



## WHY A PLAN? WHY THIS TRANSITION PLAN?

Plans are created every day. But many business succession, financial and estate plans focus only on the business and your financial wealth. They look at your balance sheet, income statement and then consider your capital expansion and spending needs. They fail to consider that the business is part of a much larger picture – you and your family. What are your most deeply held WHYS? Discovering those WHYS and aligning your transition planning to support you in living a legacy rather than just leaving a legacy is the key goal of this Exercise.

At least 99% of the transition plans being created in America today ignore the non-financial dimensions of your wealth – your vision and values, the relationships which give purpose and meaning to your life, and the causes which matter most to you.

Stephen Covey suggested we always begin with the end in mind. What dreams do you have for what the impact of your family enterprise and wealth will be on those you love, your employees and the charities or causes you care deeply about?

Our goal is to help you tap into your human, intellectual and social/spiritual capitals to create a lasting and meaningful legacy....for you, your loved ones, your employees and for the causes and community you cherish. We call this Purposeful Planning. We believe you must build a solid foundation for your family's emotional well-being and relational wealth before you create forms and structures for the transitioning of your wealth and enterprise. Putting what matters most first will ensure that your financial legacy and business success will be both positive and sustainable.

We build a Purposeful Plan by starting with the Whys. Why are you creating a transition plan? What are your most heartfelt hopes and dreams for what your plan will accomplish?

*“As you seek to understand the world of business and wealth transition planning you will come to realize that the universe of plan purposes is nearly boundless. It is up to each Plan Creator to decide what matters most; what it is they want to accomplish and what the impact of their plan will be. The thoughtful Plan Creator wants to understand why other people have created transition plans. That perspective invites you to consider new vistas for what the possible influence and outcomes of your plan might be. However, each plan is as unique as its creator. We must make sure the illuminating light of our vision and heartfelt purposes is captured in our Purposeful Plan. Otherwise, it could be virtually anyone’s plan--* JOHN A. WARNICK, PPI FOUNDER



**INSTRUCTIONS:** There are four steps to this “**Why a Plan? Why This Transition Plan? Purposeful Visioning Exercise.** (estimated time 30-45 minutes)

Familiarize yourself with the universe of possible planning purposes below circling each of the purposes which you feel is part of the hopes and dreams you have for what might be accomplished with your Purposeful Plan.

Now go back over each of those planning WHYs you circled and place a STAR <sup>★</sup> next to each of the circled WHYs that you want to be ABSOLUTELY SURE we achieve. Many people will have at least five, ten and sometimes as many as 15 very important WHYs. Try to narrow your STARS to not more than 10.

Choose the #1 MOST IMPORTANT of the STARRED WHYs and make notes of why that purpose is so important to you on the next page.

After you do this select the next most important purpose and repeat the exercise with that purpose until you have identified the WHY behind each of top five purposes you feel really strongly about. If there are more than five, and you are inclined to do so, keep going on a separate sheet of paper.

## **WHY A PLAN? WHY THIS TRANSITION PLAN?**

HERE ARE SOME PURPOSES WE HAVE SEEN BUSINESS OWNERS PROVIDE FOR THEIR “WHYS”

### **WHICH OF THESE WHYS RESONATE WITH YOU?**

#### **Above the Horizon**

- Create Greater Clarity and Confidence Around My Business, Financial and Life Goals--Define Financial Independence
- Identify My Most Heartfelt Values and Dreams
- Pinpoint When The Business Will Be Ready to be Transitioned and What the Optimal Exit Strategy is For Me as Owner/Manager
- Make Sure the Personal Career Needs and Goals of My Family Are Being Met and That the Business Is a Positive Influence Within My Family
- Make Sure I'm Maximizing My Own Health and Emotional Well-Being
- Create and Start Checking Off a Bucket List of Memorable Places I Want to Visit or Events I Want to Participate In
- Create a Shared Vision Within My Family Around the Ownership,
- Management and Purpose of Our Family Enterprise
- Strengthen My Family's Communication Skills and Decision-Making Processes
- Ensure that Family Members Employed By the Business Are Qualified and Excited About Their Roles
- Make Family Meetings and Retreats Meaningful, Memorable and Fun
- Consider How We Can Create Positive Family Compensation Practices and Make Purposeful Gifts and Distributions to Non-Employee Family Members
- Explore Where and How I'm Making Charitable Contributions – Is There More I'd Like to Be Doing
- Help My Children and/or Grandchildren Discover the Joy of Giving



