

Family Dynamics & Communication

Amy Castoro, President and CEO



Agenda

1. Role of Family Dynamics in successful wealth transitions
2. How to identify potential issues
3. Useful tools to manage communication
4. How you can introduce support



We Prepare Heirs

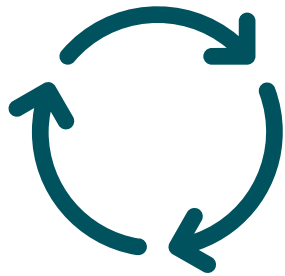
- 54 years
- Credentialed and experienced family coaching and consultancy firm
- Empower families to increase trust & navigate challenging conversations for a successful wealth transfer
- Align on family values and mission
- Create high performing family team



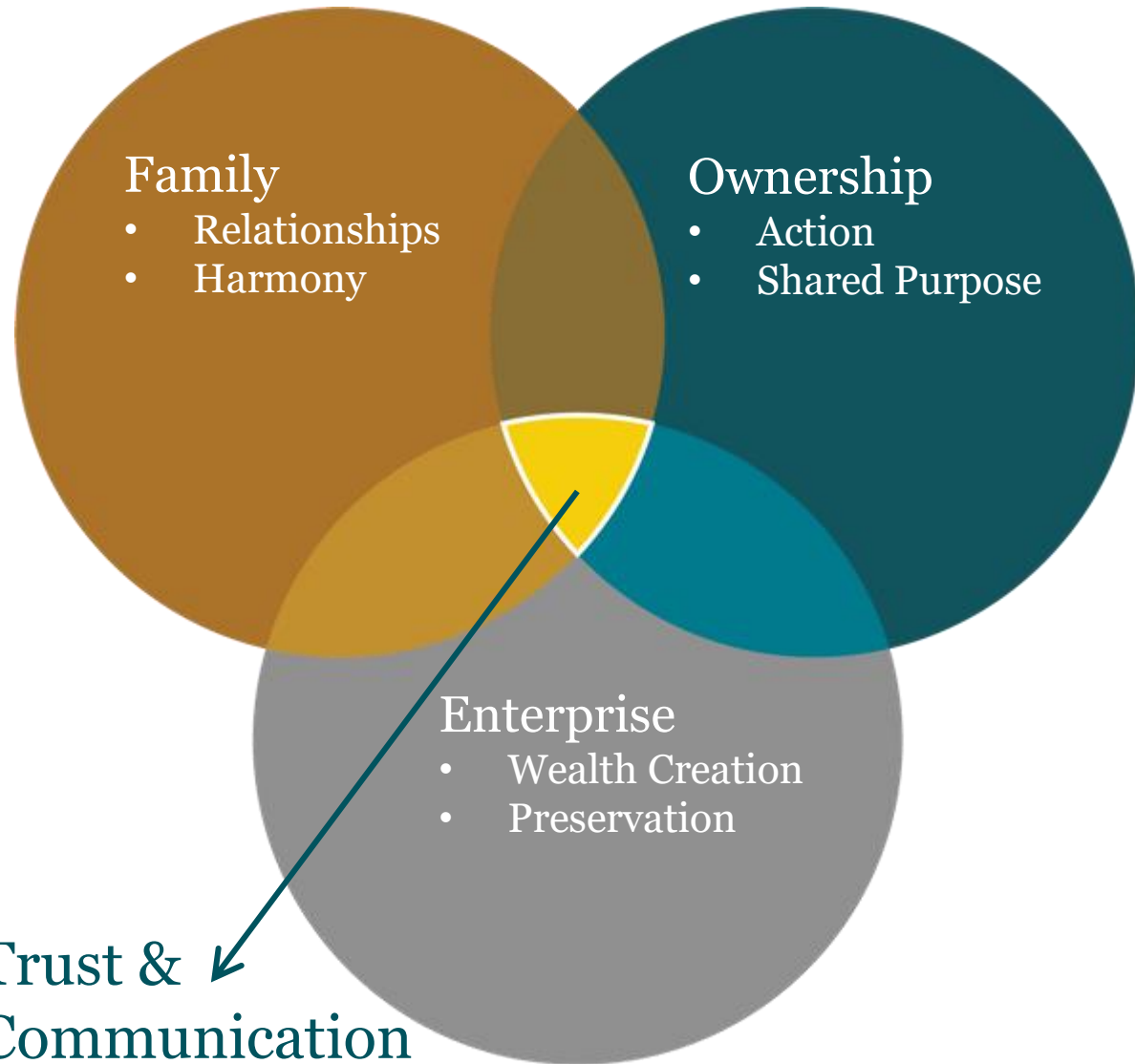
Successful Wealth Transfer

Success =

1. Assets remain in control of the family
2. Unity: Family remains unified

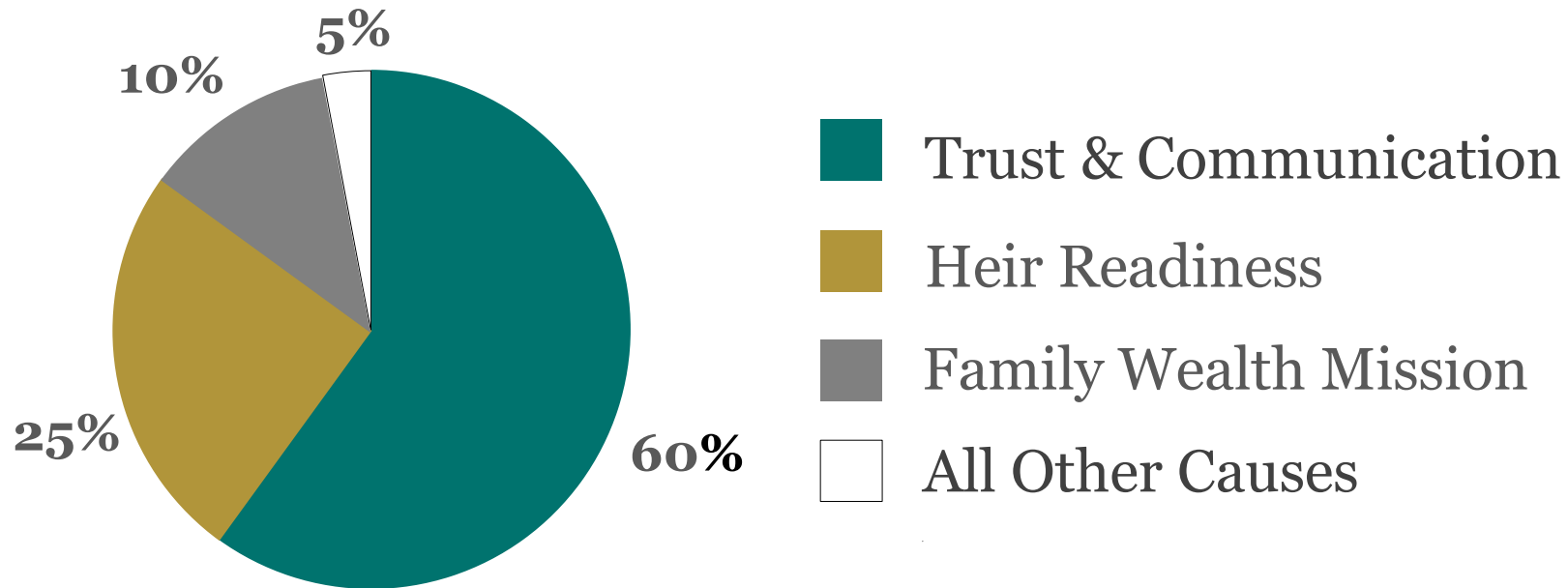


There is a fundamental lack of completeness of estate planning

