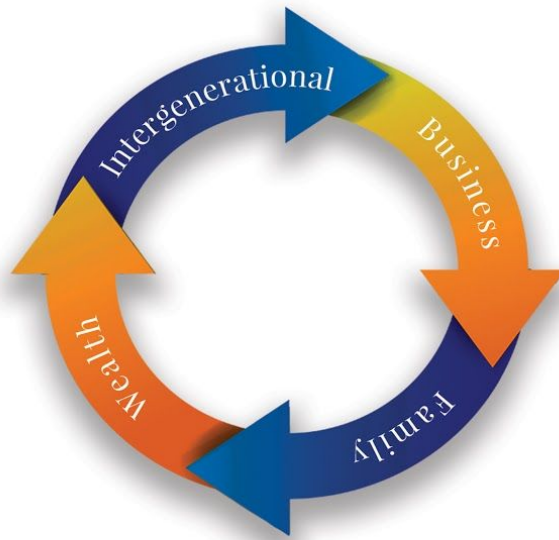


#1 INTERNATIONAL BESTSELLING AUTHOR

# Transition.

## W O R K B O O K



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# **Transition Workbook**

Companion to the #1 International Best Selling Book:

## **Transition**

**How to Prepare Your Family and Business for the Greatest  
Wealth Transfer in History**

**David Werdiger**

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Disclaimer: The cases and stories in this book have had details changed to preserve privacy.

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# Chapter 1

## Understanding Generational Labels

### (And Why It's Important for Your Family Business)

*Live in your own present and not in somebody else's past.*

It is important to understand generational differences. We need to learn how to put ourselves in the other generations' shoes. Below is a process to help bridge generation gaps.

List at least five of the major events that you recall when you were growing up - your first 20 years.

1.	6.
2.	7.
3.	8.
4.	9.
5.	10.

What did they mean to you? How did they impact you?

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How were your values influenced by them?

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Ask people from two other generations (e.g. at least 15-20 years older or younger than yourself) to repeat the exercise. Then, compare your responses to the others who completed the exercise.

Having done that, note how different your influences were. There are things that you remember as a child, that people from other generations will not remember or will be not meaningful to them at all.

You can learn the reasons *why* you look at things so differently.

## Chapter 2

### Creating a Legacy for You and Your Business

Looking backward and forward, over time, people tend to only see the successes of other people. The stories passed down from one generation to the next often focus on accomplishments. They forget about all the struggles that they went through. Those stories aren't always shared over time.

How do you envision your legacy? (look both directions - back and forward)

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What legacy has been transmitted to you?

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What do you want to transmit?

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What values are able to be maintained from one generation to the next? What values do you want to actively maintain through the generations?

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What stories can you share with future generations that would help maintain your legacy?

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## Chapter 3

### Identity and Values in Business

It is important that you identify your values and that there is some consistency between your personal values and your business values.

Identify your core values and business values

Personal Values	Business Values

Look at your personal values and the business values. What are the commonalities and differences?

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## Balancing Goals

Determine your key business goals that support your values. In my business, I identified three requirements: Lifestyle, Liquidity, and Leadership. You may have a different number of goals and they may not match the L-3 triangle.

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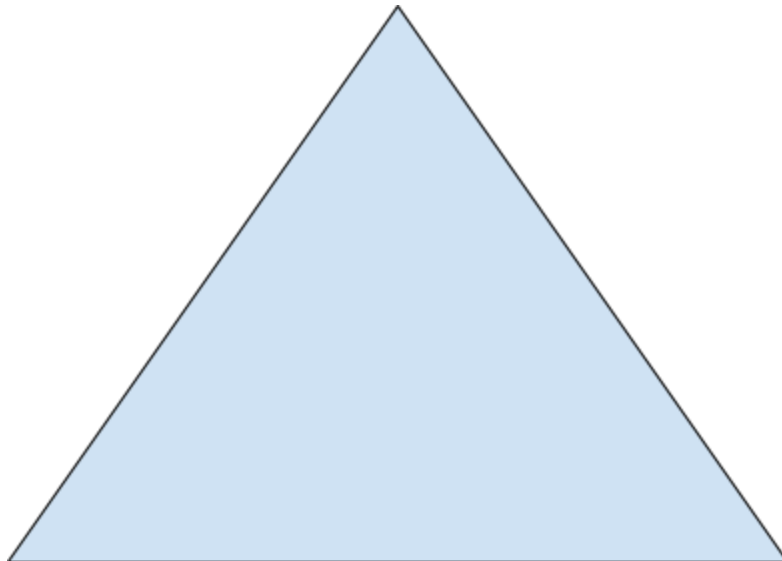
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How can you find a balance between these goals? What happens when those goals conflict? What are the tradeoffs between achieving them? Are they all equal or does one take priority over the others?

