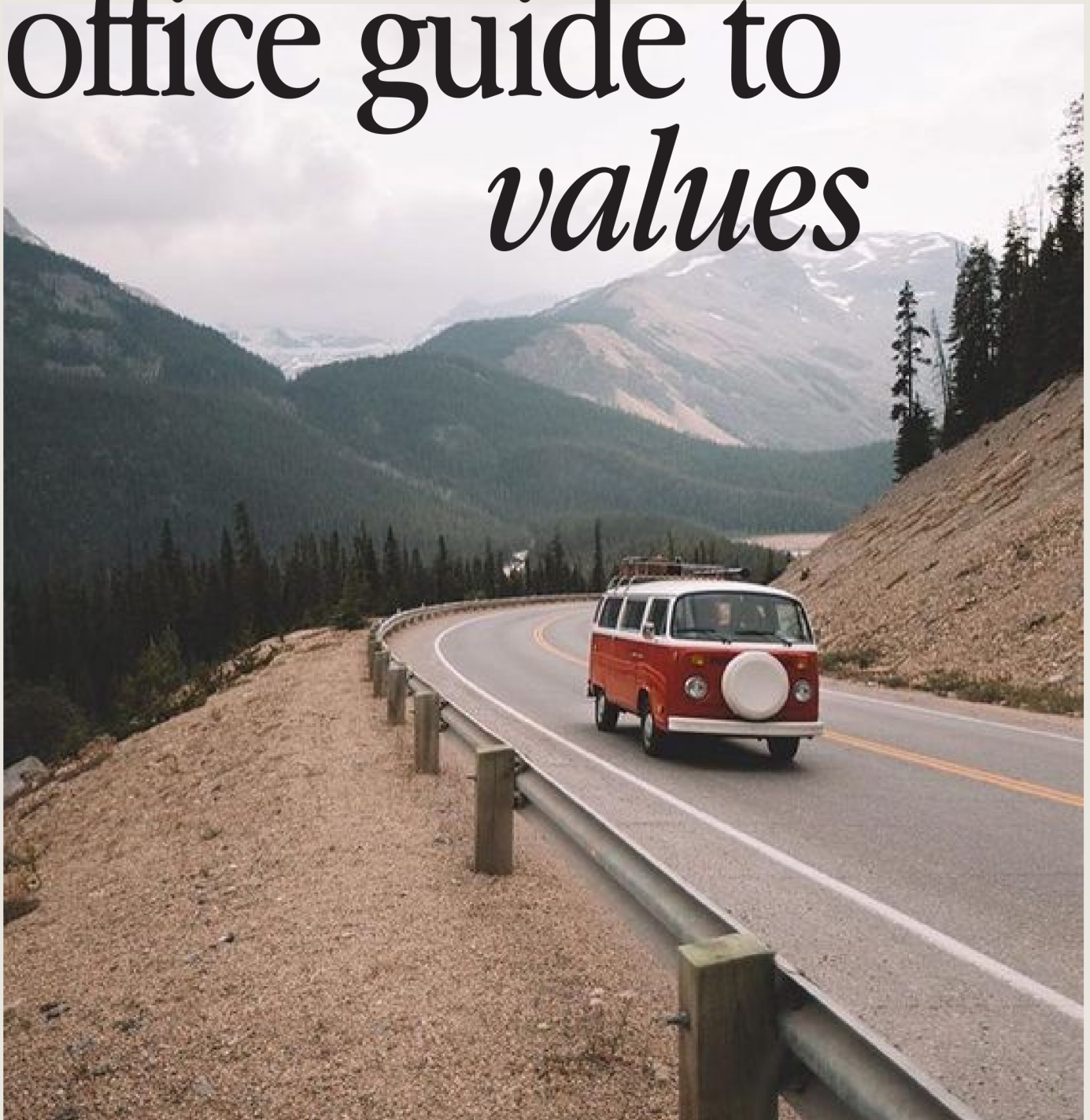


multi-family office guide to *values*



Total Family
Management

undefined *values*



DANGERS OF A WEAK FOUNDATION

Imagine a family, rich in history and assets, yet the bedrock of their legacy—values—remains unarticulated. It's an all-too-common scene: the concept of family values is universally touted, yet seldom explored or established. How do we know our personal or family values if we've never reflected on them?

Consider this: values are more than mere words—they are the language that forges a family's identity, the script of their shared story. But if they've never been defined, how can they effectively guide the family's collective decisions and culture? The absence of explicitly defined values is not merely an oversight; it's a missing link in the chain of generational governance, a gap in the common language that could unify a household. It's a disservice to clients. Values are part of the vision, and vision comes before planning. As [Jim Collins](#) says,

"The real scorecard in life is how well you build meaningful relationships and how well you live up to your core values. This means that values come before goals, before strategy, before tactics, before products, before market choices, before financing, before business plans, before every decision. Values come first, and all else follows—in business, in career, and in life."