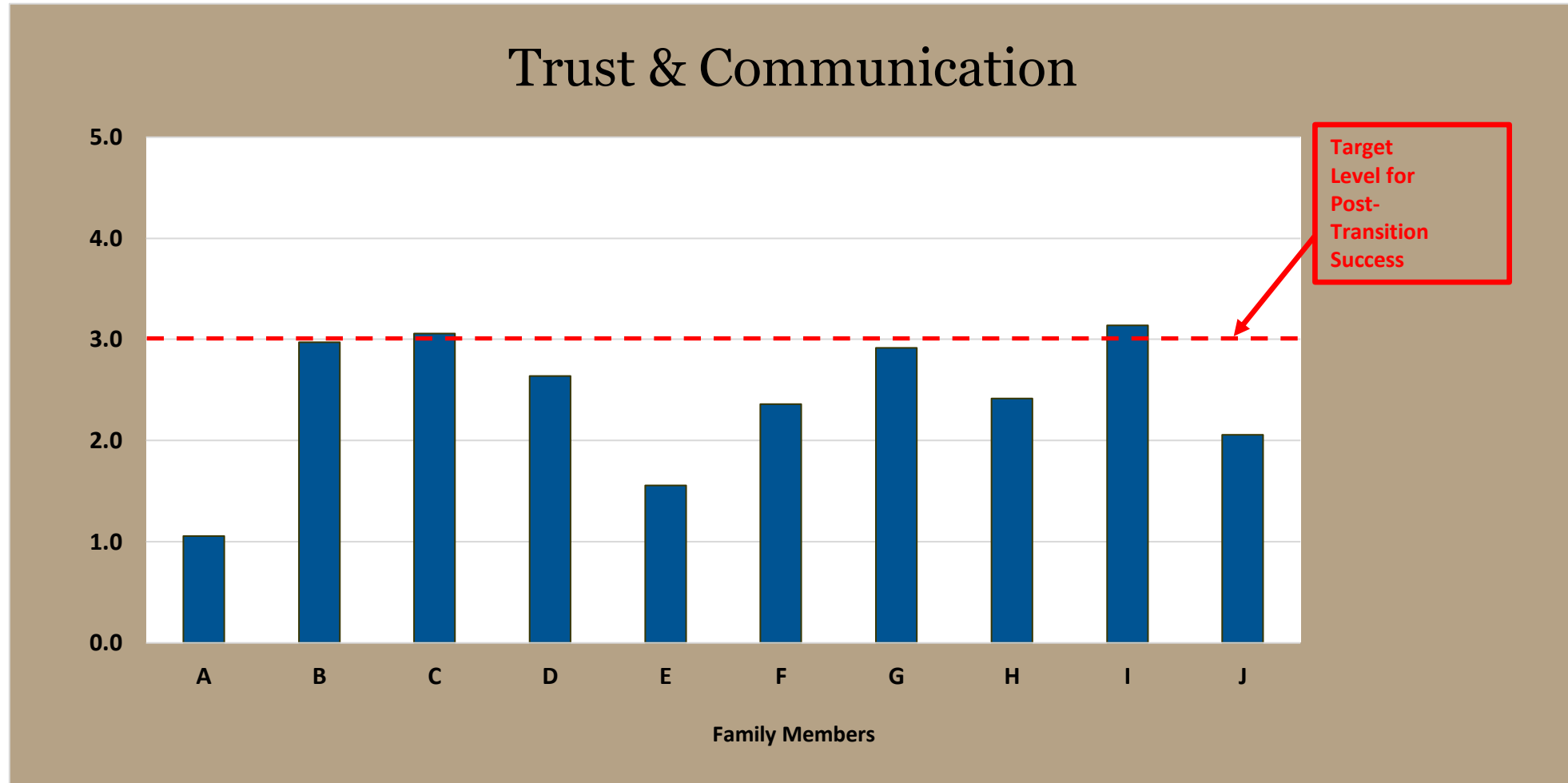


The Williams Group Research

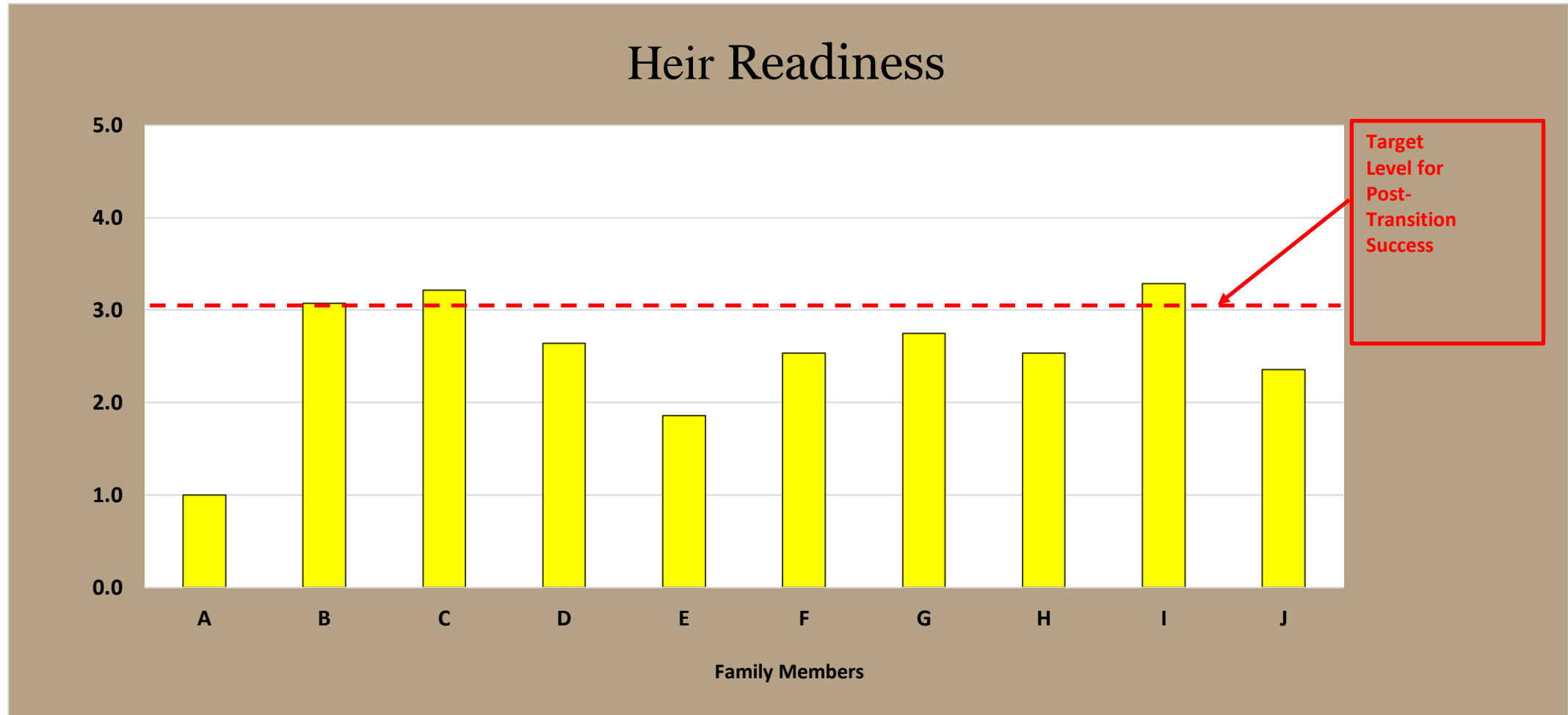
Factors of Successful Wealth Transfer



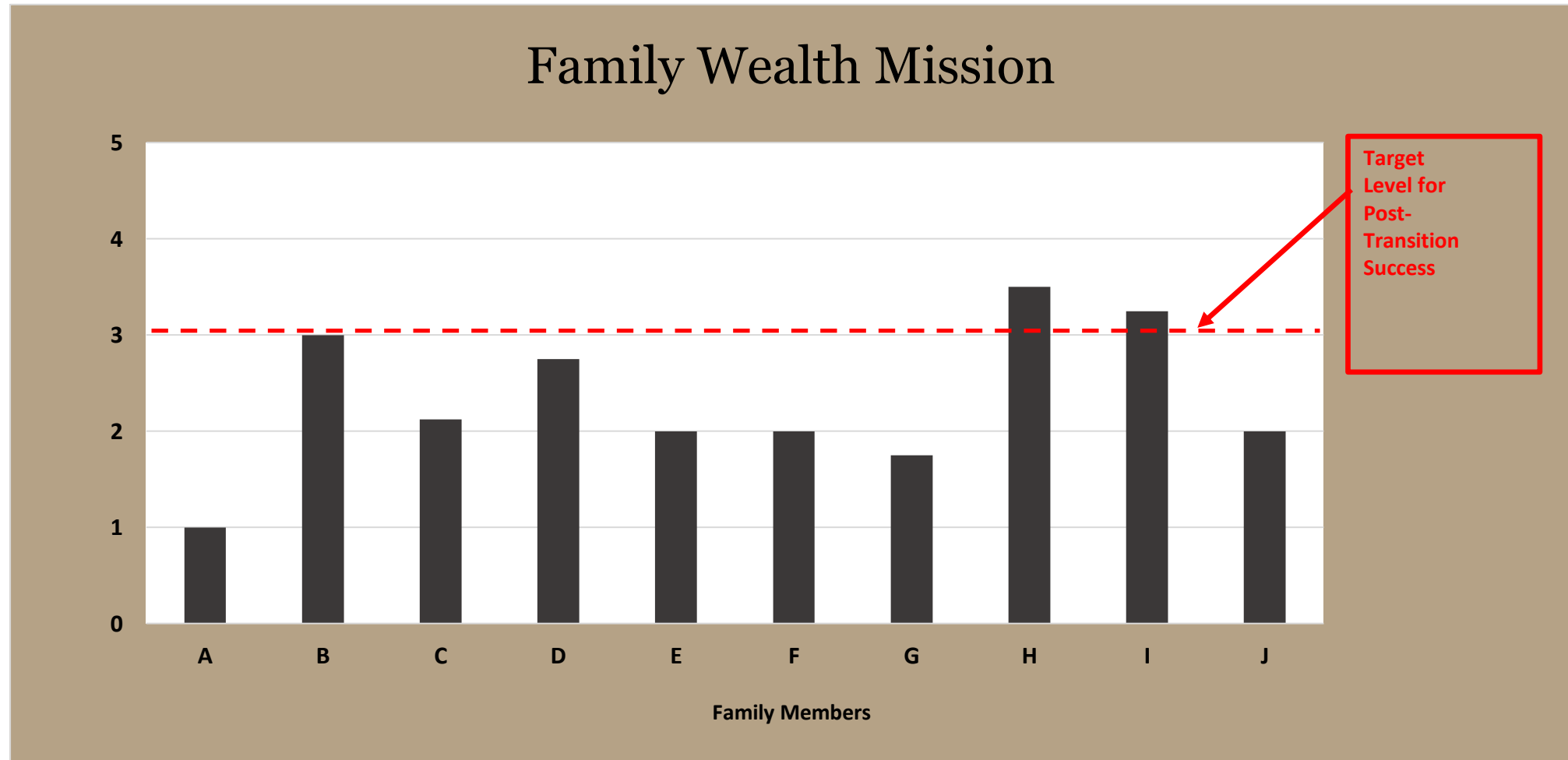
Assessment Results



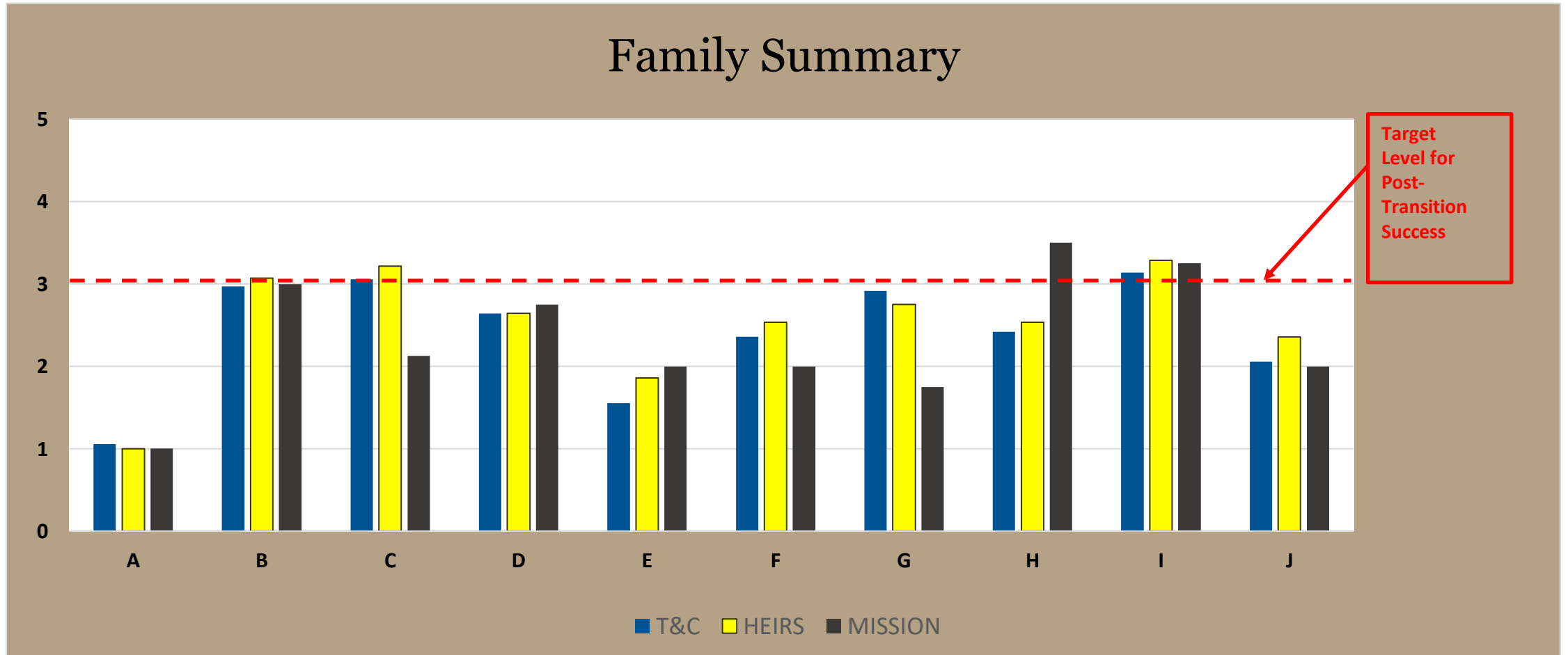
Assessment Results



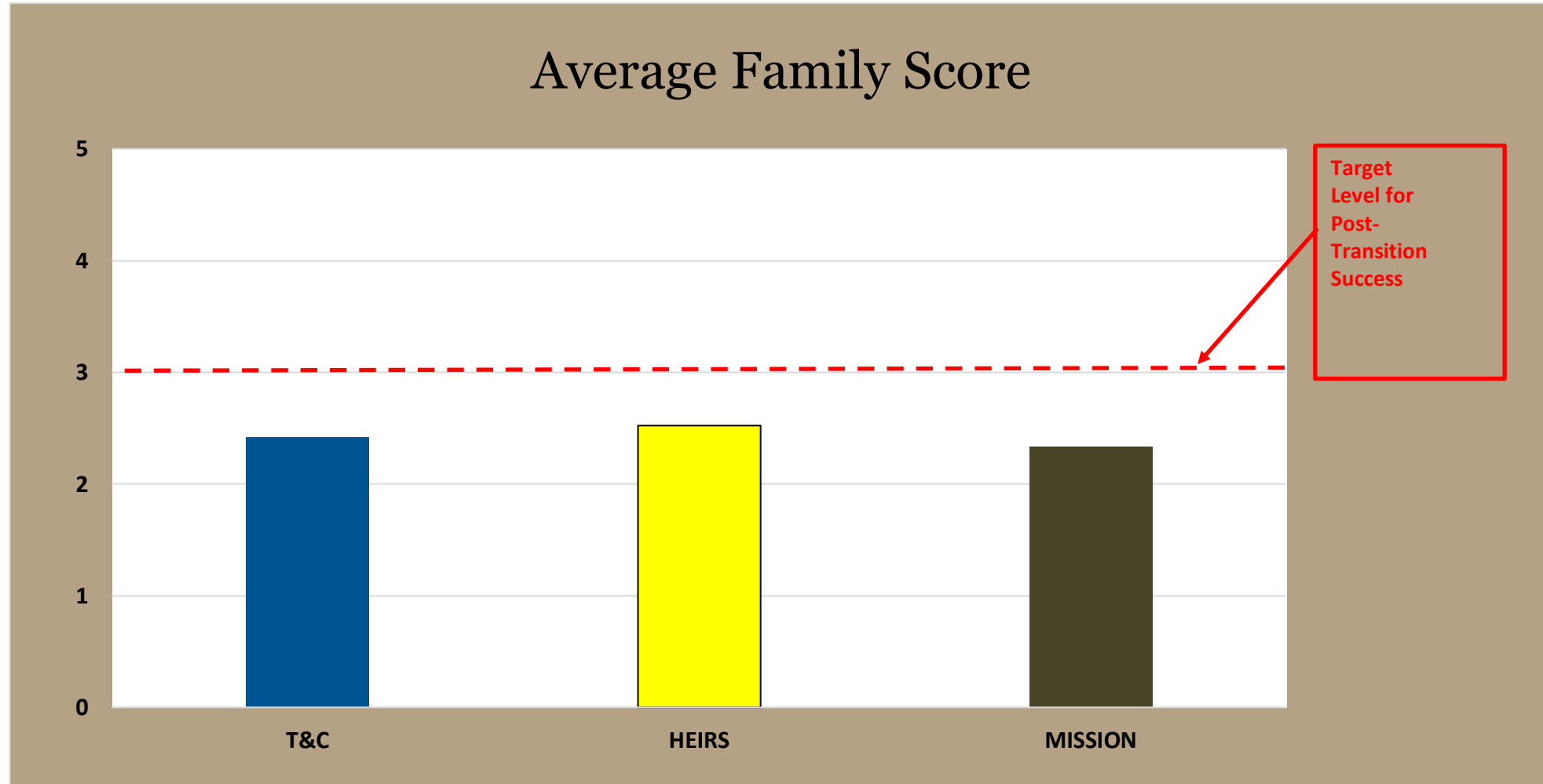
Assessment Results



Assessment Results



Assessment Results



Green Families (Low Risk)

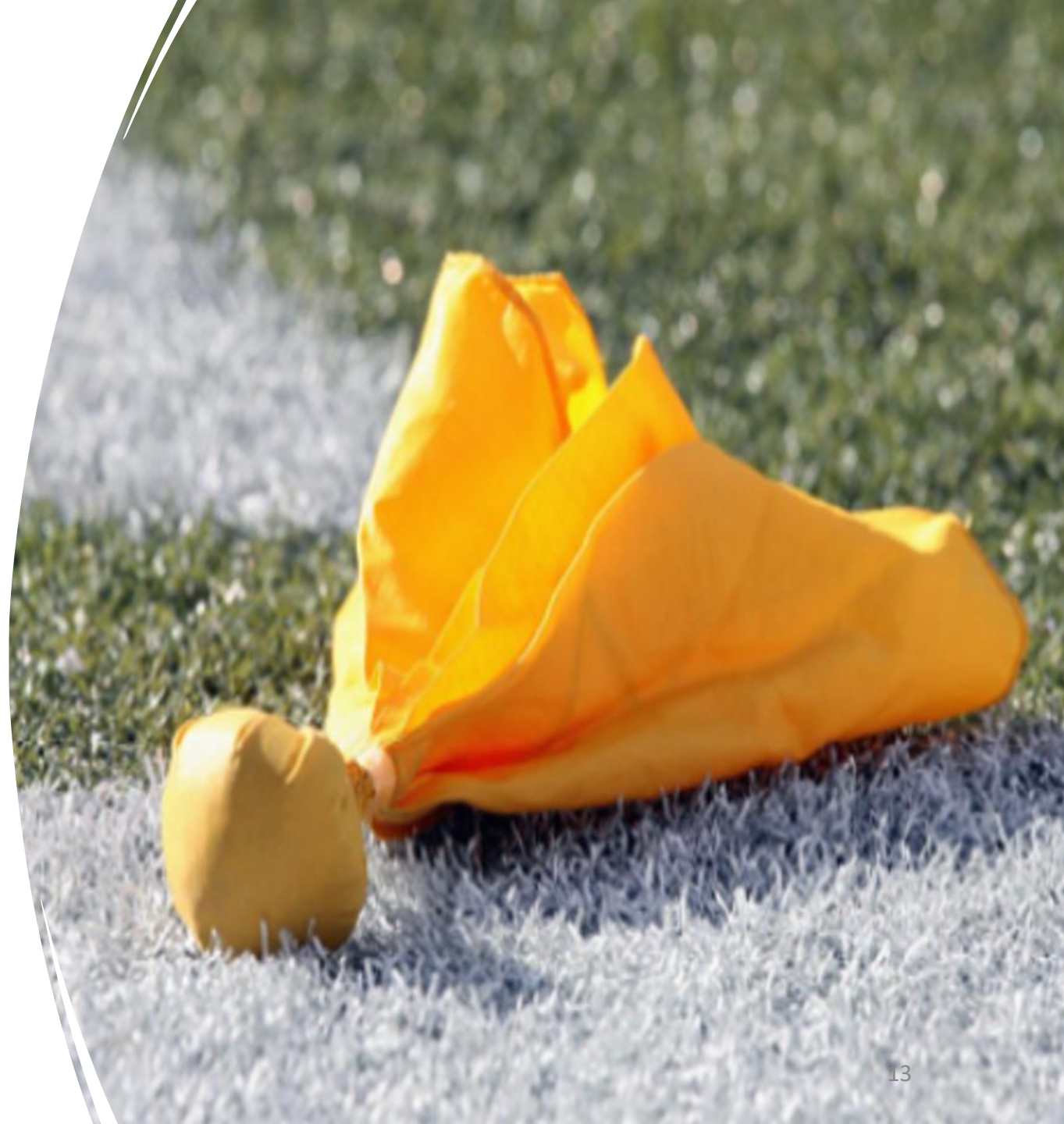
- Manageable tensions in relationships
- Family enjoys getting together
- Able to have important conversations
- Openness and honesty are predominant
- Discussions around starting a foundation or other venture to create a legacy or bolster family unity

Recommendation: Capture best practices, train on how to work through conflict, and provide coaching to take family to the next level of performance



