Conference Highlights
Rendezvous of the Purposeful Planning Institute, held August 5-7, 2015
By Cathy Carroll, Daniel P. Felix, Michael G. Stuart, for the Chicago Trustee Collaboratory

<u>Introduction:</u>

We were pleased to participate in the 5th annual Rendezvous Conference of the Purposeful Planning Institute ("PPI"). We have collected here our impressions of the various gatherings, from keynote addresses and plenary sessions, to a few of the many breakout sessions and "open spaces" that we attended or lead. We hope you find these reports informative on their own, and also an inspiration to connect with the presenters as well as the PPI.

Specifically, you'll find here our notes on:

1. **Keynote Address: Innovation Mindset**
2. **Breakout Session: Beyond Collaboration**
3. **Open Space: Conflict Management Styles**
4. **Breakout Session: Money in Marriage**
5. **Plenary Session: Fiscal Unequals**
6. **Keynote Address: Family Culture**
7. **Breakout Session: Embracing Conflict**
8. **Breakout Session: Polarity Thinking**
9. **Breakout Session: Leading When Triggered**
10. **Open Space: Healing the Healers**
11. **Samoan Circle technique from Breakout Session: Reveal or Conceal**
12. **Breakout Session: Collaboration in Action**
13. **Breakout Session: Developing Leadership as Mentor**

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1. Developing an Innovation Mindset as a Prerequisite to Mastery
Keynote Address by Ian McDermott, PPI Dean of Innovation and Learning

The path to mastery is to be a lifelong learner. That involves trial and error, being willing to make mistakes and learn from them. Without mistakes, there is no mastery. Move outside the familiar.

Story: A first-year attorney made a mistake that cost the firm $1M. He expected to be fired as a result. Instead the senior partner said, "Fire you? Why would I do that? I just spent $1M on your education!"

We should innovate because time will innovate anyway. Further, innovation is the primary way for us to renew ourselves. Innovation will determine our future and support enlightened self-interest.

He that will not expect new remedies must expect new evils, for time if the greatest innovator.
–Sir Francis Bacon

What triggers innovation:
- Distress
- Discomfort
- Love
- A vision of what might be done
- Strong Mindedness

Innovation is the fruit of discontent. You see something out of place and ask, how can this be different? Discomfort can lead to innovation, or it can lead to avoidance, denial and procrastination.

Use discontent as a feedback loop. Ask: What are my top three discontents in this life at this time? What will I do about it? Make this questioning a usual activity.

The barriers to innovation can be personal or organizational. Remember to release the hand-break on personal barriers before engaging in organizational innovation. Analyze where you or the organization stands on the avoidance continuum and how this affects your organization.

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Innovation is a learnable skill. Seek out the appropriate mental, physical and emotional space you need for innovation. Such a strategic focus doesn't fit with being hyper-busy. Ask: What would provide that space? The busier you are, the less strategic you can be. Move the blood. Go for a walk or bike. Find the environment that works for you.

Innovation is associated with confidence. Do you dare? Get out of your comfort zone and embrace the fear.

Most innovation is hidden in plain sight and most innovation is not transformational. It's incremental. We tend to downgrade innovation as no big deal.

Oftentimes great innovators come from outside of field they innovate in, because they're not constrained, they're out of the box. The fusion of different experiences can foster innovation.

There is a paradox of awareness of historical innovation helping current innovation. PPI is a social and professional innovation. We need to be stimulated by awareness of surrounding innovation.

The mindset of expertise is quite different from the mindset of mastery. Experts lose the ability to continuously learn. Masters are on a never-ending quest for mastery which cannot be achieved. It's a mindset that allows for continuous learning and development. Mastery is the endless realization of your potential. Be willing to surrender to not knowing, to a continual process of renewing.

Mastery cannot be bestowed. Mastery is in being and doing. Ask:

What Practices supports our mastery?
What would we like to do more of?

How to innovate to mastery?

Embrace uncertainty.
Engage with feedback: do something different.
There's actually a safety in not being the "expert."

Labeling allows us to step outside of it. But we can use different labels. We don't have to call it "personal growth." Instead we can invite others to grow in "influence" or "skill."