How can we realize the full potential of these values if we've never defined them? More importantly, what are families missing out on by skipping this step? A strong house cannot be built on a weak foundation.

Governance & *values*



In our experience at Total Family Management, clearly defined family values significantly enhance practices in family governance and dynamics. Values possess multiple layers. They exist individually, within households, and across multi-generational families or foundations. Each person crafts their values based on personal beliefs and experiences. These values are not imposed but observed and adopted by example. Watching and learning from those we respect and admire shapes our value system, a process that's both subtle and profound.

Values serve as a common language. They offer a way to articulate what's important to us without being muddled in other aspects of life. This clarity is crucial, especially when different groups collaborate. Consider a family foundation: while shared values guide its mission, it does not necessitate identical values for every board member. It's the harmony of these values, rather than uniformity, that fortifies the foundation's purpose.

The more we engage with our values, the more integral they become in decision-making, conflict resolution, and success planning. They empower us to make tough choices with greater ease and confidence. In family governance, values can streamline decision-making processes, simplify conflict resolution, and enhance ongoing education efforts.

Defining values is taking a pause for reflection. It's not about advocating a specific path, but encouraging reflection on the current trajectory. Whether one is perfectly aligned or needs realignment, values act as a compass.

Engaging in this process of defining and living by one's values is a low-risk, high-reward activity. It strengthens individual character and collective family culture, laying a foundation for effective governance and enriched family dynamics.

family *vision*



The terms “values,” “mission,” and “vision” are often used interchangeably, leading to confusion. Borrowing from Jim Collins, author of the best-selling book *Good to Great*, we suggest a simple framework: vision = purpose + values + goals.

Vision is the overarching term, encompassing all elements. These elements are relevant to both individuals and groups. Purpose is the ever-distant horizon we strive toward, our “why” or “north star.” It inspires without constraining our actions.

Values inform all decisions, from the trivial to the pivotal. Adam Grant, in *Hidden Potential*, distinguishes character from personality, highlighting that character involves prioritizing values above instincts. When you admire someone's character, many times you're commenting that they live their values even when it's not easy.

Goals are the milestones on our journey: personal, collective, immediate, and distant. They chart our progress and, when shared, empower others to support our achievements.

A plan without a vision is like a GPS without a destination. This includes estate plans, financial plans, and business plans.

A shared vision is the foundational first step, fostering alignment within any team, household, multi-generational family, or business. It supports the group and also provides clarity to friends, advisors, and partners associated with the group.

**PURPOSE + VALUES
+ SHARED GOALS**

initiating values-based *conversations*

HOW TO START THE DISCUSSION

Identify the Right Clients: Not all clients will be open to discussing values. Start with those who are growth-minded, who share books and new ideas with you. These clients will provide the positive feedback loop you need to expand these conversations to others.

Time and Place: Schedule a separate meeting for this discussion, either in person or via video. Don't spring it on clients during a routine portfolio update.

Who Should Be There: Include heads of household in the conversation. If you usually only interact with one spouse, this is an opportunity to deepen your relationship with the other.

Setting Expectations: Ensure your clients understand the objectives, process, and outcomes of the exercise.

Framework for Discussion: Choose a framework that aligns with your firm's philosophy. We suggest Jay Hughes' "Five Forms of Family Capital." Make sure your team is well-versed in whichever framework you choose.



the role of an *advisor*

NO JUDGEMENT

Make it clear that there are no right or wrong answers when it comes to family values. The family must decide what values are most important to them.

QUESTION AND LISTEN

Your role is to ask questions, seek clarification, and listen. You're not there to provide the answers but to guide the family in discovering their own.

CONTROL THE ENERGY

Keep the conversation positive and aspirational. If things start to go south, steer the conversation back to the positive aspects of family and shared values.

CELEBRATE PROGRESS

You may not cover everything in one meeting, and that's okay. The important thing is that the conversation has started. Celebrate that achievement, both for your clients and for yourself.



common *mistakes*

TOO MANY VALUES

Aim for 3 to 5 values. While our list starts with 72, narrowing it down is crucial. Six values are too many, and two are too few. If you're dealing with a couple, find ways to ensure that both partners' ideals are reflected in the chosen values.

SETTING VALUES IN STONE

Don't Rush: Once a family has narrowed down their values to 3-5, don't revisit the topic for at least a few months.

Memory Test: When revisiting, see if family members can recall the values without looking. This is a good indicator of how deeply these values have been internalized.