Flag on the play....

- “My kids don’t get along.”
- “There are lots of things we don’t discuss to keep things happy around the Thanksgiving dinner table.”
- “I am estranged from one of my children.”
- “We can’t seem to make a decision and end up in perpetual planning scenarios”
- “The next generation is not able to work through disagreements productively.”
- “I am still pulling the strings to keep the peace.”
- “We avoid the difficult conversations rather than engage them for fear of making things worse.”



Yellow Families (Medium Risk)

- Advisor may be caught in the middle
- Reluctant or perfunctory participation in family meetings
- Moods or resentment
- Lack of direction
- Family members jockeying for position in the company
- Cordial hypocrisy is predominant
- Family members are entering critical life and/or business transitions
- Entitled behavior

Recommendation: Take the Family Readiness Assessment. Have a third party observe a family meeting and offer recommendations. Build communication skills for having open and honest conversations.



Red Families (High Risk)

- Family has not come together in multiple years
- Threatening litigation (could be in jest)
- Dysfunctional family business or foundation
- Wealth used as weapon to coerce family members
- Distrust is predominant
- Imminent business succession or disruptive change in the family situation

Recommendation: Conduct confidential interviews with objective third party to identify core issues. Create highly customized immediate strategy to address vital issues with expert support. Offer one on one coaching to provide direct individual support.