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## Chapter 4

### Entrepreneurs in the Family

What is your current view of entrepreneurs? What words come to mind when you think of entrepreneurs?

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Think of three entrepreneurs. For each of them, do they inspire or intimidate you?

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Do you think they've made a positive contribution to the world?

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What do you think drives them?

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Have entrepreneurs impacted your family's business? If so, how?

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Do you identify with any of them, and if you do, in what way? What do you think you have in common with them?

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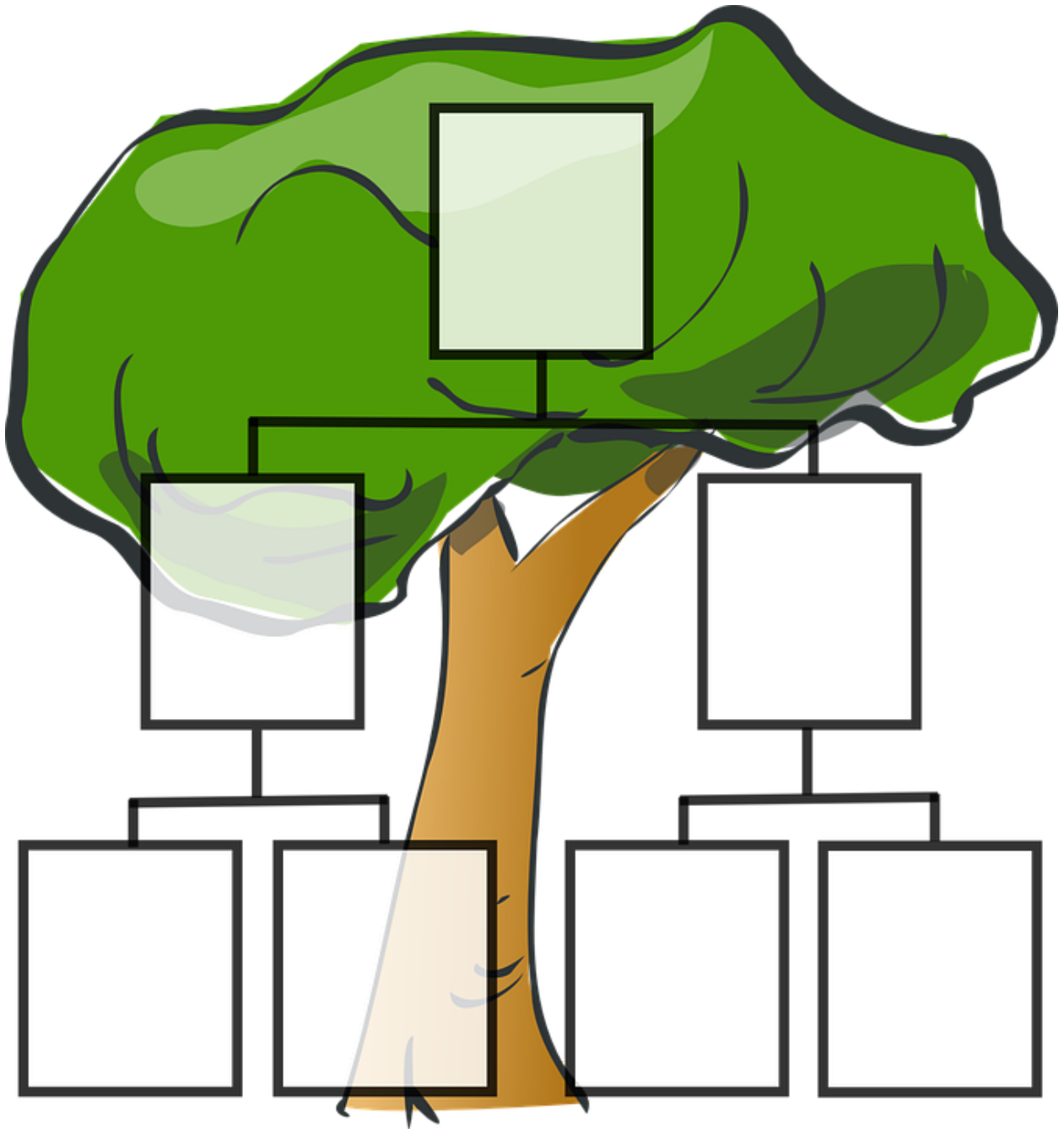
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## Chapter 5

### Intergenerational Issues

Fill in the family tree with your own family and identify where you sit within the generations.



How do you look at the previous generation? What were their attitudes towards entrepreneurship and risk?

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What is your attitude toward entrepreneurship and risk? What has influenced your attitude?

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What are the attitudes of your children?

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How many siblings do you have? Are they more or less involved in the family business?