Commitment to lifelong learning requires energy, perseverance and humility. As Gandhi said, "Be the change you want to see in the world." Innovation comes from collaboration.

William James, psychologist: "*Intelligence is having a fixed goal with variable means of achieving it.*" Too often we assemble teams of people with fixed tools and variable goals of achievement.

2. Beyond Collaboration
Breakout session led by James "Buddy" Thomas
Handout:

Beyond Collaboration - Advisory Team Coordination as a Specialty Profession

There are many Subject Matter Experts (SME) who serve family businesses. An inexhaustive list includes: attorneys, accountants, behaviorists, wealth managers, trust officers, planned giving consultants, investment advisors, healthcare advisors, family business consultants, and legacy planning professionals.

The conventional wisdom in the room agreed that when any one SME serves the family in isolation, without the benefit of input from other professionals who also serve the family, the result is often not in service to the client. Collaboration in service to the client may result in a sub-optimal outcome for the SME yet serves the client well.

The conventional wisdom in the room concluded that it's the responsibility of the client to set expectations with his/her advisors that collaboration is requested and expected. Often, fear of increased cost impedes a client's willingness to encourage collaboration. Historically, clients separate out the advisors as a check and balance instead of encouraging collaboration. However, experience shows that two hours of everybody's time at once is more efficient than two weeks of back and forths between advisors which result in hiccups and higher overall fees.

Instead of having one of the advisors "quarterback" the team on behalf of the client, Buddy suggests that a generalist play the role of "coach" (carrying forward the sports analogy). The coach is not "on the field" but is the person hired to execute the game plan for the person sitting in the owner's box. An example of someone with the skills to play this coach role is the Family Office Director (not a leadership coach, wealth coach, life coach…) The family is an integral part of the team.

Coordination protocol:

- Get client authorization
- Reach out to all advisors to keep them informed, get them on board
- Identify yourself as a facilitator
- Affirm the client's goals
- Ask the other SMEs of their concerns, ideas, advice and follow through
- Be mindful of the multi-generational aspects of planning. Who is the client and how will they (each) be affected?

A natural concern: how each SME can maintain their place at the table & still get paid?

A few people in the room referenced a professional certification program to become skilled in this manner. It's called a Heritage Design Professional (HDP). Another one is the "Family Enterprise Advisor" which comes out of Vancouver.

See: www.LEAD.ca and www.IFEA.ca to learn more.

3. Conflict Management Styles

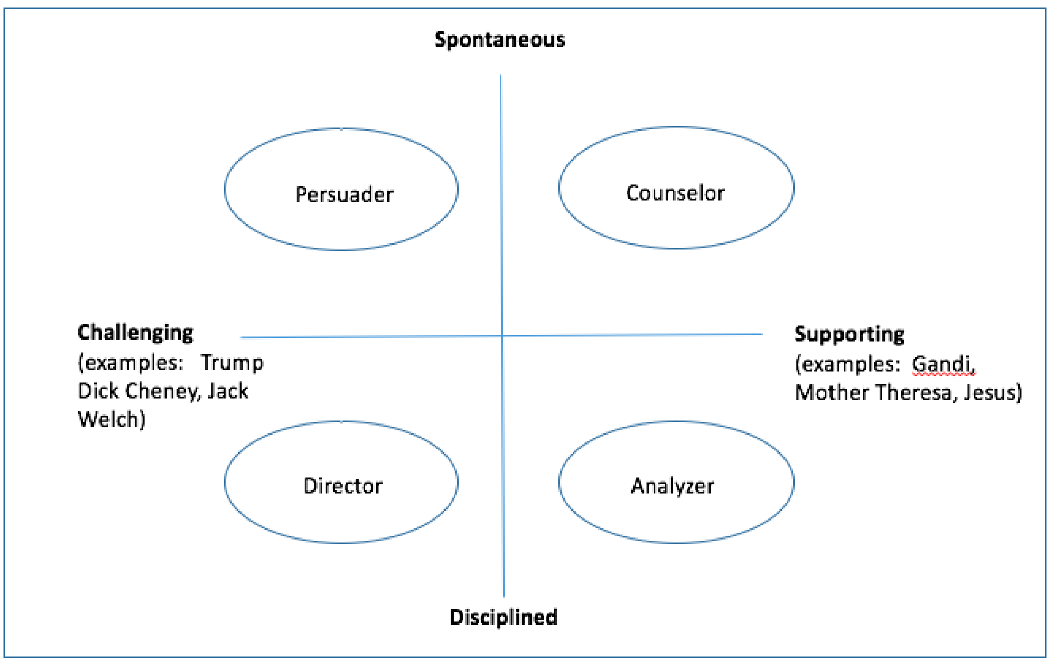
Open Space led by Tom Rogerson, Managing Director Family Wealth Strategist, Wilmington Trust

