

Listening More, Talking Less

BARBARA CULVER IS ONE OF THE many advisors who has come to believe that financial planning is more about helping affluent clients make life decisions and less about managing their investments. In fact, she's so passionate about her "Purposeful Planning" approach that she teaches it to other advisors.

"New times call for new business models," says Culver, president of Resonate Inc. of Cincinnati, Ohio. "All the current research indicates clients seek and expect more services than ever from their advisors."

What Culver gives her clients is a process in which broader and deeper conversations take place among two or more generations of family members. If we don't do this type of planning going forward, says Culver, we will lose clients.

"As advisors, we make a lot of the same mistakes attorneys have been shown to make that cause client attrition. For example, we talk too much, we just assume clients will remain loyal and we fail to communicate clearly with clients."

The solution, she says, is to demonstrate to clients that you possess the "6 C's:" character, chemistry, caring, competence, cost-effectiveness and consultative. Further, she says, "We know that the ultra-high-net-worth clients want services delivered in a convenient and collaborative model."

Why does any of this matter? If for no other reason, says Culver, than because her research has shown her that "loyal clients provide an average of 11.8 referrals to qualified prospects, satisfied clients provide 2.1 and moderately satisfied clients provide 0.1 referrals." It only makes sense then to create loyalty in all of one's clients, and the 6 C's are a step



in that direction, she says.

Culver defines Purposeful Planning as "an intergenerational planning system anchored with the three secrets of flourishing families":

1. They hold regular and purposeful conversations about what really matters in life;
2. They include intergenerational, sustained philanthropy in their planning; and
3. They have a process for preparing heirs to become the next successful generation of leaders of the family.

To implement Purposeful Planning, the advisor works regularly with a group of professionals, a "Team of Affinity." Culver's own team includes John Warnick, an estate planning attorney and partner in the Denver office of Holme Roberts & Owen LLP; Terry Hunt, a noted psychologist practicing in the Boston area; and Courtney Pullen, a

With Barbara Culver's Purposeful Planning, the humanistic side of financial advice takes on a new dimension.

By David J. Drucker

consultant and head of Pullen Consulting Group LLC in Wheatridge, Colo. All of these professionals have experience in family wealth counseling, an essential skill for Purposeful Planning.

In addition to practicing Purposeful Planning with her own clients, she and Team of Affinity offer seminars at which they teach the process to other advisors. An important element is for advisors to offer clients services that include family retreats and family mission and vision statements. "The family retreats are co-facilitated with a psychologist and another advisor, such as the team's attorney or financial advisor," Culver says. "The design and implementation phase is led by the technical [e.g., tax] experts on the team. And the philanthropic mission and vision statements are created


all wealthy, of course, but they may not agree on important principles underlying their connection to each other through family foundations or businesses." That's where counseling comes in, says Hunt, who is a third-generation heir to the Alcoa Aluminum fortune.

And families take many forms, he notes. "At one time, I got into working with internationally successful musical entities—rock bands—which function just like wealthy families. They are bound together by a passion for their music, but the reality is that over time, they get tired of each other and problems arise, emotional issues, that translate into difficulties in governance within the band. I would help smooth out those issues so that the family entity has a system of governance that

Hunt says, he educates advisors on what a healthy family culture looks like and on how they can help their clients cultivate one. "In the process, advisors discover new skills they can use to differentiate themselves as well as new services, like family meetings and retreats," he adds. "Purposeful Planning gives the advisor branding and market share that's unique in terms of building intimacy and a sense of connection and belonging across generations within families."

Terri Berrenberg, owner of Berrenberg Wealth Management LLC in Albuquerque, N.M., took the Purposeful Planning training through seminars in Cincinnati and Denver. She has used it to help many clients create ethical wills, which are a good starting point for a lot of families to build a sense of teamwork and focus for the future, she says.

Berrenberg also has used Purposeful Planning with her own family. "My 30-year-old daughter and her husband were in Denver and went through the training with me," she says. "She married a young man from Oaxaca when in school there. There's a huge difference in their backgrounds, so it was neat for us all to go through the process, to talk about our family histories and discover our shared values." Berrenberg adds her family is wealthy enough to make it essential that her daughter understands how the money is being used.

Ultimately, what can your clients expect if you adopt Purposeful Planning (www.purposeful-planning.com/faculty.html)? "First of all," says Culver, "it gets the elephant out of the middle of the family's living room. It helps them work through past 'stuff' and get old conflicts resolved. They find shared values they express in family mission and value statements. They agree to a 'family money tree,' which guides the sharing, saving and spending of family wealth. They discover shared philanthropic goals. And they reach new levels of intimacy and, ultimately, commit to being stakeholders in each other's lives." 

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in conjunction with help from philanthropic professionals. All team members work together cooperatively and share information."

Why the emphasis on philanthropy when not all families are so inclined? Says Culver, "We find that wealthy people who aren't charitably motivated just haven't had an opportunity to really explore philanthropy. Initially, we talk to people to find out where their passion is, and we can always find a charity for that. In this way, it's easy to help people discover they have a philanthropic heart and just never had any help uncovering it before." Of course, the team seeks to identify philanthropic goals that all of the family's members can relate to and adopt.

Hunt, the team's psychologist, explains why it's critical to involve the family in planning for wealthy families: "There's usually something going on in every family that draws them to me. They're

works well over time."

Hunt says many Purposeful Planning clients have made their money through their own business ventures and want to maintain the stability of the entity that created the wealth. They also want to pass money down in a way that doesn't debilitate family members and discourage them from pursuing careers, he says. "A typical issue I deal with," says Hunt, "is trying to get entrepreneurs to look entrepreneurially about their family. The distinguishing feature of wealthy families is that the next generation is financially free to pursue careers that aren't all about the need to earn income. For example, my own psychology practice doesn't support my lifestyle, but I have a real passion for it."

At Purposeful Planning seminars,

An independent financial advisor since 1981, David J. Drucker, MBA, CFP® has been an industry influential for many years. Learn about his upcoming Technology Tools for Today® Conference—the industry's premier technology conference for financial advisors—at www.TechnologyToolsForToday.com.