A Professional's Take on Estate Plans

“I have been writing estate plans and trusts for many years and have learned that I cannot write an estate plan that ‘fixes’ your kids . . .”

—Nancy Henderson, Attorney at Law
STEP LA, May 2009

Informal Teams

The family is naturally organized by hierarchy, patterns, and unspoken family values.

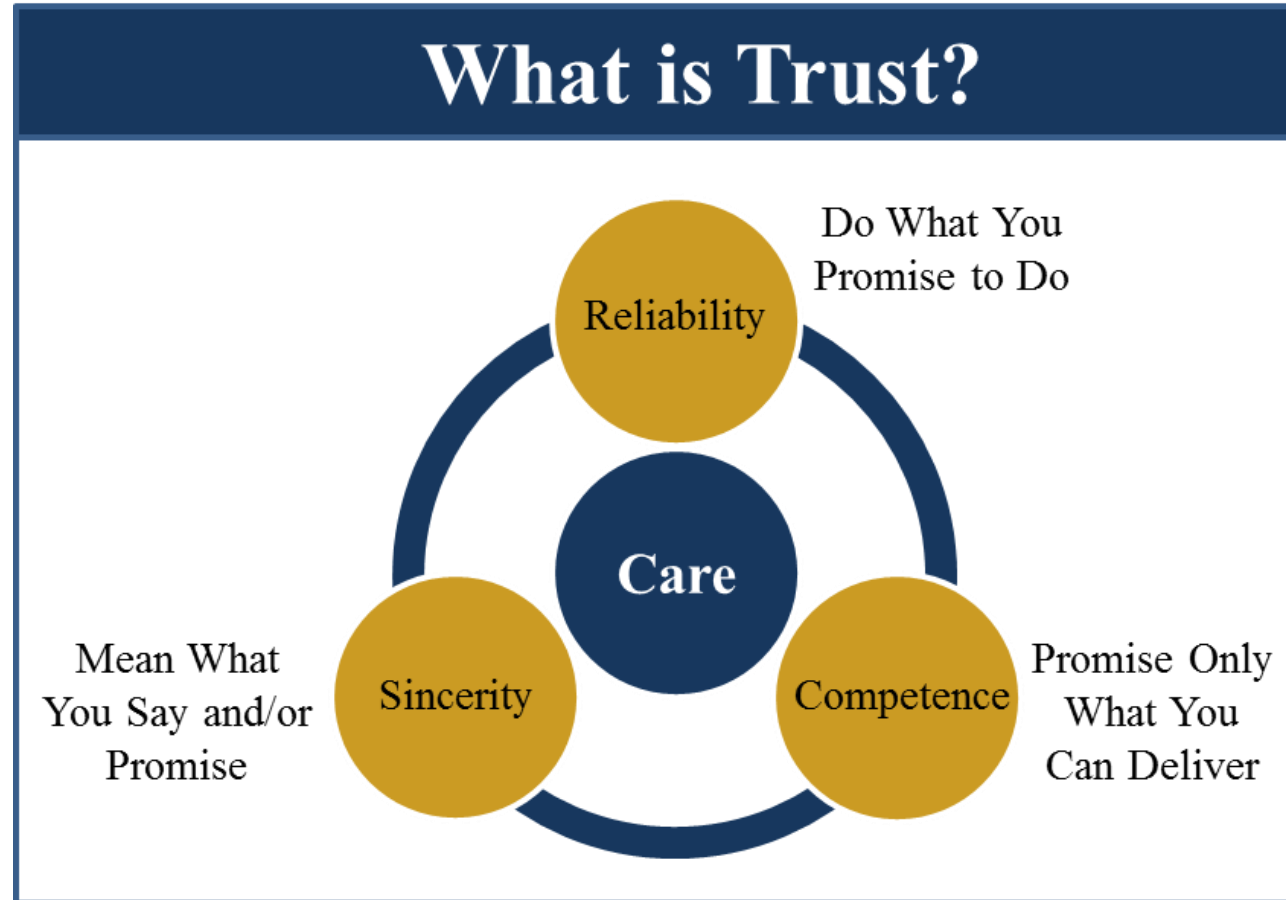


Build a Better Team

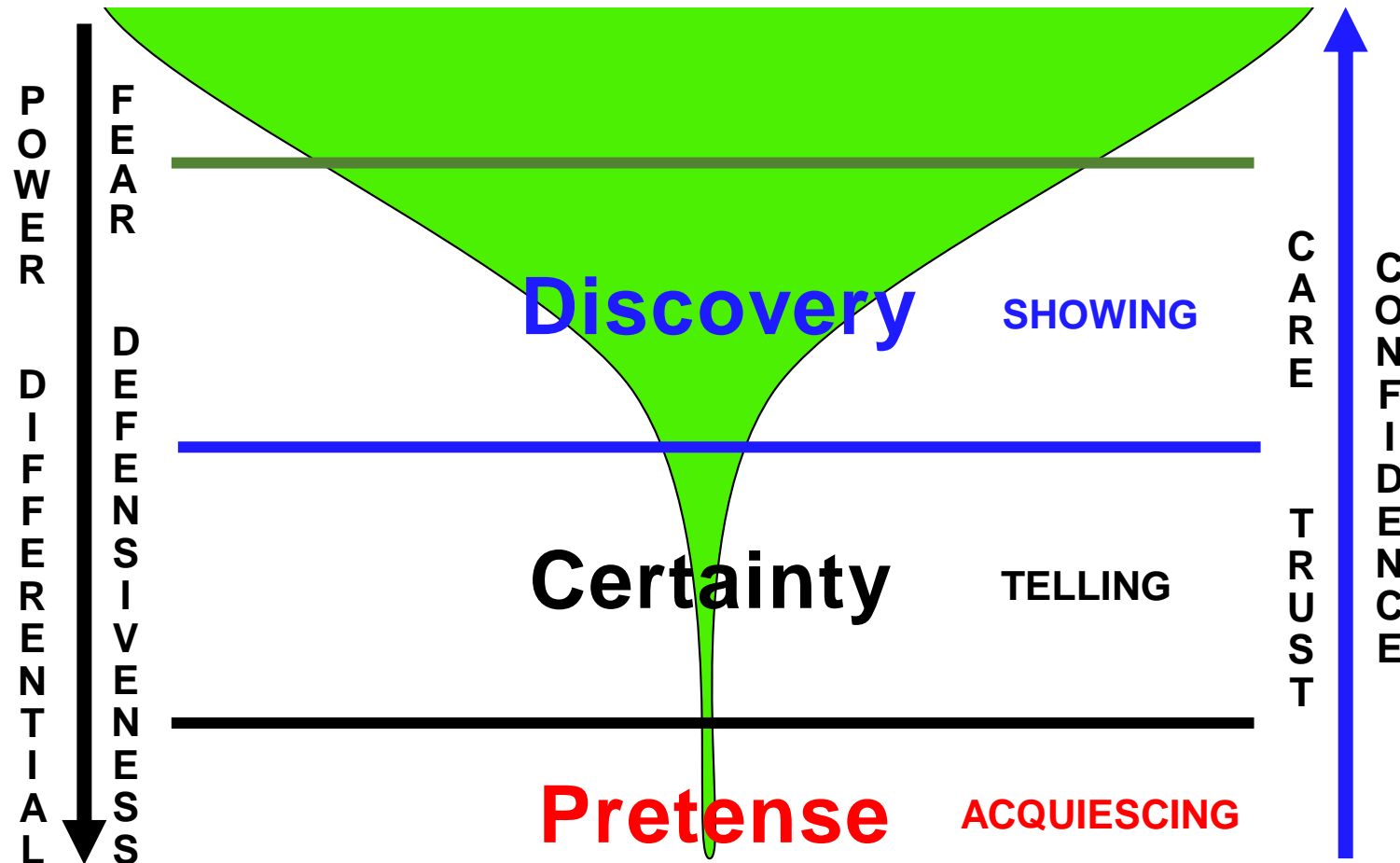
- Create a family wealth mission statement
- Identify specific roles
- Invite the voices of the next generation by asking vision questions
- What does a high functioning, well prepared team of family members look like to you?
- What steps can you see you can take now to begin building your team?



