

Episode 1 - Our philosophy | At the kitchen table with Momentum Advisory Group

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Episode 1, in the series 'At the Kitchen Table' from Momentum Advisory Group

This podcast is a way to share stories from families we support and family advisers we partner with. These stories share a common theme - a critique of the idea that to be wealthy is not just about how much money you have but how you put your family's resources to use for future generations.

We are a small family business helping families redefine what it means to be wealthy.

In Episode 1 we talk about our philosophy, what we do, who we are and what our work means to us, and the families we support.

Episode Transcript

Emma: I'm here today with Tif and Adam from Momentum Advisory Group. Tiffany, can you tell me how are people beginning to view what wealth means to them? Is that changing?

Tiffany: Sure. The question that we keep coming back to time and time again with families is what does it mean to be wealthy?

What we're finding is that for most people it's not about the money. It's about how that family puts their resources to use for future generations. How they thrive, how they make decisions together, how they enjoy their time together and how their children and grandchildren can become independent and reach their potential.

Our belief is that the greatest resource a family has is its human and intellectual capital, so the people.

We want to share that vision with families, move away from old conversations about asset protection and distribution and really start to re-define what it means to be wealthy.

Emma: We are also re-defining what legacy means, Adam.

Adam: Yeah, that's right. I think it comes back to what Tif was saying around the people. When you start to change the conversation and focus on what's your purpose? what brings meaning? then that whole conversation on legacy really starts to change.

What we're talking about here is transitioning the resources in the family away from the family leader to the next generation and that's a huge shift.

We've seen it with families we've worked with. They've got to step back, let go a little bit and let the family take over and that's a big change for a lot of people.

When we get it right and create those opportunities then it's a richly rewarding experience because they get to see it and experience it and I think that's huge for people.

That really is when you start to see legacy change from the individual to the family and the family's legacy.

Emma: It must be much more enjoyable for them too to be able to be a part of their children's inheritance and see it and to participate in that.

Tif, what about leadership in families? You've worked extensively in leadership throughout your career. Are we doing as much for our families as we're doing for our corporate leaders?

Tiffany: Yeah, look, my life's passion is helping leaders develop the confidence. That's a key word for us, the confidence to take on the next challenge, the next role.

You look at the amount of wealth that's about to transfer between generations over the next ten years. It's in excess of four trillion dollars is the estimate and it's growing.

We need to focus less on the money and focus more on the leadership capability. If we do this well, it can have huge impact and meaning on business and society.

My background as you said, is in leadership development. I spent most of my life's work building up the Pine Street Leadership Development Group within Goldman Sachs in New York and London. That's what brought me to Australia.

I've seen it work. I've seen the impact of good leadership and I know we can do this better for family leaders.

Emma: Adam, can you tell me a little bit about the business?

Adam: Yeah, sure. We're a small family business. We're independent as well which I think that gives us a lot of freedom and flexibility just to make sure that we put our clients interests first. We want to do the right thing for our clients.

We spent a lot of time thinking about whether this was the right thing for us. We had to consider do we combine our children with our marriage, with our work, but I think at the end of the day, we got there by default. We just started collaborating on things and working together and we just ended up in that place.

I think the reason it works for us is that we've got really complimentary skills.

Tif is great at being able to guide conversations and facilitate the conversation and she's done that throughout her career. I think that's a great asset. To bring that with her leadership and coaching experience, I think that really gives families something different.

My background is communication, written communication, facilitating change, helping people through transition. That's what we see with families. It's often in a time of transition that we work with families.

I'm really enjoying being able to kind of structure and pace the work with families.

I think the most important thing for us, what really motivates us, is this is new. This conversation about re-defining wealth. It's really starting to gain momentum particularly in Australia.

We've seen it a lot in the U.S. and there's a lot of organisations having these conversations and doing this work. In Australia it's a new thing so I think that's what excites us.

Emma: Once a family engages you then what can they expect?
What happens?

Tiffany: I think we try to keep it very simple and focus on two key things.

The first is get them talking. Create the conversation. Our aim is for everyone to say, "You know, this feels like us." It can sometimes feel a little bit contrived because you're trying to help create a discussion that they may have been avoiding. It may be too hard. Some tough issues that need to be discussed.

Family systems form over many years and they're very hard to move away from. Often there's a perception about what people are willing or able to contribute and it's hard to hear them as they continue to grow and develop.

We need to create this space. It's got to be safe. It's got to be an environment where they can say what they really think.

For us the most meaningful conversations take place when you're back where you were as a kid with mom and dad when there were no real distractions and you were learning about the values and ethics and what matters in life which was at the kitchen table.

Adam: I think the other part of that conversation is it's really hard if you're the leader in the family, if you're the dad or the mum, to be able to facilitate a conversation and contribute at the same time.

In those family systems if you say something a certain way it has all this hidden meaning. Having someone independent to come in and facilitate that process I think that has worked really well with some of our families.

Emma: Did you focus quite closely to the education of the family?

Adam: Yeah, and that's the second thing we do and that's the core of everything really because we want every family member to have that confidence to steward family resources. Steward is a really strong word for us.

We want people to be able to contribute to critical decisions, so it's a really a strong group of people. They've got the financial education and they've got the leadership skills. The key thing really is that they practice that.

They practice working together and learning together. Education is a big part of what we do.

Emma: You mentioned earlier about using this wealth so there's a huge amount of wealth about to come in in the next ten years into the Australian economy or to transfer.

How are people using their wealth in ways that we might see social change as well as business change?

Tiffany: Yeah, well it's interesting. Often the main concern for families with significant resources is first not talking about it but second not giving it away too soon so that it actually creates a potential burden or becomes divisive.

The way that we're seeing families start to let the children be a part of that conversation is putting it towards social entrepreneurship, philanthropy, back into their local communities.

It gives a really wonderful ground for those next generation who are going to lead that family one day, the opportunity to learn a set of tools and how to value money, how to use it in a business context, how to create accountability and learn from mistakes, takes some risks.

While those mentors and guides in the family have been successful entrepreneurs in their own right. There's some really neat stuff going on now called intrepreneurships. Where families are essentially drawing from the family bank and encouraging the family members to take risks and come with ideas, do their due diligence and launch possibly new businesses within their family environment so that it's contained and they can learn from it at the same time.

Adam: Yeah, and I think what's great about those kind of projects, as you get social entrepreneurship and new ideas come up, is it gives those members of the family that perhaps weren't the obvious successor a chance to kind of find a role for themselves and see a way that they can contribute to the family that may not have otherwise have had the opportunity to do so.

You can see the excitement in those people as they kind of find a path for themselves. Philanthropy and social entrepreneurship is a great way to start that process.

Emma: We've all heard the stories about the multi-generational wealth, families that have been divided by their wealth. It certainly sounds like this process cuts that off, very much so.

That people are working together and you've identified goals and ambitions before the money comes into place.

Tiffany: Yeah. We like to think about it as sort of the old way and the new way, or maybe even a better way.

Which is to avoid some of those common traps, overprotecting the future leader, not creating a real situation for that person to learn and get some grit and take some experiences and build on those and do something that gives them their own sense of independence.

Really a focus on communication probably as early as possible is the thing we would probably reinforce. It's never too soon to start talking about it.

Emma: That sounds fantastic and I thank you very much for talking to me today.

Tiffany: Thanks, Emma.