TRANSFORMATIONAL STEWARDSHIP

TransformationalStewardship.org

THE POWER OF THE FIVE PHASES OF FAMILY WEALTH COUNSELING

People often ask us, "What makes your Family Wealth Counseling process different from all the other estate planning that we have done up to this point?" A fair question to ask. The answer can be found by reviewing the five phases of our comprehensive planning process. It is not the phases themselves that are so different from traditional planning, but what we do in each of these phases is radically different and it is these differences that produce such life transformational results for our client families.

Level 1: Master Stewardship Plan Development

Phase I – The Counseling Phase

You need go no further than this first phase to notice what sets our process apart from a traditional estate planning approach. In this phase we go on a day and a half Discovery Retreat with our clients to talk. We call it a Discovery Retreat because it is a time of meaningful discovery in several ways. Often each spouse learns some things about themselves that they did not know. The also often discover several things about each other they did not know. They both discover a number of significant planning opportunities they did not even know existed. And equally important, we discover a tremendous amount about them personally, their family and them as a couple. As one client said to us after a retreat, "Well, I guess you guys now know more about us than anyone else on this planet."

What makes the Discovery Retreat so effective is our 70 question Life on Purpose Questionnaire that each client fills out in preparation for the retreat. In the retreat we go over their answers. Many of these questions require much thought and prayer to answer fully. They are the questions that no one else is asking them. They are the questions they are not even asking themselves. But they are the questions that if not answered will almost certainly lead to a failed attempt to implement a comprehensive, integrated master life plan.

Once the Retreat is completed, we assist our clients in drafting what we call a **Family Wealth Letter of Intent** – which is, in essence, what they have come to believe that God wants them to do with who they are and what they have. It is the most powerful document that is drafted in the whole planning process because it becomes the bulls-eye of the target for all the planning that is to come. It is, in fact, the destination where this couple wants to ultimately end up when all their planning has been implemented.

Phase II – The Analysis Phase

This phase is much more traditional in what we do. But the depth in which we do it is very seldom done in a traditional planning process. In this phase we will meticulously analyze all of our client's legal documents, business entities and financial information. For clients of substantial wealth this can indeed be a daunting task that can take a considerable amount of time in order to get a clear understanding of exactly what they have and how all of it is structured and where all their income is coming from.

This analysis often requires multiple conversations with the clients, their accountant, their money managers and their attorney. Once we have what we consider to be a clear, current picture of their legal and financial lives, we send this preliminary report to all the advisors to confirm we have every detail of information correct. We learned a long time ago the truth of that old saying, "Junk in, junk out." If we are going to create an accurate Master Stewardship Plan for our clients we must start with information that is accurate in the most minute of details.

Once all the analysis is done, we prepare for our client a Summary Opinion Letter that carefully documents and analyzes their current situation and their current wealth distribution plan compared to their newly created Family Wealth Letter of Intent (Phase I) to determine if there is a need for additional planning and, if so, how much additional planning still needs to be done.

At the completion of this phase, we now know both the ultimate destination (Phase I – Family Wealth Letter of Intent) and the exact starting point (Phase II – Summary Opinion Letter). It is only at this point we are ready to start planning (Phase III) for our clients.

Phase III – The Planning Phase

Once we know where we need to end up and what we are working with, we are now in a position to begin our work as architects to begin drawing their master plan blueprints. The clarity of goals and objectives enables us to combine any number of creative planning tools into specific planning strategies and take these multiple planning strategies and integrate them into an overall Master Stewardship Plan.

Once we develop a rough draft of a plan we send it to all the other planning team members (attorney, accountant, money manager, etc.) for their detailed review. They can offer any ideas or suggestions on how to improve or modify the plan design. Once everyone on the team is comfortable with the plan design, we present it to the clients for their review and approval.

It always amazes everyone the impressive results that are achieved through our comprehensive and integrated approach to life planning. There is nothing magic about it. The results are simply a function of incorporating all of the client's goals and all of their assets into a unified life-plan design.

Phase IV – The Implementation Phase

As the old saying goes, "The Devil is in the details." And this is where many well designed plans can fall apart. If you have ever built a house you know that there are hundreds of decisions that need to be made and a thousand details that need to be accomplished to get a house built properly. And the building of a house requires that certain things need to be done in the proper order. In other words, you don't want the dry wall hung before the electricians get the rough wiring installed. And you don't want the carpet to be laid before the painters are done.

That is why building projects need a General Contractor to coordinate and supervise the work of all the sub-contractors who will be contributing their professional skills to one or more aspects of the building project. In the Family Wealth Counseling process we serve as the General Contractors for the "building" of the Master Stewardship Plan. We do not draft legal documents. We do not do tax returns. We do not manage money, etc. But we do supervise the timing and the work of the professional "sub-contractors" who are essential to implement the Master Plan.

One of our main responsibilities as General Contractor is to hold the "sub-contractors" to an agreed upon timeline for completing their work and to ensure that the work they do meets with the standards of excellence we set for our clients. There can be no oversights, no sloppy work, no forgotten tasks. Every detail of the implementation process will be monitored and measured by the blueprints of the Master Stewardship Plan.

Level 2: Master Stewardship Plan Maintenance and Operation

No Master Stewardship Plan is every really fully implemented because it is a life plan that covers the rest of the client's life and after his death. So there is a need for on-going implementation. And of course life is very fluid and ever changing, so there is also the need to continue to monitor the plan to make sure it remains on course.

Someone has said that an airplane is off course about 90% of the time. It is in a constant state of making slight course corrections to bring it back on course. Life planning is the same way. Life is in a constant state of motion – assets go up, assets go down, assets are sold and new assets are bought, business are sold, health changes, spouses eventually die, family dynamics change, etc. We had one client recently who about 1½ years after we began working with them had their net worth triple. Needless to say, their original Master Plan needs to be revised.

Our clients also really appreciate knowing that we are in relationship with their families for the long term and we will continue to be there to assist their children to be good stewards of the family wealth even after they are gone to be with the Lord. Family Wealth Counseling is a process that is proven to work. If you want to not only do planning, but also actually implement a plan, you might want to consider our process.

ABOUT THE AUTHOR — E. G. "JAY" LINK

E. G. "Jay" Link has a unique combination of being an ordained minister with a Master Divinity degree in Biblical Theology and a professional Stewardship planning coach who for over 40 years has been working with very affluent Christian families to enable them to optimize their Kingdom impact with all that the Lord has entrusted to them to manage. After retiring from his personal practice, he then served for five years as Director of Taylor University's Stewardship Planning Ministry, which he launched for them. Most recently, Jay founded Transformational Stewardship to serve Christian ministries, colleges, and churches to better minister to their highest capacity families. He has written six books, hundreds of articles and has provided an extensive training curriculum for hundreds of professional financial and legal advisors in how to provide stewardship planning services for their clients.