

Adjust your Legacy: Align your 1) values, 2) goals and objectives; and 3) legal Documents to be Congruent  
(Note: This is a working draft of two chapters of my next book)

By Patricia M. Annino

## **Introduction**

*"The thinking that created today's problems is not the thinking that can solve those problems." - Albert Einstein*

Your life and the legacy of your family is a movie (with sequels), not a snapshot. So why do so many of us view our family values, financial decisions and legal documents as stand alone decisions that do not correlate with each other, are not compared to each other and are not integrated?

In my thirty years of practicing law and working with many families and family businesses in estate planning I have come to the conclusion that the most important role the head of the family can play is Captain of the ship. Effective planning is a bit like sailing.

When a captain sets off for a long sail, he needs to understand where he is going, how he is getting there, and what may occur along the way. Nature will always intercede. Weather and winds will change; storm waters and other hazards may lie ahead. But what is important is to set the plan and then stay flexible and keep checking the actual course against the planned course and while doing that, to keep in mind the position of the compass set to true north.

The elements of sailing are the foundation (compass set to true north), goals and objectives (the mapped course) and the enabling structure (boat and sails). It is the responsibility of the Captain of the ship to be aware of all elements in the context of all external forces (ocean, weather and wind) while sailing. The one element that is assumed is the direction of the compass - set to true north. All other elements must be congruent to true north and to each other. That gives the journey the best shot at success and sustainability.

For a family, sustainable planning includes the same elements- the foundational elements (values e.g. family first), the goals and objectives (how will those values be translated in life - family business, family investments, philanthropy, family activities) and the enabling structure (legal estate and business planning documents, financial investments and the team of advisors).

It is the responsibility of the family leader to be aware of all of these elements in the context of all external forces (changes in family members, changes in advisors, world economics, and business risks) while navigating life and legacy. These elements must all

be congruent to the foundational family values and to each other. That gives the family the best shot at sustainability and legacy.

For many families the elements are done independently – with separate advisors who do not know each other, never speak and do not have direct knowledge of what the others are doing. And for many families at least one of these elements may not be done at all or may be quite outdated.

For a plan and its legacy to be sustainable, the elements must be integrated and congruent. The legal plan should align with the family goals, desires and objectives and match the legal and financial documents. If your family is connected by a family business, real estate or philanthropic endeavor, is the estate plan for the family system congruent with its financial plan and the family goals and objectives? A congruent plan increases the probability of sustaining what that family has worked so hard to put in place and builds its legacy.

For most families the answer to this question is “no”, but not for a lack of effort. It is because a plan is built up over many years by many independent professionals – the estate planning attorney, the accountant, the financial planner, the banker, the life insurance professional, and the philanthropic advisor - each focused on a different part of the system. Even though their work may be independently excellent, most of the time they are responding to a need that was expressed in a certain time frame – minimize estate taxes, determine who should control the vote of the company stock, equalize the assets, protect assets from a child or sibling divorce, etc. Even if the “team” communicates well at these independent junctures, it is unlikely that communication is deep or continuous.

Professionals focus on what they know and what they are most comfortable with. Every well-meaning and talented advisor goes back to his/her specialty to answer a specific need and solve a specific problem. Some families have a family office or trusted advisor they are fortunate to work closely with.

Experience has shown that this improves communication but does not provide the unique perspective that can be viewed when zooming down on the system from 30,000 feet. Perspective is important. It is only when the system is independently reviewed from on high – from that 30,000 foot level - that black holes in coverage - those areas that no family member or advisor thought of because each was focused on his own specialty - become readily visible.

No advisor can do that for you. It is your responsibility, as the family leader, to make sure all the elements of your plan are congruent, and the best way to for you to do so is to view the planning as Captain of the ship from that “on high” perspective.

This book will show you, as the family leader, how to perform a congruency audit for your family. This may reveal technical issues, communication issues, fiduciary issues, tax issues, liquidity issues or a lack of coordination of the pieces of the puzzle. It starts with

an understanding of the fundamental values of the family - the true north. From that all else flows and the legacy builds. If the family does not have a clear idea of its values – what is in its DNA - then that is the first place that the family leader must start. All else builds from that. Once the foundation is set, the goals and objectives must be charted. Once the goals and objectives are charted, then the enabling structures are crafted with the assistance of the team of advisors.