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## Chapter 6

### Family Business Burdens versus Opportunities

Burdens are constraints in your life. Things you don't feel you can do because you are a member of a family, or things that you feel obliged to do because you are a member of a family. All of those things are burdens. Opportunities are the things that, if you weren't a member of your family, you would not be able to do. What are your burdens and opportunities?

List the opportunities your family has given you?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

What do you feel are the burdens that come with being a member of your family?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_



Pick the top two from each list.

Why are these the top two? Why are these important to you?

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What do you want? What is the purpose of this family business to you? Is it something that supports your lifestyle? Is it something that gives you something to do? Is it something that perpetuates the family name, the family pride, the family honor? It could be all of those things or none of those things.

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## Chapter 7

### Developing Trust in Your Business

When working with family, there are increased risks to your personal and professional relationship. The lines often become blurred between the family investment self and the family member self. What are the relationship risks in your family? Have you taken steps to diversify investments as a way to reducing the relationship risks?

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Is there overlap between financial risk and family risk in the way you make decisions or operate the family business?

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How does your family deal with family members who are also involved in the family business?

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What rules does your business have that help to establish trust and clarity amongst all members of the business? Some common rules relate to role separation, when the business can be discussed, and which family members can be involved in the business.

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Does everyone feel comfortable contributing to an open conversation about the family business and feel that their contributions are valued?

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## Chapter 8

### Intergenerational Wealth Transfer

You can look back a generation and forward a generation in relation to financial status within your family. Who made the money? Think about the generation before you, your generation, and then your aspirations for the generation after you.

What significant change, or changes, to your financial status occurred in your lifetime? You might have experienced a roller-coaster; gained it, lost it.

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Do you have a positive attitude toward your wealth? Are you comfortable with your wealth?

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What did the previous generation do to explain their wealth to you?

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Was that good or bad? Will you do it differently?

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What will you do to explain the wealth to the next generation?

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## Chapter 9

### How Much is Enough?

How much is enough for you? You can do a simple calculation to identify how much is enough income for your family and future generations.

You can look at things you might want to spend money on, which might be assets, houses, education. It might be lifestyle supplements. It might be precious things. You might decide that you want an art collection that will cost you 10 million dollars. You might want to get some very fancy jewelry for all of your children and your children's children. When you do that exercise, it puts real numbers in front of you, which is something a lot of people never do.

List the things that you might want to do with your money. For example, I want to live a very good life.

My lifestyle costs me a million dollars a year. I also want to give away a million dollars a year.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Now, start doing that for the next generation. What do you want to do for your children?

1. \_\_\_\_\_
2. \_\_\_\_\_

3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

## Chapter 10

### Raising Children with Wealth

What sort of values do you want them to have, particularly with respect to wealth, and respect to having meaning in life?

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How can you encourage your children to appreciate their wealth while also finding a greater purpose in life?

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How can you prepare your children for the wealth they will inherit?

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## Chapter 11

### Cross-Generational Thinking

This exercise focuses on the cross-generational analysis of your attitudes to earning money and giving money. First, think of your own attitude about money. Within your family, go back one or two generations and go forward one or two generations and learn about their attitudes.

In what ways are values and ethics relevant in your daily business life?

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What would you invest in and what wouldn't you invest in? Do you gravitate towards any specific investments or classes of investment? Is there anything that you would categorically not invest in? If so, why?

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When investing you, what factors help you determine if you want to invest in a particular company? Do you focus on ethical investing or social enterprises or do those aspects not factor into investment decisions?

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Do you enjoy philanthropic activities? If so, what do you think is the best way to give away money?

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## Chapter 12

### The Search for Balance

The scales are always shifting and we are not always on one side or the other. However, it is important to start thinking about where you fall on the scale as you search for balance. Think about your experiences over the last few months.

How much of your time did you spend focusing on profits and earning?

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How much of your time do you focus on the nonprofit sector and giving?

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Using the definition of happiness in the book, describe a recent experience that brought happiness to your life:

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Using the definition of meaning in the book, describe a recent experience that brought meaning to your life:

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How can you make changes to create more balance between earning and giving?

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How could this balance improve your family business during its transition?

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## Conclusion

Congratulations on completing the *Transition Workbook* and taking your first steps toward helping your family business experience a smooth transition as wealth and roles shift from one generation to the next. Family dynamics are complex and each family faces unique challenges as they work together. However, family members can also experience great success and find meaning in their contributions to the family business and beyond.

This workbook gave you the opportunity to begin the process of applying the strategies of *Transition* to your own experiences. The steps you have taken and the questions you have answered will be incredibly useful in navigating through future transitions while strengthening the business. For even more resources and support, please visit [www.DavidWerdiger.com](http://www.DavidWerdiger.com).