There are five steps to healthy family business governance:

1. Family education
2. Family communication
3. Family values
4. Family philanthropy
5. Healthy governance is a destination, not a starting point

We walked through a model of communication (like DiSC or Kolbe) and took a test to determine how each of us is wired to communicate. Doing this exercise with families can be a powerful way to help family members understand how other family members are hard-wired to hear and speak things so that their behaviors are easier to understand and aren't misunderstood.

This communication model is by Stratton and is cheaper to use than DiSC, Kolbe, etc.



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4. Love and Money: Ensuring a Successful Transition into Marriage
Breakout Session Led by Nathan Dungan

Nathan walked us through a document he co-created with his clients to prepare their future family members (in-laws) for a successful transition into marriage. Nathan's company, Share Save Spend, focuses on engaging, educating and equipping people for such transitions. He leads a series of sessions with engaged couples and the cover:

1. Money and the role is plays in our lives.
    a. What forces shape our money habits?
    b. What is your money temperament (saver, spender, sharer)?
    c. What's working/missing with your current money habits?

2. The Family Story
    a. Family history
    b. How LLC and the trusts operate
    c. Benefits for your family (short and long term)
    d. LLC Philanthropy
    e. LLC Scholarships
    f. Stewarding resources for future generations
3. Getting grounded in money basics
    a. Cash flow management (joint, separate accounts)
    b. Overview of credit scores/reports
    c. Insurance
    d. Retirement
    e. Tax projection
    f. Legal docs
    g. Organizations to notify for name changes
4. What's up with a Pre-Nupt?
    a. Benefits of a prenuptial agreement
    b. Common myths
    c. Why all LLC members have committed to initiating a prenupt prior to marriage
    d. How the process works
    e. How does a will factor into the creation of a prenupt?
    f. Timelines

5. Fiscal Unequals in Relationships

Plenary Panel Discussion with Jay Hughes, Joanie Bronfman and Stacy Allred

Fiscal unequal relationships are fraught and have been for centuries. Our societal gender expectations haven't kept pace with the realities of inheritance and educational attainment for women. This can create great anxiety in relationships because couples face the challenge of navigating the personal issues of each individual, the couple's issues and the issues of the family system. It's like 3D tic-tac-toe: One partner, the other partner and the family system(s). The wealthier family usually controls.

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A common fear by parents is that their daughter will drop in class if they marry a man with fewer resources. As advisors, don't be afraid to ask class questions. Younger couples have over 50% of women controlling the wealth.

Merrill Lynch drafted a roadmap to navigate fiscal unequals in relationships:

How does each partner and the family rank his/her comfort level with the following elements:
- Self-confidence
- Having purpose
- View money as a tool (not a value or means of control)
- Financial know-how
- Inclusive mindset with collaboration
- Ability to address tough issues
- Interaction with each other
- Comfort with wealth

Reflect on your answers and ponder:
1. Where are you, your partner and your family on these elements?
2. What are the most important elements for you to address in the next 1, 3, 6 months?

Further advice includes:
- Have a deep and continuing sense of reality – to know what is really going on.
- Get the support of the wealthy parents. Help the father understand: that father accepts that daughter's husband will provide her the most resources.
- Share your wealth stories and money narratives with each other and with children.
- Spend the holidays with both families. Don't favor the wealthier family.
- Well-intentioned grandparents who want to provide for their grandchildren should discuss their plans openly with the parents of the grandchildren. Get permission.