This is not the traditional way of thinking about legacy. Traditionally, the family leader goes to advisors one at a time to solve specific issues and does not touch base with the fundamental values. A family may go to the estate planning lawyer for wills and trusts, for example, and mainly focus on taxation.

A core issue that surfaces in almost every congruency audit is the lack of enough education about what the plan is, what it means and what its consequences are.

In fact all planning should be congruent.

Are you and your family prepared for what lies ahead?

Do you know what the core values of your family are?

Has this been articulated? Do all other family members also know what your core values are?

Have you set your goals?

Do you have your team of advisors?

Is your plan congruent so that it relates back to your true north?

Have you established a system so that as life changes your legacy is sustainable?

Some examples:

If you have minor children, do the persons named as guardian have your values? Do they understand what you would like your children to learn in life (not just for the time frame they are living with the guardians but as part of the bigger legacy)? Have you provided the guardians with sufficient financial means to achieve the goals? Have you established the proper legal documents so that the guardians can effectively carry out their role?

If you own a business with partners or shareholders, what do your values say that about the business? Is it an investment; is it part of the family DNA to be put in the hands of the second generation? Is it up to the next generation to make the best decisions? How have you coordinated that with your goals and objectives? Are your estate taxes covered? Do you have key man insurance? Buyout insurance? Are your legal documents (trusts, shareholder agreements) current and up to date? Do you have a coordinated team of advisors? Is your plan congruent with your values?

If your son or daughter is about to marry, what is the family feeling about your future in-law? Is it assumed that person is part of the family? Is there a dividing line between being part of the family and having access to the business or the money? Is there a dividing line between being part of the family business and money? Is the value an in-law benefits from the family as long as he/she is in it? Is it that the in-law will always be the mother/father of my grandchildren and therefore is part of the family? What are your goals and objectives as your family expands? Do you require prenuptial agreements to protect your family assets? Do you include in-laws as part of the estate planning process? Are your financial and legal documents up to date and congruent with the goals and objectives? Did you discuss this with your team of advisors, or did you sign standard documents?

If you are older and concerned about your own ability to care for yourself and your finances, have you selected (individuals or institutions) to do so? Do they understand your values? Do they have the ability to carry out your goals and objectives (stay at home, live in nursing home, and pay for care)? Have you arranged for the financial ability to implement that lifestyle and establish the proper legal documents, so that the persons in charge of your physical, custodial and medical care and the persons or institutions in charge of paying for the care are on the same page, and that there is no conflict between those in charge of the purse strings and those in charge of the physical care? To what extent should family members be involved? As care givers? As overseers?

None of these planning decisions should be made in a vacuum. When congruency does not occur, the foundation of the entire system can be disrupted. You will always need a team of expert advisors to assist you, but you must be the Captain, always aware of the true north of the compass to keep the plan on course. This book will show you how to:

- 1) Focus on your family's true north – its fundamental values - and understand that is the underpinning of all planning and legacy;
- 2) Define the goals that build from true north and bring the family on the right course;
- 3) Implement your plan through proper and current legal documents, financial structures and a team of advisors;
- 4) Perform a congruency audit on what is currently in place to see where the black holes and opportunities exist; and
- 5) Develop a congruent system in which you, as the family leader and Captain of the ship, understand how to navigate these ever-changing elements to stay on the course that will enable your family to achieve sustainability and legacy.

## Chapter 1: Your Family's True North

“Rather than love, than money, than fame, give me truth.” — Henry David Thoreau,  
*Walden*

“Your beliefs become your thoughts,  
Your thoughts become your words,  
Your words become your actions,  
Your actions become your habits,  
Your habits become your values,  
Your values become your destiny.”  
— Mahatma Gandhi

Every family (whether its members know it or not) has a “true north” - guiding values that are part of the DNA that holds the family together and makes its legacy what it is. These are the values that have been embedded and blended through generations. In every family there are two sets— the values that matter when the family interacts with each other and the values that matter when interacting with others. Sometimes these overlap, and sometimes they do not.

Although every family has these fundamental values, not every family is aware of what they are. Sometimes they are assumed and lie dormant until there is a sudden event that shocks the system, forcing the family to address its values and legacy. The shock may be negative - a divorce, a huge financial loss, a physical tragedy or the death of a key family member. The shock may be positive –the sale of a family business leading to significant liquidity, winning the lottery, marriage, an inheritance.