Definitions: Trust and Communications



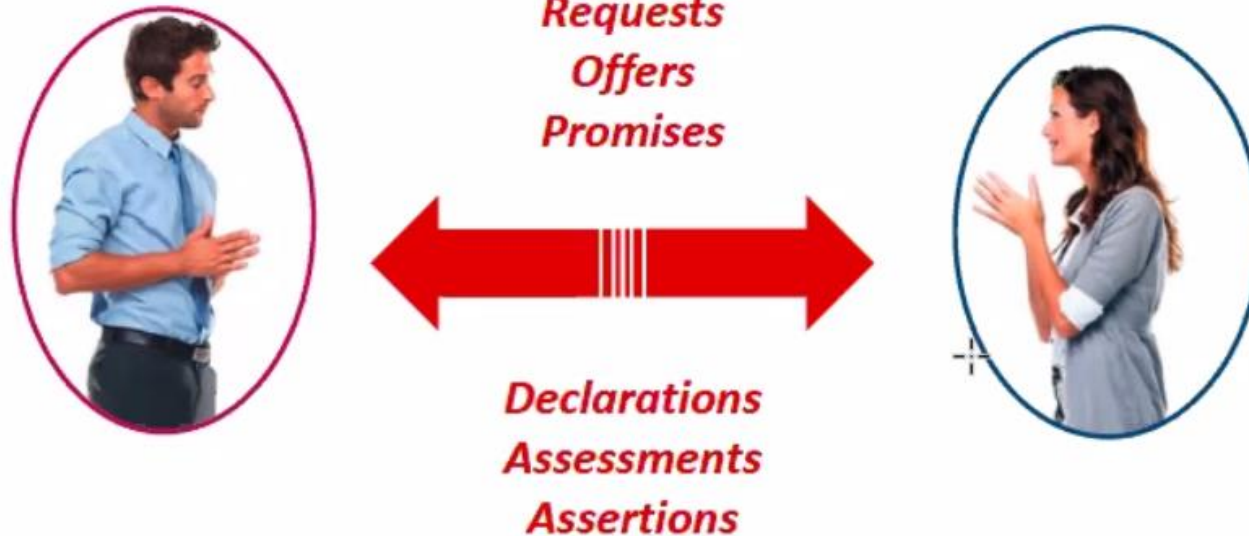
Openness & Trust – Listening & Communication



