



ASPEN FAMILY BUSINESS GROUP, LLC

DEEP RELATIONSHIPS. ENDURING LEGACIES.

An Assessment Story

by Joe Paul

Bringing Hidden Family Dynamics to Light

“Knowing yourself is the beginning of all wisdom.” – Aristotle

Steve had worked hard for 40 years building the business that his uncle had started in his garage. Steve had taken the company from the two of them to a 500-employee manufacturing company. A year before I met the family, a multinational corporation had come out of the blue with a remarkable offer to purchase the company at a premium price. Steve and his wife, Jane, were overjoyed because it would allow them to fulfill their dream of creating a well-endowed charitable foundation. They accepted the offer and completed the sale of the company.

But the silver cloud had a dark lining – ironically, an unintended consequence of good estate planning.

To manage their anticipated estate tax liability, Steve and Jane had transferred a significant percentage of the company stock to their three children (two women and one man). When they began the gifting process years ago, their goal was to leave around \$2 million to each child. But with the combination of unanticipated company growth plus the windfall purchase price, each child received over \$35 million after taxes for their shares.

Steve and Jane had wanted to make their children comfortable, but it was not consistent with their values to make them so suddenly wealthy.

Jane had an epiphany. She and Steve would create a charitable foundation and contribute \$100 million. Each of the three children would contribute \$10 million. All five of them would become directors of the foundation. After a few years, Steve and Jane would retire from the foundation’s board of directors, and the three children would continue as stewards of the family legacy. She and Steve

were excited about making this offer because all three children were already philanthropically inclined.

Jane also hoped that this would draw the family closer. Since Jake (Steve's only son) quit working for the company a few years back, the two had become somewhat estranged.

To the parents' great disappointment, Jake declined the invitation to join and contribute to the yet-to-be-created family foundation. He told his parents that while he appreciated the offer, he wanted to do his charitable work separately from the family.

Jane was heartbroken. Steve was angry at his "ungrateful" son.

As is often the case, an attempted solution to a family problem ended up making the problem worse. This happens when unspoken issues lie dormant beneath the surface.

Steve and his family went through an assessment process using the Family Wealth Inventory*. With the report to guide the individual interview, I was able to help Jake understand and express the reason he didn't want to participate in a foundation created by his father. The thing that held him back was the idea that it would be just one more experience of "being an actor in his father's play." Since childhood, Jake had felt his father's imprint on everything he did. From dad being his first grade soccer coach to Jake being the manager of one of the company's plants, everything in Jake's life seemed to be all about his father.

Steve, like so many wealth creators, is like a force of nature. These natural leaders have a gravitational field around them that pulls people in. While some people enjoy the ride and in fact make careers out of Steve's momentum, the wealth creator's family often has a different kind of ride. In this case, Jake (and the rest of the family) felt like they were supporting actors in the *Story of Steve*. Jake's two sisters and Jane were quite comfortable with their roles in the family, but Jane understood that Jake needed more space and independence. He was a lot like his dad in that way. She was greatly relieved when the two most important men in her life finally had the opportunity to try to understand one another.

Jake asked for a private meeting with me after we had had the individual assessment interview and before the family meeting. He wanted help talking to his father in the upcoming meeting. In the assessment interview, I had cautioned Jake that whether or not he was a supporting actor had more to do with his own thoughts, feelings, and behaviors than anything about his dad. Depending on his own mind set, his refusal to be part of the foundation could just as easily be another example of Jake falling into his supporting actor role. It makes no difference whether he picks the "obedient child" role or the "wounded antagonist to his fa-

ther” role, he ends up a character in the *Story of Steve*. As long as he lets himself be defined by his reactions to his father, he is not living his own story.

The question is whether he lives his life from the outside in, or the inside out.

The next day in the family meeting, Jake was able to tell his father that he loved him deeply, and he admired the heroic way he lived his life. But the vividness of his father seemed to be connected to Jake’s blurry image of himself. He could not abide another major part of his life being about his participation in his father’s life story – in this case, the foundation.

To Steve’s credit, all of this came out into the open because he worked hard at being a skillful listener instead of trying to fix everything and everybody. When Jake explained what he had come to understand about himself, Steve made emotional space for his son. Both men’s openness allowed Jake to be fully present as his own person while looking in his father’s eyes.

We decided not to make any decisions in this very emotional meeting and agreed to meet again in two weeks. But I heard from Jane a few days later. She told me that Jake had come to their house the previous night and showed his parents a copy of a letter he was sending to his investment advisor. In it he told the advisor to arrange his investments so that within the next three months he could make a transfer of \$10,000,000 to a yet-to-be-created foundation. He also said he would commit to one year on the board of directors of the foundation. He wanted to be involved in creating the mission of the foundation and to help develop their philanthropic strategy. Beyond that we would need to wait and see.

And so ended the first chapter of the *Jake and Steve Story*.

*The Family Wealth Inventory noted in the article is licensed to MCS Financial Advisors.

MCS is frequently invited to work with families at such an impasse. To avoid the distractions of “red herrings” and to get to core issues quickly, we have developed a battery of tools to make the assessment process more efficient and the resolution process more efficacious.

- The Aspen Family Business Inventory
- The Aspen Family Wealth Inventory
- The Aspen Estate Management Inventory
- The Aspen Family Foundations
- The Aspen Future Foundation Inventory
- The Aspen Legacy Property Inventory

All of these instruments have several things in common. Each is based on 50 statements about the family, and 50 statements about the asset in question. Family members indicate the degree to which they agree or disagree with each statement. All responses are processed by a custom computer program that compares every response to every other response. The reports include graphical representation of differences and similarities in belief and perception, by sub-groups -- for example, by those who own stock and those who don't, by generation, by gender, by those who work in the company and those who don't, and so forth.

The instruments are very good at identifying:

- The strengths and weaknesses in the family and in the assets
- Who agrees or disagrees with whom on what issues
- Where the information and knowledge gaps are
- What the core issues are
- Which issues are risky to talk about

Based on these five categories, the program generates two versions of the report. The Advisors Report includes specific information about each person's answers, which gives the advisor specific insight into each person's perspective. The Family Version, however, leaves out all identifying information to preserve the anonymity of each participant's answers.

With the help of this information, we interview each family member individually. The next day everyone assembles for a family meeting.

The Aspen Inventories can now be taken on-line. Just go to <http://www.aspenfamilybusiness.com/en/e-consulting.html>

You will find a new menu of electronically accessible consulting and coaching resources there.