It would, of course, be much better to think about your family legacy before a shock happens. Take the time to focus on what your family stands for, what you would like to transmit to subsequent generations and how you would like your family to partner with the larger community. Intentional value and legacy planning creates a stronger family unit. It is easier for those entering the family to understand what the values are if the family itself has focused on what the family stands for and begun a plan to implement it.

When learning to sail, a novice starts out in calm water in a boat that cannot overturn. As the skills advance and as the sailor understands the interaction of the compass, the team on board, the boat, the sails, the wind, the weather and the water, the sailor will advance – from a pond to a lake to an ocean and, if very adventuresome, to a trans- Atlantic cruise. As the journey becomes more complicated so will the team on board, the boat, and the sails. The compass will always point to true north, the wind, water and weather will always change.

I remember one of the first times I sailed on Cape Cod. I was a teenager and had taken sailing lessons at Stone Horse Yacht Club in a small sailboat known as a Waterbug. It could not tip over and in the inlet I had enough confidence in my expertise to convince

my younger sister that it was safe to crew on my maiden voyage. We never got out of the canal. The cross winds were quite a bit harder than sailing on smooth water in the inlet. There was a restaurant, Thompson's Clam Bar, on the side of the canal. After watching me turning the boat around in circles and going nowhere for more than an hour a man having lunch went down to his motor boat and towed us out to the open ocean. My sister made us stay out there for 3 hours until she was sure that everyone who had been having lunch at Thompson's and witnessed my lack of prowess had gone home. By dusk we made it in safely.

Learning to sail is an acquired skill. It takes attention, diligence and practice in different waters. To be very good you must sail through squalls, and you must make plenty of mistakes and then right your course. This is, of course, true in life too. The compass will point to north but getting there requires attention, discipline and practice. If you tried to sail the open ocean without a compass you would be flirting with disaster. If you try to lead your family without a clear understanding and focus of what your fundamental values and legacy are, you will be flirting with disaster.

An inspirational family with fundamental values of integrity, generosity, strength and commitment to the community at large include the family of Christopher Reeve who, after his 1995 paralysis from a horseback riding accident, formed The Christopher and Dana Reeve Foundation which has contributed more than \$48 million to spinal cord research and nearly \$15million to quality of life grants. The Reeves were a family that had all the instincts to command a powerful legacy. Christopher Reeve's father was the poet and scholar, F.D. Reeve. His great grandfather was the first national commander of the American Legion. Christopher was well educated, having attended Cornell and Julliard before beginning his acting career. Ironically, his acting career led him to the role of the superhero- "Superman"- the symbol of strength and vitality. Yet it was his life-changing injury – the shock to an otherwise "charmed" life - that focused his family on its fundamental values and focused the legacy on medical research and philanthropy. Clearly one of the components of this family's value is to tackle hard problems and make a significant difference. When faced with such a horrendous shock to the system, Christopher and Dana Reeve did not engage in pity; they looked outward and harnessed their strength to focus on what they could do to find a cure - not only for Christopher, but for all who had suffered spinal cord injuries.

The Reeves used their foundational beliefs and the gifts they had been given and the contacts they had made along the way to form a foundation, raise the awareness of spinal cord injury and harness funds to promote scientific research. They lobbied for increased governmental funding and, notwithstanding tremendous physical adversity, they went on the road to promote their good work. Another shock happened when Dana Reeve (who was also an actress), who had taken over Christopher's work and foundation after his death at age 52 of a heart attack, was diagnosed with lung cancer and died at the young age of 44. Their children have banded together and moved the legacy forward. Christopher's son and Dana Reeve's stepson, Matthew Reeve is very active in the foundation and is also an independent movie producer and director, carrying on the artistic side of the legacy.

The hard working family of Ralph Lauren has instilled the values of hard work, entrepreneurship and striving for success in its next generation. Ralph Lauren was born in the Bronx, the son of Jewish immigrants. His father was a house painter. From an early age he wanted to work hard and achieve business success. Under his picture in the 1957 DeWitt Clinton high school year book is the statement: “wants to be a millionaire”. He showed a flair for fashion and business in his early years in the fashion industry, and that led to The Ralph Lauren Corporation which today boasts \$6.9 billion in sales. His children are carrying these values and legacy forward. His daughter, Dylan Lauren, founded a candy empire. His son, David serves as executive vice president of global advertising, marketing and communications for The Ralph Lauren Corporation.

