

PART I

Redefining Retirement

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CHAPTER 1

It's All about You (Really It Is)

If you have lived your life as a leader, you might be surprised at the kinds of things that get in your way at this point in your life. As you face the road ahead, you may find that some of the very things that fueled your success are now roadblocks. It will take some careful thought to clear the road, and perhaps a willingness to consider alternative routes.

We versus Me

Most of us learned early in our business careers the power of *we* versus the power of *me*. You know that at the beginning of your career you were prized as an employee based on individual achievement—but what took you up the ladder was an ability to unite people as teams to get important work done. And the higher you flew, the more essential you found the power of *we*, and the more destructive you found too much *me*.

So herein lies the paradox—after a long career of the *we*, you cannot create and embrace your own transition without moving back to the *me*. It may feel like an unnatural act, but you have to do it. The reality is this: *Traditional business succession planning has it in the wrong order.* In almost every case the planning process begins with a focus on the business or organization, and it usually gets derailed right there. To get it right, you as a leader need to first figure out your own future. Then with your own plan in place, you can work with key stakeholders to plan for your organization. Forget grooming your successor; you need to groom yourself first.

In fact, our experience suggests that not putting yourself first takes the success out of succession. Think about it. How many leaders have you seen clinging to their organization on the mistaken belief that it could not survive without them? Come on, we all know that if you have done your job well you have great people in place to carry on. The real measure of your success may be your own “dispense-ability.”

How many leaders do you know whose health or board of directors forced their transition, yet they cannot bring themselves to leave the organization alone? We call this the Brett Favre syndrome (more about this later), but it is no joke. There are clear examples throughout business and public life of those who have their identity so tied up in their leadership role that they can't recognize when it's time to move on.

It's Time for It to Be All about You

If you're reading this book you probably haven't gone down the Favre road—appearing ridiculous to everyone but yourself—but you are worried that you might. Or you have had some sort of wake-up call—health, business issues, family matters, whatever. You know that as the leader no one is likely to hold up a mirror. Come on, who ever says “it's time for you to move on” to their boss? What is the bottom line? You have to do it yourself.

This could be the act of ultimate leadership—figuring out how to move out and onward to open the field for the success of others. Our observations suggest that when you as a leader have determined your own destination, you allow what is right for the organization to emerge naturally.

So this book is about creating your own strategy for what's next. It's not about traditional retirement planning—although it contains some similar elements—because traditional retirement doesn't work for leaders like you. Seriously, how many apocryphal stories have you heard in which a former CEO dies six months after retiring to the desert for golf? Instead, we are talking about creating something more.

What works for people like us is having a plan to do something meaningful and leave a legacy. In short, you need to continue somehow, some way, in being the person you are, a leader.

And you'll be happy to note that this isn't rocket science. Most of what you need to know you is already in your arsenal. You already tackled very similar tasks at some point in your career. This will be about using your skills on a new strategic planning project, yourself.

Real Life, Real Money

Is this about money? Yes, your financial resources have a significant role to play. It's hard to be creative with your life if you don't have some sense of financial peace of mind. As in your business life, a long-range strategy and the discipline to execute on it are keys to financial sustainability.

But you want to go beyond just analyzing the dollars and cents. The lessons we have learned from the business leaders and the families that we serve is that there are truly two sides to a balance sheet. Not just assets and liabilities, mind you, but human and financial capital. Your real wealth is measured not just in dollars but also in these human terms, the wealth of health, relationships, and purpose. We call this your *human capital*. You will be hearing a lot about it.

So it is about the money at some level, but so much more. At the end of the day, success will be measured not by how much you had but by what you did. Leveraging both your human capital and financial capital is the task. We suggest that failure to do so should not be an option.

Wealth Regeneration, What's That?

When asked what we do, we find we are often dispelling myths. "You manage people's money, right?" "No," we answer, "We manage their *wealth*, in fact, we help them *regenerate* it." The discipline we call Wealth Regeneration is both an art and a science. The purpose of Wealth Regeneration is to weave together all aspects of wealth—human capital and financial capital—to promote desired outcomes throughout lifetimes and across generations. It is a strategic approach ideally suited to the challenges leaders face when they consider retirement.

Wealth Regeneration is unique. It is a practice born out of the collective wisdom of our company's founders, the Laird Norton family—seven generations strong and thriving—coupled with new lessons we have learned serving emerging wealth creators in the Pacific Northwest. Our goal is to share its secrets with you.

Old Money

Our founders, the Laird Norton family, have achieved something very few families in America have achieved—a flourishing family and financial success, now seven generations strong.