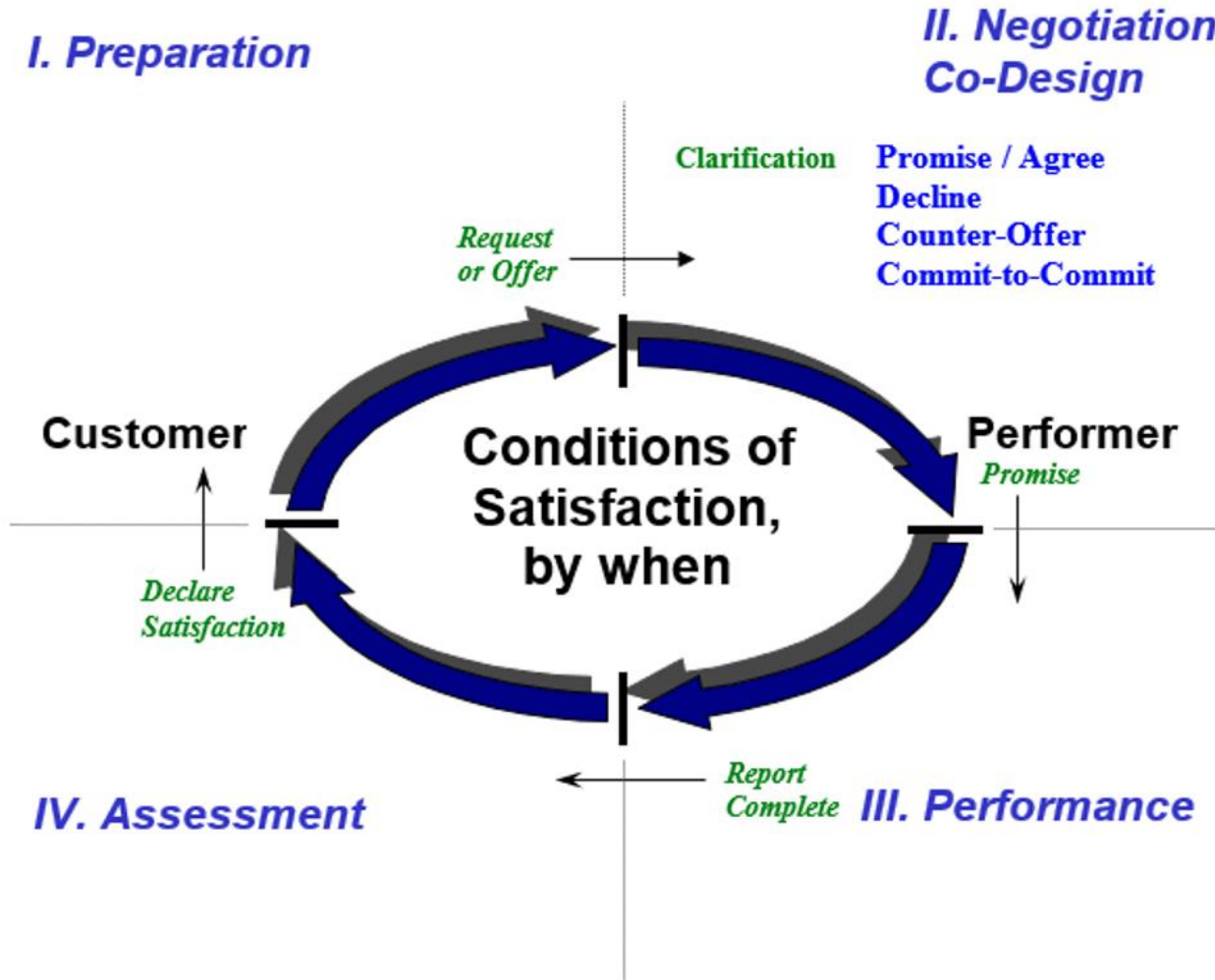
6 Speech Acts

COMMUNICATION ACTIONS: WHEN WORDS DO THINGS

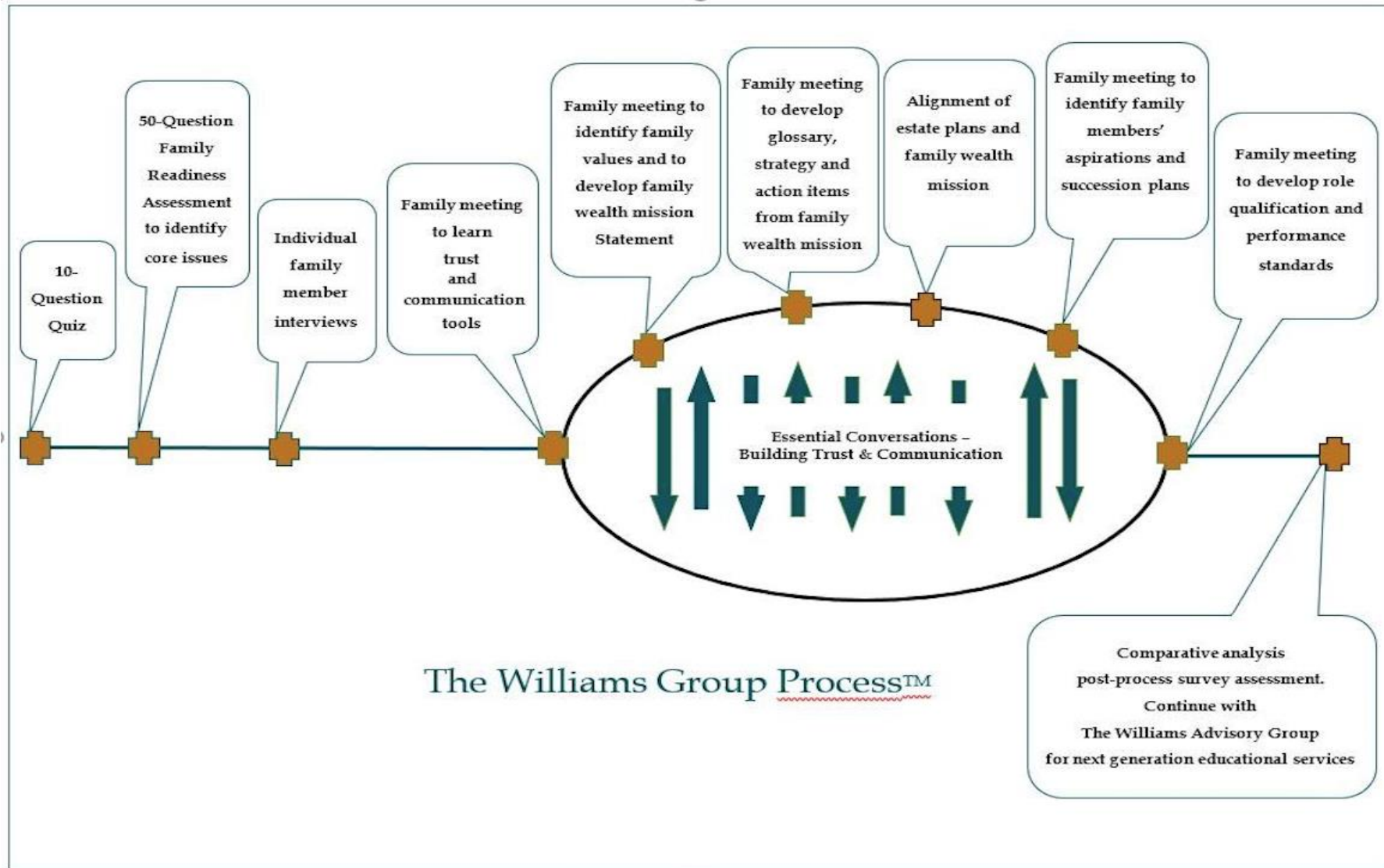
There are a small number of discrete communication actions, shared by all cultures



Action Cycle



TWG Process

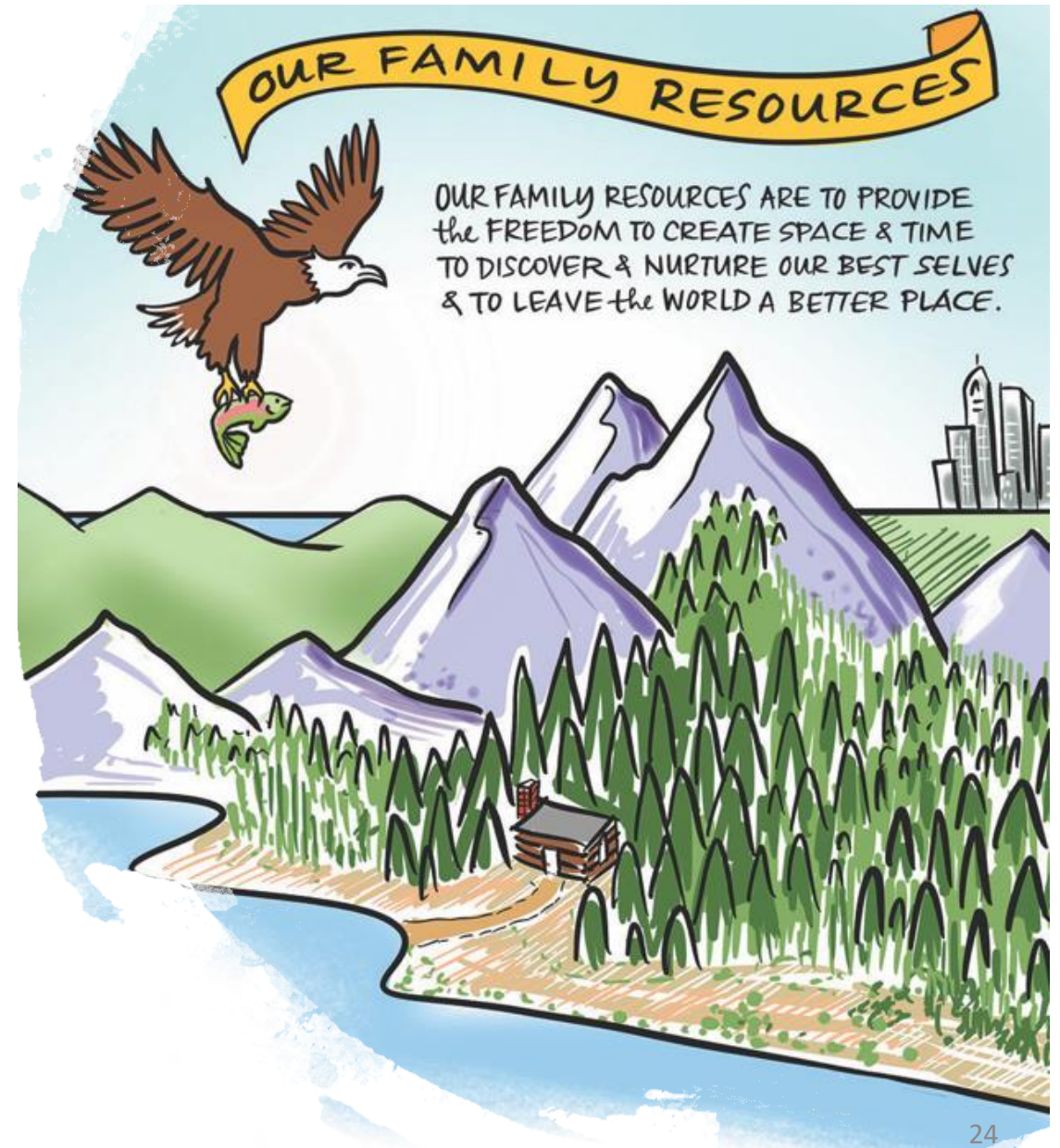


Family Wealth Mission Statements

“To use our resources to strengthen our family and to support causes in which we believe.”

“We are committed to family bonding, community outreach, and fun. We grow the family assets and provide for the family’s education, growth and security.”

“To strengthen our family and use its assets wisely; to enable our family and others to realize their fullest potential; to value and encourage love, work, self- sufficiency, and cooperation within the family and in the larger community.”



WHAT PEOPLE SEE + WE TRY TO BE
 NOT HURTING EACH OTHER
 WE'RE A GOOD TEAM!
 WE HAVE DIFFERENT SKILLS THAT WORK TOGETHER
WE'RE ADVENTUROUS
 CLIMBING
 SKI
 TRY NEW FOODS
 HIKE
 NEW PLACES
 SWIM
 NEW CULTURES + PEOPLE
 PUREST MOTIVATION
 CONSIDERATE BEYOND BELIEF

BEING A CAHILL
 WORK TOGETHER
 HELP EACH OTHER
 KIND
 GENEROUS
 PATIENT
 EMPATHY
 MAKES GOOD FOOD
 WANTS THE KIDS TO BE THEMSELVES
 WE LOVE MOM + MATTHEW
 CURIOUS
 GOOD IDEAS OF STUFF TO DO
 LISTENERS
 GENUINE
 THIS IS ME
 INQUISITIVE

ROSIE
 INSIGHTFUL
 CONSIDERATE
 PERSEPTIVE
 HUGE HEART FOR HELPING ALL CREATURES
 UNDERSTANDING OTHER PEOPLES FEELINGS
 INQUISITIVE
 DO I NEED TO KNOW THIS?
 OBSERVANT - USING HEART + BRAIN
 IF I ENJOY THIS... OTHERS WILL TOO + I CAN MAKE THEM FEEL BETTER
 SPREADING HAPPINESS
 TEACHING

LEARNERS
 Y=MX+B
 WE'RE GOOD AT MATH
 WE'RE CREATIVE
 WE'RE PROBLEM SOLVERS!
 KNOW A LOT ABOUT TURTLES!

