

ARTICLE:

The Impact of Collaboration on Managing Your Affairs

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When a family addresses their affairs, whether a small change in plans is indicated or there is a need to make an important decision, they're in search of a quality result. Successful families have inherent complexity in their affairs. The tax code, legal system, financial markets and various financial or insurance instruments are inextricably linked. Even if a family's circumstances haven't changed with the passing of time, the impact of external factors often necessitates re-examination of strategies.

Let's look at how advisory models traditionally have addressed this challenge. Historically, advisors in different professional disciplines working with a common family haven't had an intentional model for effective communication. This article suggests that effective communication is important, but in today's complicated world it's no longer enough. Collaboration has become the ideal advisory dynamic for successful families.

WHY IS COMMUNICATION BETWEEN YOUR ADVISORS ESSENTIAL?

A great advisory team has a central goal: to understand the family's vision and carry that vision forward effectively and with integrity. To achieve this, advisors require a common starting point – a confirmation of the client's vision. In order to act on the vision effectively, planning implementation has to be completed properly. For any given decision a family makes, three to four advisors may need to touch the implementation to get it right. It would seem difficult to achieve effective implementation without a model for intentional communication.

THE DIFFERENCE BETWEEN COMMUNICATION AND COLLABORATION.

While communication is essential, there is a deeper opportunity at hand for families – the opportunity to have a *collaborative* advisory team. Communication is more about the coordination of tasks; one person informing another about their actions. This passing of information back and forth is helpful, yet families can ask for more.

In this context, a good definition of Collaboration is: *to work together in joint intellectual effort*. Consider the impact of having a truly collaborative advisory team. The team assesses the family's challenges and opportunities and brings the necessary advisory strengths to the table to move the family forward. Advisors can strategize on a family's behalf, once the vision has been established. Ideas can be more

innovative and more refined. Consensus builds confidence and momentum into the execution phase – for the advisors and the family.

HOW FAMILIES CAN FOSTER COLLABORATION?

Two dynamics must be in play. Collaborative advisors assess their strengths and proactively invite additional talent to the table based on the family’s vision and goals. This requires self-confidence and confidence in their relationship with the family.

Families must also play a role. *Insist that your advisors collaborate.* Consider bringing of all your advisors (tax, legal, financial, insurance) together. Foster communication and relationship first. Then move into a more formal brainstorming process. Enlist assistance from the group in confirming your vision. Then draft some ground rules around how the professionals can move beyond communication and into collaboration on your behalf.

If you have questions about this or other planning issues, please give us a call at 216-765-0121.