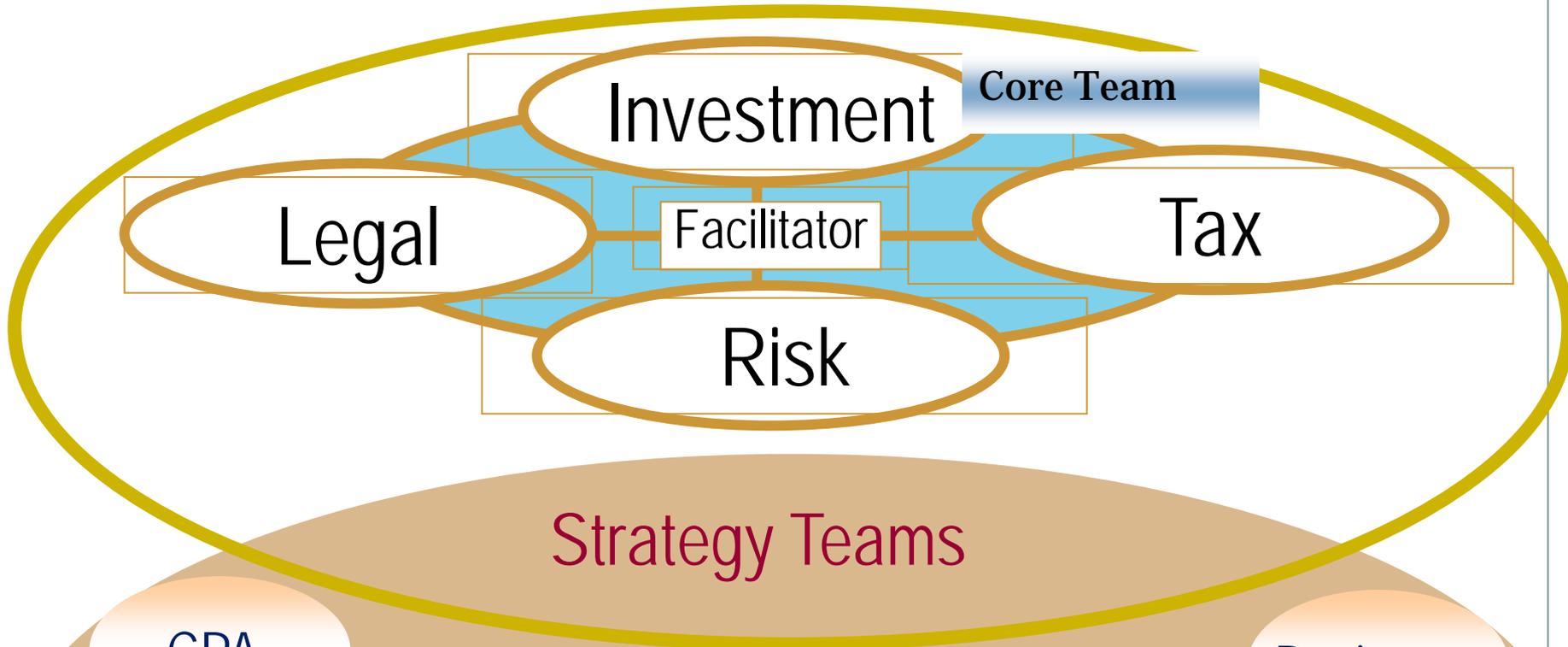


# Management



# The Virtual Planning Team

C  
O  
R  
E  
  
T  
E  
A  
M



## Strategy Teams



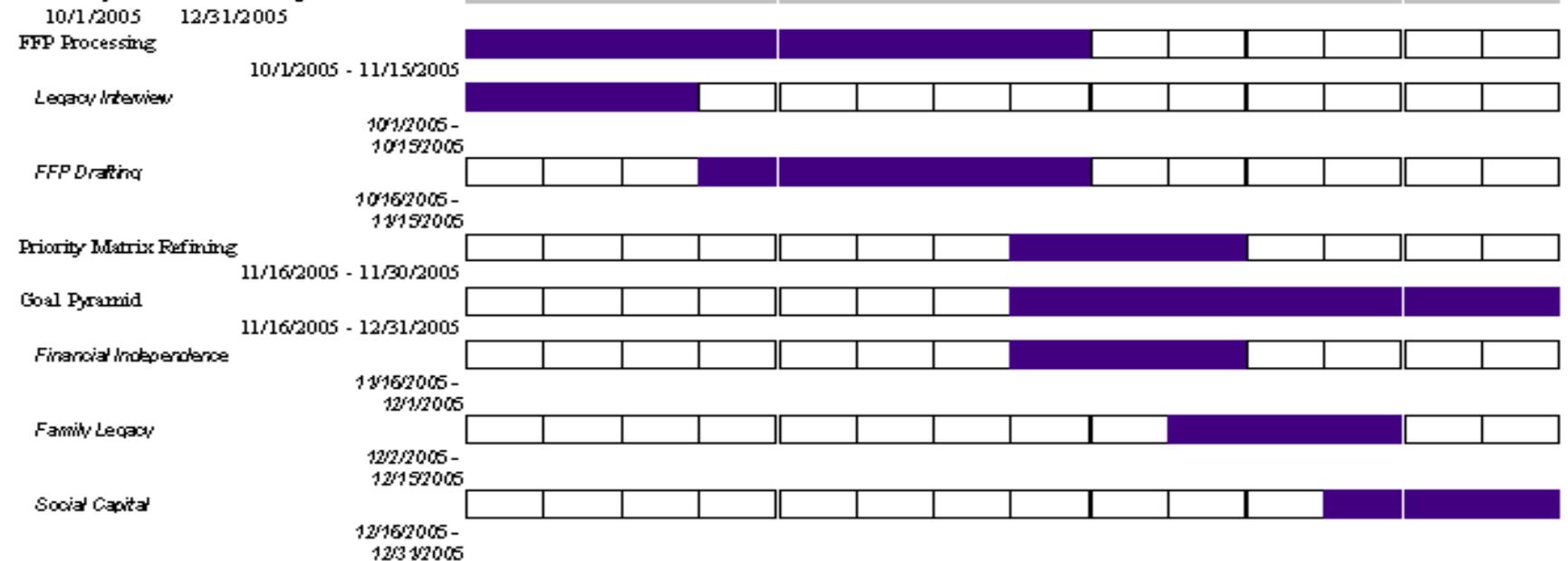
# The Client Planning Map

## PLANNING MAP FOR WILLIAM AND DEBORAH MILLER

PREPARED BY WEALTH COACH INC OF WEALTH COACH, INC.  
FRIDAY, FEBRUARY 29, 2008



### Discovery Phase Processing



# Mission – Vision – Values - Goals



## WHY



## HOW

Strategies – Tactics - Tools