EXPLORES
 FINN
 BUILDING SKILLS
 ENGINEERING
 PATIENT
 GOOD SENSE OF DIRECTION
 COMPETITIVE - TO BE THE BEST YOU CAN BE
 MAP MAKING SKILLS
 GOOD AT PROCESSING + APPLYING INFO

OUR GIFTS TO OTHERS
 PRESENT
 WE ARE OURSELVES
 QUALITIES OF BEING
 WE CAN DONATE:
 TIME
 TALENT
 TREASURE

MIA
 EXPRESS MYSELF
 OFF THE CHARTS CREATIVITY + SELF-EXPRESSION
 DRAWING
 CELLO
 AUTHENTIC
 ADVENTUROUS
 COURAGEOUS
 BRAVE
 MATURE
 USE OUR PROBLEM-SOLVING SKILLS
OUR GIFTS CAN HELP OTHERS

WHERE IS THE GREATEST NEED?
 WE HELP BECAUSE WE CAN
 THIS YEAR WE WILL DONATE TO

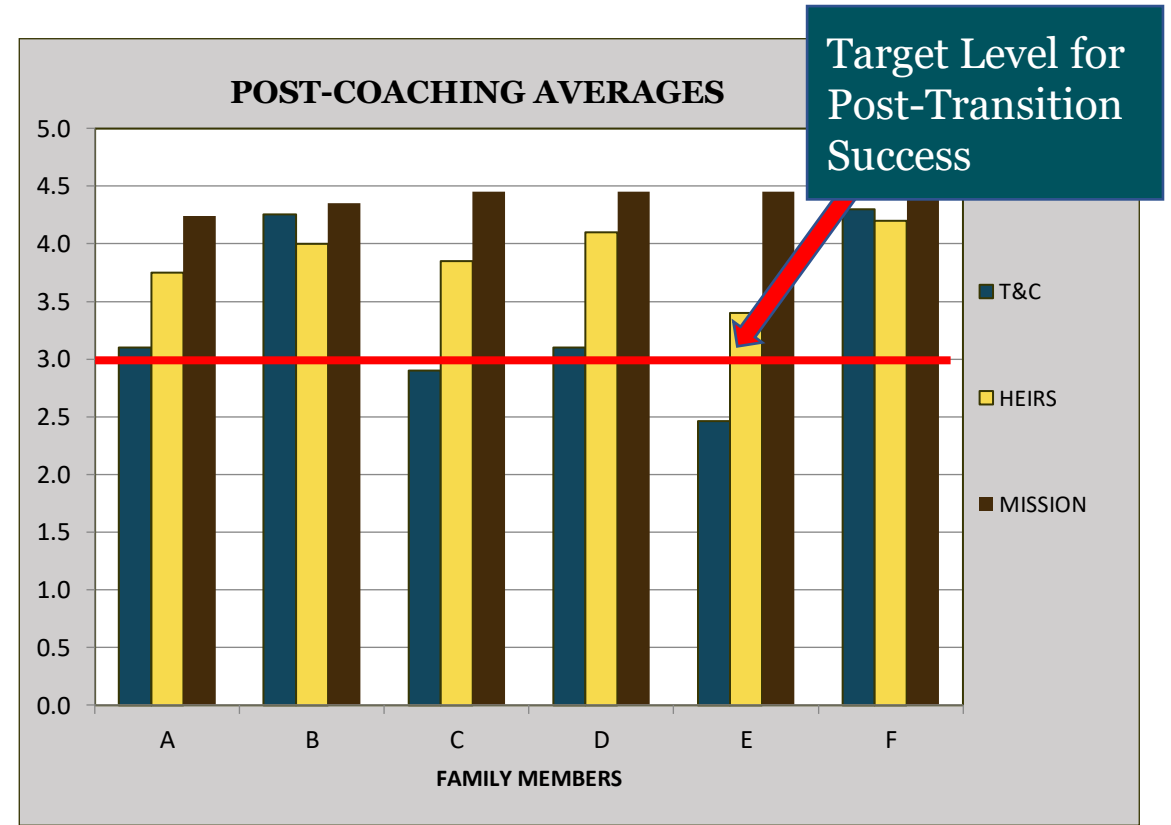
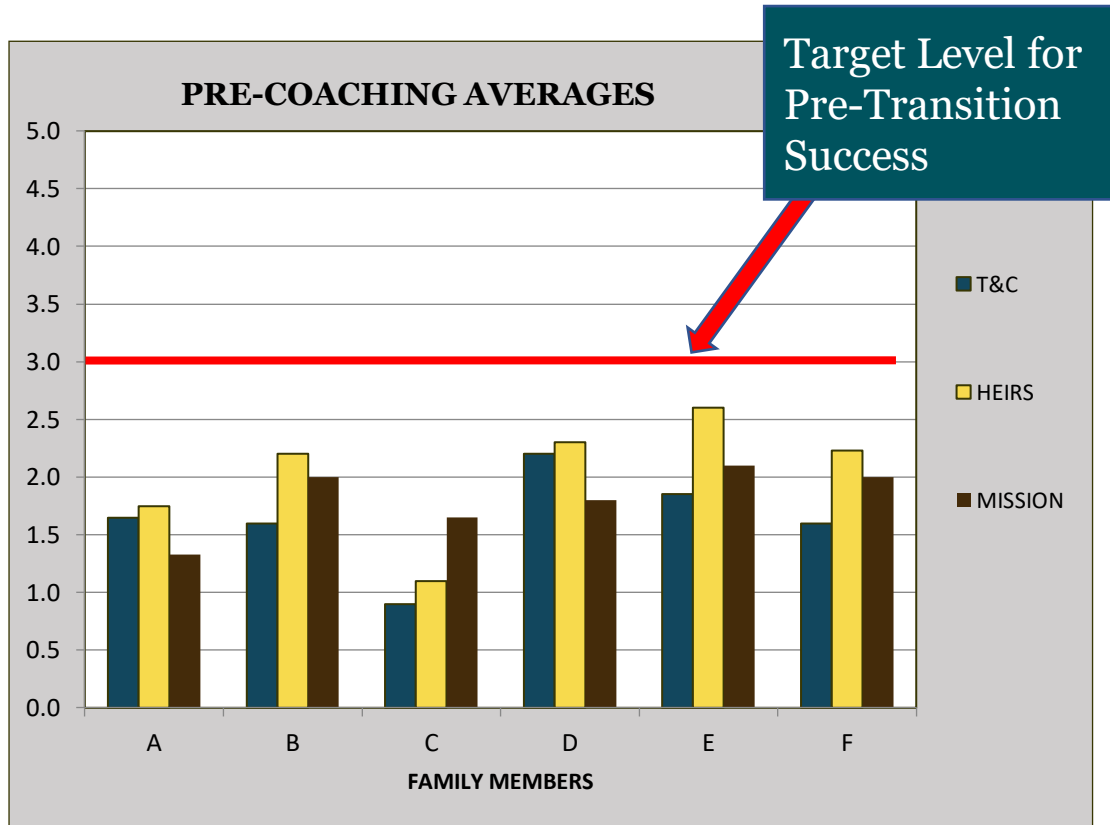


WE ARE A CREATIVE AND AUTHENTIC FAMILY WHO SPREADS HAPPINESS AS WE LEARN AND EXPLORE TO RESPECTFULLY HELP THE WORLD, OTHERS AND EACH OTHER



Pre and Post Assessments

Family-wide, 50-Question Assessment Survey



Bridging Generations: Transitioning Family Wealth and Values for a Sustainable, December 15, 2017 by Amy A. Castoro and Roy O. Williams

Transitions Occur More Smoothly When...

1. Heirs are better prepared
2. Relationships among family members are more trust based and affable
3. Families are proactive in wealth planning and designing values

