THINKING BEYOND™...

Life as a Business

Reprinted with permission from the column Money and Meaning written by Randy Fox

Life's funny. As a kid, I always hated those adult cliches that seemed so trite and juvenile. I swore that I would avoid meaningless euphemisms when I reached adulthood. But here I am and I'm about to tell you that it really and truly is a small world after all. There, I said it. Images of Walt Disney World flash through my mind as I type those words. Now, let me justify my transgression.

Recently I traveled to North Carolina to celebrate the 50th birthday of my lifelong friend, Jerry. In case you were wondering, he turned 50 three days after I did, so we both now qualify for AARP membership. But that's a subject for another discussion. Among this many friends at the party was a fellow named John Eckblad, Ph.D., who is co-authoring, with David Kiel, D.P.H., a book entitled "Meaning and Money—Developing Your Life as A Business." Although we didn't spend much time at the party discussing our outlooks on this common interest (even though he has his title backwards) we subsequently enjoyed a lengthy phone conversation about his book and what topics the book will address. The conversation was intriguing and many of the concepts and ideas we discussed presented a very different viewpoint from the one generally presented by the traditional financial planning community.

John Eckblad (www.lifebusiness.com) began his career as a social psychologist specializing in organizational change and industrial relations. Much of his early experience involved the disparities between organized labor and management in England. This was not an easy area of practice, but one that John successfully negotiated and developed into a thriving business.

In his work, John began to recognize parallels between the individual planning experience and the corporate planning experience. In fact, it was his experience that all of the same systems that were generally applied to business for planning purposes worked equally well when applied to individuals. It is possible to successfully run your life as if it were a business by developing a business plan, budgets that reflect an allocation of resources to achieve specific "profitable" outcomes and regular reviews of your strategic plan to determine if you're on track. But wait a minute! Individuals don't necessarily measure their life in distinct profit and loss columns. What, then, is a profit when viewed in the context of one's life? Johncontends that it's important to consider profitable activities that are emotionally gratifying, where the only measure of gain or loss is a personal sense of satisfaction or well-being. This required each individual to carefully assess his or her own life very thoroughly. Where is time and energy spent? Where is gratification and joy gained? (Frequently, these are very different to begin with.) For most people, making these personal assessments is not an easy process. John has developed many different exercises to enable participants to clarify and understand their own goals and desires. These include everything from finger painting and collage making to more traditional small group interactions. Usually, the program involved a small group, often

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> "...life isn't just about the accumulation of vast monetary wealth, but about balance, enjoyment and fulfillment..."

What is **NAFWC**?

(The National Association of Family Wealth Counselors)

NAFWC is a non-profit member-run association of Family Wealth Counselors.

A Family Wealth Counselor has command of a revolutionary new approach to working with affluent families, which is sweeping across the country. Family Wealth Counseling addresses the financial, social, spiritual and emotional aspects of a family's life and wealth within a broader context of *life planning* instead of the more traditional and less effective context of estate planning.

Family Wealth Counselors help families seize their remaining time, employ their unique talents and mobilize their accumulated treasures to find fulfillment and significance as they discover and carry out their life purposes.

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no more than three couples who meet for either three full day sessions or for six weeks at three hours a session.

The results of these sessions turn many traditional financial and estate planning assumptions on their ears. For instance, one of John's examples the following question: If your were a business, would you allocate 10 or 15 percent of you annual budget for an expense that was to take place 30 to 40 years in the future and was impossible to clearly define? While doing this, other opportunities that might prove profitable (i.e. emotionally satisfying) must be passed over because there are not enough resources to allocate. With this strategy the business may flounder for years while planning for its success in the future. Although it doesn't seem likely that a business would undertake this strategy, we often advise our clients to do much the same thing when planning for their own financial futures. All of our advice about accumulating assets for a successful retirement or for passing estates on to heirs while forgoing the enjoyment of today need to be reexamined in this context. Given that life isn't just about the accumulation of vast monetary wealth, but about balance, enjoyment and fulfillment, this methodology finally offers some techniques for providing an understanding of this new perspective. With money no longer the only focal point, it is possible to examine the other aspects of life and prioritize accordingly.

Following a business model, budgets, as a tool of financial planning that are frequently viewed as restrictive and punitive, can now be viewed as a method for properly spending resources for worthwhile projects. After all, businesses analyze projects thoroughly and then allocate man-hours and make financial commitments to projects based on what is projected to be a profitable outcome. "Budgeting" no longer needs to be restrictive. Instead, it can become expansive, a way to allocate time, effort and money to those activities that are personally important. The rewards from this allocation may or may not be financial. For those from a corporate background, this type of planning will seem familiar and, perhaps, comforting. It may be a new way to view yourself and your future. For those less oriented to the corporate structure, these methods probably will provide some needed framework that will spill over into your career while it improves your life.

Relating this concept to the importance of money in our lives, it is apparent that John places substantial emphasis on nonmonetary issues. By doing so, money takes its proper place. It becomes a tool. It may be allocated as any other resource is allocated. This concept of money gains perspective and balance. It becomes possible to enjoy today as well as plan for tomorrow with the knowledge that decisions are based on a well-conceived and articulated plan that is derived from your own life's desires.

One of the greatest challenges of being a planner for the last 15 years has been the process of helping clients arrive at clearly defined and articulated goals. With out clear goals, planning is an impossible task. With younger clients and their young families, it has been difficult to look 30 or 40 years into the future and determine, with any degree of certainty, what the correct planning steps should be. With older clients, the emphasis has been on the transfer of wealth. Until goals are clearly defined, clearly understood and embraced by the client, planning becomes an exercise in futility. It becomes merely clever ideas, pages and pages of calculations and layer upon layer of strategies that no one really cares about. Would a business waste its time this way? Probably not. And neither should we.

This column originally appeared in CCH's Journal of Estate Planning, Vol. XX, No. X, December 1999-January 2000. Randy Fox, CFP, specializes in family wealth counseling in Napierville, Illinois.

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