The Laurens have taken this legacy of hard work and entrepreneurial spirit into their philanthropy. The Polo Ralph Lauren Foundation supports initiatives in cancer care, education and service in underserved communities. The corporation partnered with Memorial Sloan-Kettering Cancer Center in New York City to create the Ralph Lauren Center for Cancer Care and Prevention, the only outpatient center of its kind in Harlem. In addition the corporation and its foundation fund; the Pink Pony Campaign (providing proceeds to fight cancer), the American Heroes Fund (to provide scholarships to the children of 9/11 victims), the Polo Fashion School (encouraging educational opportunity through volunteerism and grants), the Ralph Lauren Volunteers (encouraging employee participation in non profit community-based programs), and The Star Spangled Banner (providing the funding for the restoration and preservation of the flag that inspired the national anthem). Dylan Lauren in partnership with her candy empire partners with charitable organizations and has a special emphasis on charities that support animals.

Public service is the dynastic Kennedy family’s legacy. Their commitment began in this country’s memory with the patriarch and matriarch, Joseph P. Kennedy and Rose Kennedy who combined their fundamental values of hard work, faith, commitment to family and commitment to the world at large. In spite of its enduring and very public tragedies this family has continued to impact the fabric of this country through its commitment to public service and political leadership. The Kennedy family legacy is one that began with very focused, disciplined parents who knew early on what values they wanted to impart and passed them on to subsequent generations who worked through turbulent family and world times to keep the legacy on course.

Not all families have the dynastic power of these, but every family can think about what matters most at its core - what are the values that comprise its “true north” and have been passed down in its DNA and will be passed down to future generations. Even when the instinct is there, success in transmitting these values to subsequent generations requires intentional strategic planning and begins with an understanding of what the values are that are at the family’s core.

It is interesting to note that the Reeve, Lauren and Kennedy families, and many of the flourishing and enduring families I have dealt with as part of my practice, hold the underlying core values that family is important and that a strong family is essential. A

strong family system with core values and beliefs will absorb the shocks from the external world and adapt and become more resilient and sustainable each time a new shock (positive or negative) occurs.

Do you have a clear, articulated understanding of what your family's predominant values are? (See "Across Generations: A Five-Step Guide for Creating an Expression of Donor Intent" by Susan Turnbull and Amy Zell Ellsworth) Examples include:

- 1) Taking care of, supporting and loving each other ( a sense of safety)?
- 2) Virtue: Knowing right from wrong?
- 3) Faith: Commitment to God?
- 4) Patriotism: Commitment to Country?
- 5) Commitment to cultural heritage?
- 6) Military Service?
- 7) Commitment to Philanthropy?
- 8) Service to community?
- 9) Hard work?
- 10) The importance of Education?
- 11) Creativity?
- 12) Individualism?
- 13) Public Service?
- 14) Entrepreneurship?
- 12) Perseverance?
- 13) Gratitude?
- 14) Merit?
- 15) Responsibility?
- 16) Resourcefulness?
- 17) Trust?
- 18) Forgiveness?
- 19) Generosity?
- 20) Thrift?
- 21) Wisdom
- 22) Communication?
- 23) Independence?
- 24) Leadership?
- 25) Loyalty?
- 26) Respect?

I am the granddaughter of second generation immigrants (one side Italian and one side Irish). My mother's father owned a bar and my mother's mother was a maid. My father's father was a boxer and my father's mother was a housewife. Even though they did not meet until my parents met they shared four common values: *a strong family matters* (and to this day no one in either side of my family has ever been divorced), *education matters* (None of my grandparents had a formal education. As a maid, my Irish grandmother cleaned the homes of wealthy families in Brahmin Boston, learned where their children went to school and saved her money so her children and grandchildren could go to those

same schools and we all did), *hard work matters* (with the strong message that it does not matter what you do; it matters that you work hard at it and do it well) and above all *persevere* (never give up- I learned at an early age that I could accomplish anything I wanted as long as I persisted). My father became the first person in his family to attend college and he attended Harvard) then medical school and became a pediatrician. At age 85 he has been the pediatrician for three generations of children and has nine doctors working for him. All six of his children are educated and hard workers. My mother has advanced Alzheimer's disease and is cared for totally by family members at home. All of us have other full time jobs and share shifts.