- Make Sure I've Done the Very Best Planning for Events such as Retirement or Transitioning Business Management
- Better Prepare for the Death of a Spouse or Significant Other
- Explore My Family's Heritage & Roots as well as My Life History and Share those Stories with My Family
- Capture the History and Values of the Family Business through stories, photos and memoirs and Share that Legacy with My Family and Employees
- Develop a Stewardship Mindset and Teach My Family What That is
- Work on Passing More Than Money to My Heirs – Create a Legacy of Values and Life Wisdom
- Help My Family Acquire Business Skills and Learn How to Be Great Owners
- Teach My Family Financial Planning and Life Management Skills
- Prepare My Heirs for Wealth Reception, Business Ownership and Life Success
- Encourage the Individual Growth of My Heirs So That They Are Becoming All They Are Capable of Being
- Encourage the Initiative and Self-Reliance of My Heirs
- Empower Family Members to Deal with Issues of Impairment or Addiction
- Strengthen My Family's Relational Fabric At Both the Sibling and Cousin Levels
- Remediate Fractured Family Relationships and/or Significantly Add to My Relationship Accounts with Members of My Family
- Allow All Members of Our Family to Have Their Voice Heard and Valued
- Explore Best Practices for Positive and Sustainable Legacies

### **Below the Horizon**

- Financial and Retirement Security
- Increase Business Profitability and Maximize Returns on Non-Business Investments
- Income and/or Transfer Tax Minimization or Avoidance
- Estate and Legacy Planning
- Make Sure My Wealth and Assets Are Protected as Fully as Possible Against Creditors, Lawsuits, and Anyone Who Might Try to Take Advantage of Me
- Monitor and Manage Life Insurance
- Plan for a Significant Increase in the Value of the Business and My Estate
- Through a Gifting Program which Both Benefits and Trains My Heirs
- Encourage My Heirs To Be Entrepreneurial
- Create a Family Bank to Help Family Members Purchase a Home, Pay Off Loans or Start Their Business/Career
- Make Sure I Have Selected the Right Trustees/Personal Representatives and Agents
- Explore the Flexibility and Value of a Trust Protector
- Protect Against Disability or Dementia and the Effects They Might Have on the Business, my Life or Family



- Make Sure the Business Mission and Investment Choices—both Today and In the Future—Are Aligned With My Values
- Insure the Successful Transition of Legacy Assets such as Business, Beachhouse, Cabin, or other Recreational Assets
- Maximize the Probabilities that the Settlement of My Estate Will Go Smoothly Without Fights or Disputes
- Protect Against Sibling Squabbles or Disappointment Over How I Leave My “Stuff” to My Family
- Prepare Family Members to be “Excellent Beneficiaries” and Train Trustees to be Great Fiduciaries and Mentors

Are There Other Purposes You Have Thought of That Aren’t Listed Above? – List Them Below:

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On this sheet, number and rank the plan purposes you circled and STARRED. Provide a short statement of why this is so important to you. eg. What do I hope it would mean to the beneficiaries of my plan? Is there a story in my life experience, or perhaps something I have observed or heard from others, which speaks to how important that purpose is to me? Is there a story or experience in my life or the life of another which illustrates why this matters so much to me?

Purpose #1 – My Most Important Purpose: \_\_\_\_\_  
Why is this so important to me (us)? \_\_\_\_\_

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Purpose #2 – My Second Most Important Purpose: \_\_\_\_\_  
Why is this so important to me (us)? \_\_\_\_\_

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Purpose #3 – My Third Most Important Purpose: \_\_\_\_\_  
Why is this so important to me (us)? \_\_\_\_\_

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Purpose #4 – My Fourth Most Important Purpose: \_\_\_\_\_  
Why is this so important to me (us)? \_\_\_\_\_

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Purpose #5 – My Fifth Most Important Purpose: \_\_\_\_\_  
Why is this so important to me (us)? \_\_\_\_\_

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