

February 2016

## Noteworthy Events



FRANCHISE EXPO  
SOUTH



February 11-13, 2016  
Houston, TX

INTERNATIONAL  
FRANCHISE EXPO



June 16-18, 2016  
New York, NY

WEST COAST  
FRANCHISE EXPO



October 6-8, 2016  
Denver, CO

## Passing Your Business and Wealth to the Next Generation



You've invested years of hard work to successfully build your own business and wealth, so it is natural to consider how you can successfully transfer the fruits of your labor to your heirs—the next generation of leaders and beyond—in order to carry on the family tradition. After all, if a family enterprise were a relay race, it would make no sense to lead first leg, then not provide those runners who follow with the best tools and training to keep the pace.

Unfortunately, some founders are reluctant to let go of the business, failing to see the family business enterprise as a continuum. It is not uncommon to find immensely successful entrepreneurs in their 60s who are reluctant to cede control to their children as they continue to play significant roles in driving growth of the business. In fact, by the time they pass control to their progenies, many of these founders would be in their 70s.

This preference to have direct control and ownership till the very last minute often has adverse repercussions. By then, either the founder has become physically or mentally weak, or conflicts would have arisen, with various family members bickering or having devised ways to get larger shares of the family wealth. Successful families often assume that their current harmony will perpetuate across the different generations, and this leads them to think that detailed estate and succession planning is unnecessary.

### Your Strategy for Succession

Through thoughtful succession planning, you will be able to tell your family how you would like your affairs and finances to be handled when you are no longer around. It provides clear instructions on how to distribute your assets, including the business, money, property and other elements of your estate.

It is important to identify the most competent successor early on. Trying to divide the business equally among family members will leave it more vulnerable for takeovers, especially if it is not sizeable, or if there are many children involved.

Your Business Name Here  
Contact Name  
Contact Number

Your web address here

## **Utilizing Your Succession Team**

A will is one tool you can use to ensure the type of succession you want, since it serves as a roadmap that your family and the courts can use to deal with assets according to your preferences. Without this tool, nobody can accurately second-guess your wishes, and the courts will have to fall back on intestacy laws of the deceased's domicile country to settle asset distribution.

Estate and succession planning, however, goes beyond writing a simple will. It is a holistic exercise typically involving your accountant, private banker, wealth planner and lawyer. As part of the estate planning process, this team puts together a 360-degree system to expertly guide you towards achieving the optimal fiscal benefits from your investment activities.

To be meaningful, discussions with your team are likely to be intensely personal, and more than one meeting will be needed. You will need to be prepared to share confidential details on all aspects of your wealth, including the finances and outlook for the family business, an inventory of all assets, and how you would like to provide for family members.

You also can specify the core values that you hope to perpetuate in the ongoing family business. For example, if you would like future generations to continue to support the needy, you can specify that a percentage of your company's annual revenue be dedicated to scholarships for disadvantaged students. This is not only intrinsically altruistic, but can educate successive generations of the family to look beyond merely whether the company is paying good dividends to preserve their financial futures, but also pursuing the more long-term social and economic values of the family.

## **Benefiting From Trusts**

Trusts can be effective instruments for distributing wealth to your children, whether they are involved in your business or not, offering several advantages:

- A trust allows you to dictate how your money is to be managed and distributed, and by whom, during your lifetime, or after death.
- It can include systematic instructions on how your heirs will benefit, as well as pre-requisites with which they must comply before they can receive their funds.
- It can include a dispute mediation mechanism to dictate how key disagreements in relation to the use of the trust assets are arbitrated.

With comprehensive legal advice, a trust can also protect wealth by mitigating any tax exposure triggered by cross-border asset acquisitions or the multiple nationalities/residences of the family members.

## **Planning Now for Optimal Results**

A successful estate and succession plan should start early, when you are still in charge. That way, you can put the right framework in place for your heirs to set the ground rules for every successive generation – helping to ensure wealth, sustainability and family harmony.

Ultimately, the key to achieving the full benefits from wealth and succession planning lies in the execution. The best estate and succession planning strategies will still need a dedicated team with extensive global experience and on-the-ground expertise to ensure seamless execution of your objectives.

Like a relay race, ensuring continued wealth and success for those who will follow means putting together a team and strategy that will give you the best shot at success. Doing so will ensure that you and your successors are winners.

# The No. 1 Way to Spot Weak Leadership



You can spot a weak leader a mile off by simply looking at the types of decisions they make. Not surprisingly, weak leaders pander to public opinion, they manage the routine rather than the extraordinary, and they worry more about being right than achieving the right outcome. Weak leaders seek the safe decision rather than the courageous decision.

News Flash: safe decisions rarely are. Great leaders possess the courage to not only seek out the right decision, but they also understand the importance of giving others permission to do the same. We need leaders who want others to do better and be better. What we don't need is more leaders who hide in safe harbors. Leaders don't get paid to make safe decisions; they get paid to make the right decision.

It's also important to understand safe decisions are not universally synonymous with smart decisions. In fact, most times the safe decision is a rationalization or justification that attempts to provide cover for what is knowingly a less than optimal choice. Have you ever noticed how weak leaders will often opt for the easy decision while the best leaders have learned to make the tough decisions look easy?

Leaders whose default setting is to "play it safe" do not impress me. Many will read the aforementioned statement as being unduly harsh – therein lies the problem. Organizations have incubated a generation of leaders who believe their job is to make safe decisions, not to rock the boat, and to protect people's feelings. A leader's job is to make good decisions regardless of how people feel about it.

