



What Matters Most to You?

There is no doubt that wealth matters. It is a measure of business and financial success, resulting from insightful people exercising commercial acumen. Yet commercial acumen is not enough to preserve wealth within a family across generations. The most problematic challenge faced by wealthy families is not how to make more money, but how to ensure that it lasts. To do this requires focusing on something other than money.

Successful families, whose wealth lasts for many generations follow five key practices:

1. Have a shared purpose

A family purpose is a clear articulation of why the family exists. It's a deep-seated reason for being, a cause, or belief that is the source of a family's collective passion, fulfilment and inspiration. It is under-pinned by a set of well-practiced values. The individual purpose of each family member must sit comfortably within the family purpose.

Having a shared purpose makes decision-making easier. By directing the family wealth and activities towards fulfilling the purpose, a greater focus is achieved and greater impact. Fulfilling the purpose allows the family to achieve its vision and for individuals to feel that they are making a meaningful contribution.

2. Build family capital, not just financial capital

Many families spend more time on their *financial* capital and less time on the *family* capital than they should. Family capital represents the extent to which each family member has meaningful work, establishes a positive sense of identity and can pursue their own happiness within a family that is supportive and trusting of each other. Without a focus on family capital, family wealth can erode through mistrust, poor understanding and antipathy.

The development of family capital requires a process of introspection and self-actualisation for individuals within the family context and as contributors to the family purpose. It also requires the systematic development of communication, empathy and conflict resolution skills.

3. Develop family expertise

Knowledge gained through the life experiences of each family member and their collaborations with independent experts develops family expertise. That expertise is a shared asset that families can draw on to build and sustain them in the service of what matters most.

It is not only expertise that's important, it's also is an ability to teach and learn from each other, a two-way exchange between the experts and families, in a way that nourishes the family's creative energies.



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Access to pre-eminent, independent advice is crucial to augment what the family can learn by itself. For successful families this means deep expertise in domains such as: succession planning, trustee services, investment management, tax, accounting, superannuation philanthropy, property, family governance and business advice. It is easier for families if this expertise is available from one provider who then understands the full extent of the family situation.

4. Nourish the next generations

Each family member has different needs, aspirations and talents. Taking time to help them identify their individual purpose is only the starting point. Deploying their talents to help direct and grow the family wealth, in service of what matters most to the family, requires a systematic program of development. It is not something that happens by itself, nor can it be left to the marginal time of senior family members busy with their own affairs.

For families to prosper over time in today's rapidly changing world also requires the development of a growth mindset. This is a state of mind that constantly seeks out new knowledge, networks and opportunities, often facilitated through referrals to new people and new thinking. Finding organisations that can feed this growth mindset is important to nourish the next generation.

5. Enrich the family narrative

Families who have a strong sense of their history, and the contributions family members have made over time, along with the outcomes they've achieved, are more invested in their collective future. Articulating this history, writing it down, sharing it, builds emotional investment in continuing the narrative.

Enriching the family narrative is more than just working towards family outcomes, it also means having a positive impact beyond the family, into the community and the nation. Our greatest source of purpose is when we are involved in something greater than ourselves, where we can have a positive impact on the lives of others. Successful families are uniquely placed to do this through philanthropy. By enriching the lives of others, they enrich their family narrative.

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Tracy is an experienced strategy and financial services professional. She has over 20 years of experience in consulting and industry, with a focus on corporate and business strategy. Tracy was the leading practitioner in Purpose Led Transformation in Asia-Pacific for Ernst and Young and was part of the strategy, customer and innovation practice. Tracy has held EGM roles at Commonwealth Bank in the areas of Corporate Strategy, and then as EGM of Brand, Marketing and Analytics for the Retail Bank. Prior to this, she was at McKinsey and Company for five years. Tracy has an MBA from London Business School and a Bachelor of Economics (Hons 1st) from the University of Sydney.