Conclusion: Some fiscally unequal couples feel overwhelmed by the challenges they face. However, understanding the issues they are dealing with can make the challenges more manageable.   As a trusted advisor, consider what you might do to help couples lean into this issue to understand their vulnerabilities and develop and action plan to more intentionally move forward in a way that is productive.

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6. Upshift: Unleashing the Transformative Power of Family Culture
Keynote by Matthew Wesley, PPI Dean of Family Systems
Handouts: Holistic Model and Power of Family Culture

Matt asked us to listen to a piece of music. Then he introduced us to the concept of Sawubona via a video from **Orland** Bishop, the founder and director of Shade Tree Multicultural Foundation. Sawubona – I see you:

- My eyes are connected to my ancestry
- Investigate our mutual potential for life
- We have this moment to engage
- Why were we set together at this moment
- Freedom is a mutual gift from one person to another
- Freedom to be present with….

Free our minds, hearts and wills. (Otto Shermer) There are nine poisons to an:

- Open Mind
    - Judgment
    - Assumptions
    - Certainty
- Open Heart
    - Guardedness – holding back
    - Shadow – Something triggers me
    - Narratives
- Open Will
    - Induction – Getting sucked in
    - Withdrawal – I pull back
    - Empathy – I impose my story on you
- The goal is not to eradicate these poisons, but to recognize them and deal with them so you can be present in the moment.
- The way we focus our attention affects our future.

Then we listened to the music again and it felt different.
He showed a video clip from “Bagger Vance.”

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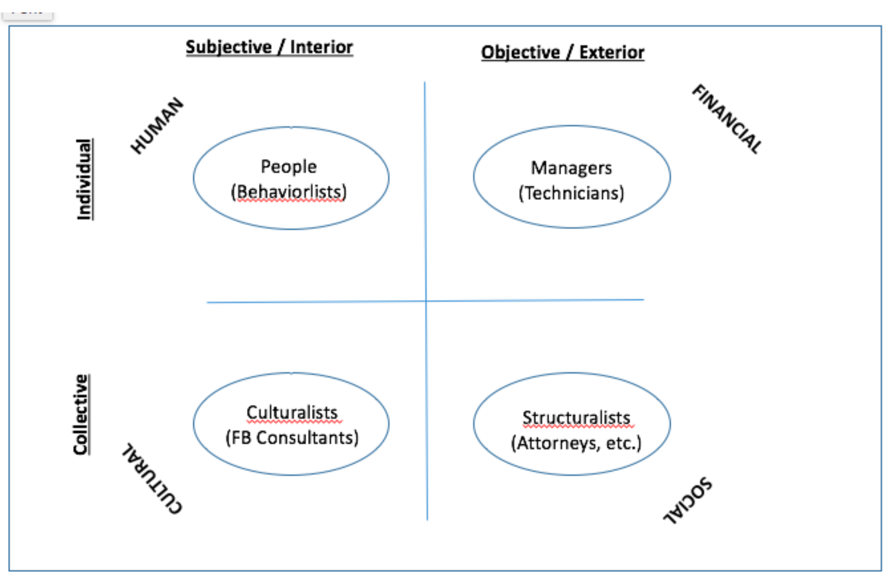
He said that there is natural tension in families between autonomy and connection, power and love. Then he walked thru a model he uses. It's more complicated than this, but this is what I documented:



"Power without love is reckless and abusive. Love without power is sentimental and anemic. Power at its best is love implementing the demands of justice, and justice at its best is power correcting everything that stands against love." -MLK

When the family patriarch/matriarch dies, power and love wipe out form and function.

Family systems are like mobiles: You touch one piece and it all moves.

Anxiety reactions: Fight, flight, freeze, flock fix.

The criteria for moral imagination (compare the family vision statement): It touches the heart, it's larger than self-interest, it ignites the mind, it creates something of value.