Following are five types of decisions that many see as the safe decision – savvy leaders understand they're anything but safe:

**1. The Politically Correct Decision:** Smart leaders don't seek to be politically correct – they seek to be correct. Being politically correct rarely solves problems – it exacerbates them. Real change, not the politically correct version, is built upon seeking the truth, and not some watered-down version thereof. The first step in solving problems is to deal in

whole truths, not untruths or partial truths.

**2. The Talent Decision:** I can't even begin to count the number of times I've witnessed organizations make the safe hire instead of the right hire. The reason companies make bad hires is they compromise, they settle, they play it safe – they don't hire the best person for the job. Compromise has its place in business, but it has no role in the acquisition of talent. Leaders too often focus on the "nice to haves" instead of the "must haves." They allow themselves to be distracted by disparate, insignificant factors, rather than holding out for the best person for the job. My definition of irony: when leaders complain about their talent. I've always believed leaders deserve the teams they build. Here's the thing – when leaders make a bad hire they have no one to blame but themselves. If you don't believe you can hire world-class talent, don't be surprised when others begin to share your opinion.

**3. The Values Decision:** Rewarding performance over values might seem to be safe or smart, but it is neither. Organizations have core values for a reason – to give them a true north. Organizational values exist to align interests, actions, and direction. Ultimately they exist to create a hi-trust environment where exceptional performance is the rule and not the exception. When leaders make decisions that contradict core values there is a steep price to pay – a loss of trust. When a leader talks about values, but fails to act on or defend them, the entire enterprise is placed at risk. The best leaders have a zero tolerance policy for actions and/or decisions that constitute a violation of corporate values.

**4. The Managed Decision:** Many leaders believe if they can manage enough aspects of a decision then it will be safe to make. When decisions are over-managed they tend to be under-effective. Leaders need to stop managing decisions and just make them. I've always said, "managing expectations is gamesmanship – aligning them is leadership." Smart leaders offer a compass they don't draw the map. Think guidelines – not rules. Think surrender – not control. Build the right team and have the confidence to allow decisions to be made closet to the point of impact.

**5. The No Decision:** While it may seem safe to not make a decision, it's probably not. The reality is, not making a decision is still a decision – it's usually just not the right decision. Avoiding a decision doesn't mean you'll avoid the issue; you'll likely just exacerbate it. Great leaders don't find safety by sticking their head in the sand; they find safety in consistently making good decisions. However the greatest security is found to teaching others to make great decisions and then granting them the responsibility and authority to make them.

The best leaders don't play it safe, they don't look the other way when something is wrong, and they don't compromise on values. They do the right thing. Thoughts?

# Millennials Find Success with Franchising



For any entrepreneur, owning your own successful business is the ultimate dream. However, starting a business from the ground up can be a daunting task. Young entrepreneurs in particular may face barriers including limited finances and business management experience, as well as the absence of support needed to succeed as an independent business owner. Enter franchising.

Franchising offers a unique opportunity for Millennials who may not have prior business experience to succeed thanks to a business structure that is already in place. The franchise networks combine brand strength and a proven business model that offers, resources and continued support for franchise owners along the way.

Many of these entrepreneurs are motivated and eager to take advantage of the resources provided by the franchisor and there are several common practices that have helped them achieve success, including:

## **Taking advantage of training and resources**

By joining a franchise, business owners capitalize on the industry knowledge, training, sales and marketing expertise, and longstanding reputation of an established company. The franchisor provides franchisees with comprehensive training programs and tools to develop the business acumen and day-to-day operational skills needed to own and operate a franchise.

## **Setting goals**

In business, it's important to set attainable goals and then develop a clear plan to achieve those goals. Whether it's increasing sales, encouraging brand loyalty or promoting a specific product, goal setting establishes a clear path to success.

## **Hiring the right employees**

Employees are the first touch point for customers and a critical part of achieving success in business. However, finding and retaining good employees can be challenging. It's important to create a positive work environment and keep them motivated so they remain engaged.

## **Making connections within the franchise network**

Unlike many other independently owned businesses, franchising allows you to join a network of other owners. Networking with these other franchisees offers a great opportunity to make new connections and develop relationships that advance your business and your career. It can also provide great insight into what it takes to operate a successful franchise.

For Millennials and other young entrepreneurs, owning a business is an exciting yet challenging aspiration. Through franchising, this dream can not only become a reality, it can lead to a successful career.

# FEBRUARY TRIVIA!

(For answers, click on text box below)



1. At one time February was the last month of the year. True or False?
2. February gets its name from the work februa. What language does this word come from?  
a. Sanskrit      b. Greek      c. Latin      d. French
3. What is the meaning of the word "februa"?  
a. Rain      b. More daylight      c. Purification      d. Winter
4. Augustus Caesar took a day from February to make August the same length as July. True or False?
5. Which of these flowers do many people consider February's flower? It's not the one you'd think!  
a. Snowdrop      b. Anemone      c. Crocus      d. Primrose
6. What is the birthstone for February?  
a. Amethyst      b. Sapphire      c. Garnet      d. Ruby
7. How often does February have twenty-nine days?  
a. every 4 years      b. every 10 years      c. every other year      d. always
8. Was 1900 a leap year? Yes or No?
9. The second of February is Groundhog Day. It is also a special day for Roman Catholics. What is it?  
a. Ascension Day      b. Michaelmas Day      c. Candlemas Day      d. St. Andrew's Day
10. Complete this quote: 'The most serious charge which can be brought against New England is not ----but February.?'  
a. Snobbishness      b. Socialism      c. Puritanism      d. Racismmil

1. True 2. Latin 3. Purification 4. False 5. Primrose 6. Amethyst 7. Every 4 years 8. No 9. Candlemas Day 10. Puritanism