To gain a deeper understanding of your family's "true north" and how it has blended through the generations think about what was discussed at your dinner table, what were the repetitive expressions that you heard from your parents and grandparents, what stories were told about their lives and what was important to them. As you start to think about this, you will begin to uncover what the fundamental "true north" is in your family.

It is also helpful to ask your parents, grandparents and siblings what they believe to be the most important values and why. If you are married, you and your spouse should ask those same questions of each other's family.

Writing an "Ethical Will" in addition to the conventional legal one that is the centerpiece of all estate planning, can give you a chance to focus on your family's values and its true north. It focuses a spiritual legacy in addition to the material one. Ethical wills (also known as "value" or "mission" statements) can be very important in crystallizing family values:

- \*They can describe religious or moral values you believe are important to share with subsequent generations.

- \*They enable you to describe yourself, to personalize and pass on some of the important "life lessons" you have learned.

- \*They can serve as a source for recording details of your family history that might otherwise be lost forever.

- \*They give you a chance to explain to your heirs why the philanthropic donations you have made have been so important to you.

- \*They enable you to share with your children and grandchildren cherished memories you have of them, and to let them know personally how important they have been to you.

Ethical Wills give you the chance to be remembered *the way you want* to be remembered, and they give you the chance to reflect and articulate the values that you want to endure in your family as the generations pass.

An alternative to a written ethical will is a visual legacy. As Iris Wagner of Memoir Productions, [www.memoirs.org](http://www.memoirs.org) asks, "Do you wish to communicate with future generations about your heritage, your values and beliefs? Would you like to reflect on your life story and tell it "from your lips"? As a lasting legacy- shouldn't your story be told by you on camera?" The video biographies and *Legacies of Values*<sup>TM</sup> Iris produces

are recorded on archival DVD and bring your family closer together through *what really matters*...sharing your life's wisdom.

Understanding what your family's "true north" and fundamental values are and making those values the underpinning of congruent planning will go a long way toward achieving the goal of a sustainable legacy.

## Chapter 2: Goals

“It's not hard to make decisions when you know what your values are.”

— Roy Disney (Senior Executive of the Walt Disney Company, founded by his father and uncle)

In life there will be major goals, and supporting goals. Major goals should be set in the areas of business (including career, family business), financial (including family wealth), education (including what it means to the family and how it will be paid for), family (marriage, children, extended family), creative (artistic, visionary interests), physical (health and exercise), public service (issues of importance), faith (religious services, education and participation), and community (whether the community is local such as the town or city, or virtual through other connections). These goals all connect with each other and when built together create a sustainable family system grounded in the “true north values” – the course the family wants to go, as well as its ultimate destination and arrival time.

The goals should align with the fundamental values. For example, if the fundamental family values are entrepreneurship and a sense of family safety and if a major goal is to establish a profitable family business in the local community that will employ and support this generation and next generations, then each of the areas referenced above should be explored as part of the goal- setting process.

Goals will change as life and generations change. In some ways legacy goal setting (at the meta level) is akin to Maslow's hierarchy of needs –however in my way of thinking the foundational base are the true north values that each family has, the goals and objectives build from those values and plot the course for the future shaping of the legacy. These goals will include financial safety and survival, and then when congruent with the true north values will lead to sustainability and perhaps affluence. With true north values and financial security or affluence there is a greater desire to take care of the community and world at large. Of course for most families this is not linear- it is just that the emphasis shines on different phases at differing points. Many families know what their true north is, work hard, have faith, and give back to the community and world at large – it is just that the amount of emphasis placed on each sector changes as the need the sector faces change.

A family I have come to know well is an Italian immigrant family- a young who came to this country at a very young age with a grade school education with aspirations of a better life for himself and his family. The fundamental values of aspiration and hard work with a goal of supporting the family brought him to work with what he knew- real estate. Working with the land and building was comprehensible. To him, land meant wealth that could never be taken away from them. He did not need a college education to develop the real estate. He knew with good tenants there would be good cash flow. His immediate goal was survival coupled with aspiration to what America stands for (land of the free, home of the brave and a place where hard work has the ability to bring financial, tangible rewards). He started his family in a traditional marriage and raised hardworking children.