His call to action: Moral imagination can harness power and love. It's about capacity and capabilities, resilience & learning, growth and authenticity & trust**. It's time to reclaim the true nobility of our callings & engage our own moral imagination. Have courage & vulnerability.**

7. EMBRACING CONFLICT
Breakout by Terri Finney, PsyD
Handout: Embracing Conflict

Embracing conflict is the gift.
Find new ways of doing and being.
To help shift perspective, ask: Could the present conflict be an opportunity

- To increase connectedness?
- To be a positive?
- To provide learning?.
- To become more open-minded and communicate?
- To increase our creativity?
- To establish long-term agreements?
- To help us heal and become more whole?

A key is to stay connected and engaged and continue the dialogue.

8. Polarity Thinking: the best idea you've never heard of
Breakout by Daniel P. Felix, JD

Dan's article: **Polarity Thinking — Critical Guidance For Family Trusts and Trustees** https://goo.gl/rWcaKt

Recording of the PPI teleconference: http://goo.gl/Imlz1c

The session's goals were to better equip attendees to identify and deal with the inescapable polarities in your life & work

- Asking "Is it a problem or a polarity?"
- Applying the Polarity Map™
- Seeking both/and
- Enhancing your Practical Wisdom

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Polarity Thinking is useful because it can

- Help in dealing with competing priorities.
- Provide a shared language and shorthand for talking about issues and dilemmas.
- Help uncover unconscious and "hidden" factors that influence what we do so we can manage them better.
- Prevent unproductive cycles that waste time, energy and emotion.

Problems get "solved" and go away.
Polarities represent ongoing situations and dilemmas

- Sample problems
  - When should we fix which street?
  - Who should be assigned to this task?
  - Should we buy this equipment?
- Polarities stick around
  - How can we get people to work in teams?
  - How can we improve citizen well-being?
  - How can we make faster decisions?

    If there seems to be a conflict between two valid points of view:
  - Listen for the content in terms of four quadrants
  - Draw a simple map about what you're hearing
  - See the wisdom in the "resistance"
  - Use the map to help others see all the points of view
  - See if you can find a higher purpose and help others see it

A polarity is defined by:

- Interdependent forces, beliefs or ways of being
- Both are "good", neither is "bad"
- Overemphasis on one to the neglect of the other leads to its "downside"
- Overemphasis on one to the neglect of the other" leads to an unhealthy oscillation
- Overemphasis on one to the neglect of the other actually creates what you most fear
- Polarities NEED each other over time to maintain performance & achieve the common goal!

Use Polarity Thinking if there seems to be a conflict between two valid points of view:

- Listen for the content in terms of four quadrants
- Draw a simple map about what you're hearing
- See the wisdom in the "resistance"
- Use the map to help others see all the points of view
- See if you can find a higher purpose and help others see it

9. Leading When Triggered

Breakout by Cathy Carroll, President, Legacy Onward

Handout: Leading When Triggered

Emotional intelligence matters. It's a differentiator in performance. The attributes of leadership that bring out the best in employees are >70% emotional intelligence and <30% IQ or Technical skills.

Emotional Intelligence (EQ or EI) is made up of four sections: Self-Awareness, Self-Management, Social Awareness, Relationship Management. In Daniel Goleman's most recent book, Focus, he alluded to two more sections: Systems Awareness and Systems Management. This is particularly interesting to the PPI community given the sensitivity to the family system.

Self-awareness is knowing your emotions in the moment. It is facilitated by listening to your body. Your body doesn't lie – it will inform you when you are triggered by a strong emotion.

Self-management is the ability to refrain from unproductive reactions to a strong emotion. It is facilitated by breathing and self-observation without judgment.

Social awareness is understanding the feelings of others even if we don't feel them ourselves. It is facilitated by curious listening and noticing. It's important to distinguish between facts and assumptions. It's also important to understand the power of the story since we live our lives in our stories. Listening is enhanced by placing an emphasis on others when we listen, and being aware of listening saboteurs so they don't distract us. Paraphrasing and restating can also facilitate good listening, as well as help the person speaking feel heard and understood. Listening without judgment enhances empathy which is an important attribute of social awareness.