The Front Door Test: Would you be comfortable displaying these values at your front door? Do they align with how you act and behave? If not, it's time for a re-evaluation.



VALUES OF ADULT CHILDREN

Parental Influence: While parents may want to dictate their adult children's values, that's not how it works. Parents can inspire values, but adult children must choose their own.

Shared Family Purpose: A well-crafted family purpose can be shared across generations, giving adult children the autonomy to interpret it in their own way.

actionable *strategies*



USE VALUES TO CREATE A COMMON LANGUAGE

Parents and children often find it challenging to discuss topics like money, estate planning, or even everyday matters. Establishing a set of family values can serve as a common language that eases these conversations. Encouraging parents to share these values with their children not only improves family communication but also provides wealth firms an opportunity to build trust with the next generation.

USE VALUES TO TALK ABOUT DIFFERENCES

Values label our differences for discussion. One might prioritize bravery, another justice, highlighting diverse importance. In multi-gen families, understanding these underlying values fosters productive dialogue.

TURN VALUES INTO SERVICE

Shared values often lead to collaborative philanthropy. More than just donating it's doing. It's a chance for team-building and finding a cause that resonates. When everyone invests in a cause, it fosters common ground and strengthens connections.

SET VALUES TO DRIVE INVESTMENT PREFERENCES

Progressive firms are incorporating TFM's family values directly into financial plans. For example, if 'Growth' is a family value, consider investing more in education. If 'Service' is a value, allocate funds for mission trips.



conclusion

Incorporating family values into wealth management isn't just a feel-good exercise; it's a strategic move that can significantly enhance client relationships and differentiate your firm in a crowded marketplace. By helping families define their values and integrate them into various aspects of financial planning, you're not only adding a layer of depth to your advisory services but also building a more sustainable and impactful business model.

KEY TAKEAWAYS

ENHANCED CLIENT RELATIONSHIPS

Utilizing family values as a framework for financial planning can deepen your connection with clients and help you engage with multiple generations within a family.

STRATEGIC DIFFERENTIATION

Offering values-based advisory services can set your firm apart in a competitive landscape, making you more attractive to both current and prospective clients.

SUSTAINABLE BUSINESS MODEL

Aligning financial planning and investment strategies with family values can lead to higher client retention rates and organic growth, contributing to the long-term success of your firm.



Total Family Management

LOVE
COURAGE
PASSION
CURIOSITY
INVENTIVENESS
RESILIENCE
FAITH
RESPONSIBILITY
JUSTICE
SERVICE
STEWARDSHIP
PURPOSE
PERSISTENCE
CONNECTION
AUTHENTICITY
EXCELLENCE
ENERGY
PLAY
GROWTH
AWARENESS
IMAGINATION
INDIVIDUALITY
INDEPENDENCE
FORGIVENESS

COMMUNITY
DIVERSITY
INNOVATION
HEALTH
ENTREPRENEURSHIP
TRUST
INTEGRITY
COMMITMENT
ADVENTURE
BALANCE
CHANGE
STRENGTH
HONESTY
JOY
GENEROSITY
OPTIMISM
GRIT
GRATITUDE
HOPE
EDUCATION
WISDOM
KNOWLEDGE
LEADERSHIP

HUMOR
BRAVERY
KINDNESS
MODESTY
SPIRITUALITY
MINDFULNESS
PRESENCE
HARD-WORK
ADAPTIVITY
HELPFULNESS
COMPROMISE
CREATIVITY
ACCOUNTABILITY
SUPPORT
COMMUNICATION
PROACTIVITY
PROTECTION
LOYALTY
GRACE
SIMPLICITY
ORDER
PRACTICALITY
TOLERANCE
SUSTAINABILITY
FAIRNESS

about

Total Family Management



Total Family Management (TFM) was born out of a straightforward but impactful conviction: ***"If family holds the utmost importance to us all, it's time our actions reflect that."*** As an entirely remote and employee-owned organization, TFM's dedication to families is deeply ingrained.

Our influence extends over a majority of U.S. states, serving a growing client base. Confidentiality remains a cornerstone at TFM; both our client and partner rosters are held in strict confidence. Our services are tailored to meet the needs of a diverse clientele, whether funded by a firm or directly by the family. This includes retirees with adult children, busy households with young kids, and even those at the beginning of their family journey, such as newlyweds or singles. Families of all configurations can benefit from our coaching services. After all, today is the youngest you'll ever be.

**VALUES: AUTHENTICITY SUPPORT
HOPE HUMOR CONNECTION**

**OUR PURPOSE IS TO SHOW UP
AND HELP FAMILIES.**