(It is interesting to note that the value of a good college education was never a value for him in his family – he valued hard work and it was fine if his children were educated but that was not a value or goal). His goal was a strong family and wealth through hard work and entrepreneurship in real estate. Those were the beginning goals. As time and life went on, his net worth developed and his family the hard work and aspiration paid off the course became tougher and the goals increased. He instinctively followed the message of Tom Watson (the founder of IBM) who said, “I’m no genius, but I’m smart in spots, and I stay around those spots.” He stuck to his mission and did not enter into new lines of businesses for three decades. As he became successful with real estate he bought more real estate and more real estate and more real estate. He involved his children in the real estate business at a very young age. Even if the children were not involved in the field they were involved at the dinner table- with the parents and children all discussing it all of the time. When his children were young, would pile his family into the car every night after dinner and they would drive through the small city looking at real estate- what was for sale, how each piece was valued, where the trends were, what was successful, what was not successful and if the father saw a property that he thought was a “catch” he would call the owner and make an offer –whether or not the property was formally for sale. His now adult son told me that the evening habit of driving around for a few hours every night is still engrained him and no matter where he and his family travels an ongoing analysis of the real estate in whatever neighborhood is ongoing. The patriach reached the point where he owned most of the town and employed many of the citizens in construction and real estate management. To him their families where as important as his own families. He valued hard work and loyalty, helping the loyal hard workers out in hard personal times or illness. His goal of coming from Italy to America to raise a family and achieve success was surpassed in the first ten years- yet he never stopped raising the bar, achieving new goals and setting new standards. He remained on the cutting edge of real estate development and his goal became to revitalize and shape the city in which he lived. He wanted its people employed and he wanted the city to be a magnet for those of other towns to come and shop and dine so he went past apartment buildings and office buildings to starting restaurants and stores. His children and grandchildren (and most of their spouses) are all employed at some level in the enterprise as in addition to entrepreneurial aspiration a central value was a tight knit family with a sense of safety. His goal became to use the enterprise he built up as a safety net for his family, his employees and his community – yet to continue to instill hard work no one individual (including his family members) would ever become independently wealthy from the enterprise. It is held in a dynasty trust and will continue to support his goals long past his time on this earth. Although he did not set off with a specific end goal in mind he knew his compass was set to true north, he used it is a guide and kept course through the obstacles life threw him. His business and family sustain because of his focus and persistence to his true north values. His story is one that shows that although it may be important to know what your long term goals are, write them down and adjust them and you go, the goals that emanate from true north are instinctual. With focus and perseverance they endure. I am confident every member of his family and his extended family understand that his values are what they have accomplished and what matters to them.

Another family I have worked with has its center goal using its financial and social wealth to make a difference in the world at large through concentrated philanthropic efforts. The family financial wealth was built generations ago. Individual wealth of the family members no longer exists across the board at the level of the founders- what endures is a well funded philanthropic foundation whose goal is to implement change in very specific areas – education and faith. The founders of the business that created the foundation were hard working and grateful for the ability to support themselves through their endeavor. They believed what Teddy Roosevelt said when he enacted the federal gift tax – “the transmission of enormous wealth to young men does not do them any real service and is of great and genuine detriment to the community at large.” The third generation is a now steward of that wealth and focus it on making a difference in these areas. Even though the family created significant wealth through its entrepreneurial efforts that was not and is not the overriding value –the value is to much has been given, much is expected and it is better to give than to receive. It is interesting that one family member in the third generation has achieved significant wealth from his entrepreneurial wealth and in addition to carrying on the family legacy of philanthropy has also begun his own philanthropic legacy so that the cycle of philanthropy makes a difference. The difference in the goals is that with the founders, the goal was to build the wealth and then when they accomplished far more than they could ever have contemplated, the goal became to give it away. The oldest son’s goals became to achieve both significant wealth and give it away. While his children were growing up the dinner table conversation was focused on both goals- entrepreneurship to build wealth and the philanthropic impact of that wealth. The combination of these goals and the family core value of making a difference will bring this family’s legacy forward in a different way than the initial generation did. The legacy of philanthropy – three generations later- is very much in the dna of the family members and the circle of legacy is continuing on as I am noticing that young members of the youngest generations now want to focus and aspire on building significant wealth again and one of the reasons for this drive is that their legacy of philanthropy can be individualized if they create the wealth they are giving away.