There are many factors that have contributed to this achievement, but one thing stands clear. Throughout its history, the Laird Norton family has tended its human capital with as much care as its financial capital. As a result, when faced with change, whether economic or societal, this family always found a way to manage the change. The Laird Norton family's precious human capital has provided the resilience to weather both good times and crises for more than 150 years.

You cannot always expect that kind of result from financial capital, no matter how well managed. Sometimes human capital is the only thing that gets you through. So it is wise to take care of it.

New Wealth

Our work with recent wealth creators offers another kind of insight. Over the last 20 years there's been an amazing boom in entrepreneurship. It seems more new fortunes have been created than at any time since the Gilded Age. The hallmark of this new wave of wealth creators is not what you might expect, technology or innovation; rather, it is *adaptation*. Particularly the kind of adaptation that looks at various elements that already exist and imagines them functioning in new ways. And then creates the new way.

These entrepreneurs didn't invent the computer—they made it useful. Same thing with the Internet—they didn't create it, but they have made it a powerful tool for all of us. And all across many traditional businesses the same phenomenon has occurred. Existing elements are combined in bold new ways, creating even more value and growth.

The dictionary definition of adaptation is "adjustment to environmental conditions." We use the word in its practical sense. It describes the process of bringing seemingly disparate elements together in new ways to solve new problems. In the changing times we live in, this kind of adaptation is crucial to success by any measure.

Adaptation is by its very nature pragmatic and forward looking. It is clearly the best strategic posture in times of change. And the one thing you can count on is change! Change is ongoing; it never stops. The most successful of the new wealth creators—those who succeed in both business and personal life—have made adaptation a part of who they are, not just what they do. They use their adaptive mindset to fully embrace change wherever they find it and meet it head on. You can, too.

The Principles

Here are the key principles of Wealth Regeneration:

- Tend to your financial capital *very* well (we are financial people, after all).
- Mind your human capital with at least as much fervor as you tend to your financial capital (or maybe more).
- Stay open to adaptation in the face of change (because you never know).

With Wealth Regeneration you follow these principles to work with intention toward the future you desire. It's that straightforward, although we won't say it's simple. And as we've said before, these principles work particularly well when you are right in the midst of change. Fundamentally that's all retirement is, a change, albeit a profound one. It makes sense to be considering it with care.

What's Next?

You are not alone. It's well recognized that human life happens in phases. Historically the most attention has been paid to life phases in the early years, such as adolescents and the terrible twos. But as baby boomers begin to hit 65, you are hearing more and more about another stage. Some call it the third chapter; others call it a second act or an encore. Whatever you call it, the notion of staying vibrant, connected, and relevant as we age has great appeal. We all want lives of meaning.

As we see it, the pressure created by the increasing complexity of life combined with this desire for meaning makes the case for Wealth Regeneration very compelling. Now more than ever, careful stewardship of both your human capital and financial capital while readily adapting in the face of change will be needed at every twist and turn in the road ahead.

You Have to Sleep at Night

You might be surprised that we have not yet talked much about money. What we know from experience is this: When change is afoot, a serious chicken and egg problem arises when it comes to your life and your money. Here's the thing. It is almost impossible to figure out what's next in life

if you don't have a clear sense of your finances. And it's also true that what's next could affect those finances, perhaps in ways that are difficult to predict. This is what makes traditional linear retirement planning no longer relevant for our times.

Take this example: You don't think you're ready to quit totally, but you know it's time for you to step down. What do you figure out first? What you want to be doing? How you might stay employed? Or how much money will you need? Done right, the process is one of iterations, going back and forth and measuring trade-offs. And those iterations don't end when a decision is made and acted upon. Because as soon as you've made a decision, something else changes and you are back at it again.

Another example—you have recently retired but find yourself restless. You will probably go back to work some way, somehow, but you would like to explore something different. Someone suggests that you take a “gap year” where you move to a new location and undertake things completely unrelated to your former life. How could that work? And what if that leads you to a completely new set of choices?

Old-style planning offered a road map, a guide along a predetermined route. Now, there is nothing wrong with a road map—just as long as you never stray off course, run out of gas, or change your mind about where you're going. For the constantly changing future we all face, a new instrument is needed—something more like a GPS—so when change happens (and it will), you are ready to “recalculate route,” as the comforting voice might say.

That's how to think about Wealth Regeneration, as a trusted companion for the road ahead. It's a way of putting a process in place for yourself that “recalculates route.” And it helps you do so in a thoughtful and consistent way whenever the times, economics, minds, or health may change. And they will change.

PARTING THOUGHTS

1. When was the last time you intentionally tended your human capital?
2. What does peace of mind mean to you?
3. How do you practice adaptation in your personal life?