Relationship management is enhanced by knowing our emotions in the moment, managing them productively, and learning the perspectives of others in the situation. With that in mind, we can choose the leadership move that leads to the results we want to achieve most effectively.

10. Who Heals the Healer?

Open Space led by Jay Hughes, Elder to the PPI and author of so many books and articles, which you should start reading….

On the hero's journey, we're moving from one way of being to another.
And we're lonely!

Question of our supervision! Mentor. Goddesses and guides. Teachers. Do they know how lonely we are?

We can only be on the journey with a client so long. Journeys matter.

Have someone with whom I can share my loneliness.

11. Samoan Circle discussed and practiced in the session:
From the breakout session "Reveal or Conceal - A High Stakes Game for the Whole Family," Karen Laprade, FEA and Kyle Harrison, FEA and CFA

NOTE that Karen and Kyle will be presenting on the PPI teleconference 8/18. And if like me you'll be attending the Northshore Collaboratory on that date, all of us PPI members can listen to the recording, which should be available shortly.

The Samoan Circle is a leaderless group discussion, decision-making and conflict resolution technique.

It is physically constructed of an inner and an outer circle.

There is no discussion in the outer circle.

A few of the passionate ones start in the inner circle. Three or four. They will respectfully share. Each will continue in the inner until:

- One decides to step out.
- He asks an outside person to replace him.
- Someone from the outer circle decides to replace him.

A person from the outer circle replaces an inner member, by standing behind that inner circle person. If need be, eventually put hand on the shoulder of that person.

The inner circle can define the intent and focus of the gathering and also what respectful conversation is.

Can mix advisors and family members, though a facilitator can be best used outside the circles.

12. COLLABORATION IN ACTION: PPI Members Join Forces
Stacy Allred, MST, Mary K. Duke, JD., Mark Hartnett, JD, CFP, AEP

These professionals (along with a fourth) collaborate in a meeting monthly and then through the month via email. They've even participated in their own retreat together.

They use technology, particularly Evernote.

They find synergy around their intellectual curiosity. They have resisted growing their group, though they occasionally bring in an outsider.

Their "Secret Sauce"

- Natural sharing,
- Givers, not takers or matchers
- Trustworthy.
- Reliable
- Not dressing up, very real
- True peers
- Practice gratitude
- Covenant: confidential, present

13. Developing Leadership as Mentor
Breakout by Rod Zeeb – the Heritage Institute
Handouts:

- *Going from Monarch to Mentor*
- *On Leadership*
- *Sustaining Family Wealth & Unity Across Generations*
- *Effective Family Governance*
- *A Tale of Two Families*

- Good communication is not "this is what I want you to do"
- It's not mentoring and raising them in the family the right way
- Key is going from Monarch to Mentor
  - Going from telling to asking
- Successful 10% - see white paper in notes
  - Create a culture of communication and trust in the family
    - The kids see the parents as human when the communication goes forward
    - Takes parents being vulnerable and genuine with their kids
  - Develop maintain and regularly re-visit the Family's Common vision for the present and the future
    - Includes all the generations and their spouses
    - Gives them voice and have them at the table
    - Calls for alignment through the generations of values – not all, just try to get a few.
  - Allowing the entire family to identify shared vision
  - At beginning of meeting, have the shared family vision up front and present – "Is this still true?"
  - Vanderbuilt vs. Rothchild in guidebook
  - Mentoring is not just parent to child – its cousins, aunts and uncles, grandparents to grandkids – horizontal not just vertical
- Educational systems now reward the kids just for showing up
- Great leaders risk what they hold most dealt in order to do what is most important

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- Training
  - Stratton ILS assessment
  - Crucial conversations/Vital Smarts (Website)
  - *Influencer* - book
- Pre-inheritance Experiences – put the kids in the experience when the parents are alive
  - Something they care about
  - Must have consequences and be able to make mistakes to learn lessons in a controlled environment
  - Give them something that they care about and consequences for not being able to pay about
  - Give them money to contribute to charity and consequences if you don’t do it – ie. distributions go back to foundation
- Facilitation and conflict Resolution
  - Doug Carter