A third generation family business I have worked with for many years has all family members and all in-laws who choose to work in the business are employed in the business. Each family member working in the business has a defined job with a job description and is paid according to the responsibilities that member undertakes- not according to how they are placed in the family system. All family and non family members are given performance review and their advancement within the organization is merit based. The legacy of this family is entrepreneurship and safety net, with the additional twist of merit. Because this has been thrashed out there is no question for anyone wanting to work in the business that if they come in they have to perform? One son decided not to work in the business and started his own enterprise- he wanted total control of his destiny and is not part of the ownership or employment of the family business. That is his choice and it is well respected by all family members. The goal that the family working together work for is to build a strong business and family unit that is economically entwined and the underlying premise is that they are stronger together than apart. The CFO is a son-in-law who is as valuable to the family and to the business as any of the sons. This family includes in-laws in its core definition and there has not been a

divorce at the second generation. I am sure that the holiday dinner tables focus on business as that is the lifeblood of the family –however anyone entering the family knows that immediately and should make a decision as to how comfortable they would be in that immersion.

I have found that many of the families I have worked with have unwritten rules about what their true north fundamental values are and when entering into a family through marriage it is important to look at what those are, what the undercurrents are and how they mesh with the entering spouse's value system. To create a sustainable legacy the values must mesh so that when shocks (good or bad) come to the system the system becomes stronger because it has built in mechanisms to sustain those shocks.

After you have given some thought as discussed in the prior chapter to what the true north fundamental goals of your family is (and if you are new to the family) how your true north values mesh with the family you are blending into, then a question to ponder is what to do with that? To what velocity are your goals set? Are you happy at a modest level? Do you wish to shoot for a sonic boom?

As an example if a strong sense of family and family safety is a paramount value what goals to you put in place achieve it? What goals are to be put in place? I would assume that open communication would then be critical so that there are no surprises. Does that mean all getting together on a regular basis? If you do not live near each other does that mean virtual regular communication? Do you establish a system for mentorship within the family? Does the family have a no questions asked "family bank" for emergencies? Is there a "travel bank" for family get togethers? Do you have a grandparents "summer camp" where the grandparents and grandchildren all get together for one week each summer (without the middle generation) and embark on a series of educational and recreational activities where the focus can be on the wider concept of family? How are holidays handled? Do they rotate? Do you have a common facebook site that posts pictures and has written narratives? How are new family members introduced? Are there traditions that make the entering spouse (and family) feel comfortable? Are there roles that the new family member should play to have a voice and be included? Will you assign a family leader (formally or informally) to keep this value top of mind? How would that person be selected and when would the position rotate?

If entrepreneurship is a paramount value what goals do you put in place to achieve it? Are there open discussions about the history of entrepreneurship in the family? Is there instruction on business plans and what that means? Are there "classes" on the financial components of this –balance sheet, profit and loss statement, risk, borrowing money, capital financing? If there is a family business is there an articulated expectation about who can work in the business and when? Are there policies about family members in summer jobs, internships? How is ownership handled? How are family members who are not owners handled? How are family members who are not employees but who are owners handled? What is the process for communication? What about cash flow? What information does the family member employee, the family member owner receive? What is the exit strategy for a family employee or owner? What if a family member wants to go

his/her own way? Are there funds available for that? Are those loans? What does all this do to inheritance?

If philanthropy and giving back to the community at large are fundamental values, what are the goals necessary to achieve them? Should it be a family rule that each member over the age of 8 years must do something on a volunteer basis – go to a food bank, mow an elderly neighbor's lawn? Should there be accountability for philanthropy? Are there common times of the year such as Thanksgiving when the family gets together and makes a decision as to how a collective sum of money should be dispersed? If the family is to give \$100, or \$1,000 or \$10,000 that year should there be a collective gift for part of it? How would those charities be selected? Would individual family members be assigned to participate in site visits (on a multi generational basis) and then provide a report and recommendations? Should it be a collective an individual goal to contribute a certain percentage such as 10% of income to philanthropy each year? If the family has a business should part of the profit be used for community based endeavors?

A helpful exercise is to think about discuss and write about what the three most important true north values that your family has and then what are the three goals that would support the sustainability of these values. It is important to consider how those goals would be implemented, by when they will be implemented (so that they are trackable) and who is in charge of the implementation.