



# The Real Reason Why We Don't Plan

Few of us like to plan and it is an interesting area for the family business. Greg McCann looks deeper into the issue that affects all generations...

Few of us like to plan, especially when it requires us to do some deep reflecting about what we really want. As a speaker, I recently spoke at a trade association's national convention where only one of about 60 family business owners had a succession plan. As a teacher, I see how much resistance my students have to crafting their "Life Plans" and notice that their stress is validated by the fact that only about 3% of people have any written life plans or goals. As a family business consultant, I see how hard it is for my clients to really get clear on what they want, be that relative to a succession plan; the impact of great wealth; or transitioning into a new position or stage in their lives.

In all of these contexts there is a common thread: resistance to planning. That resistance is, at its core, emotional. In none of the settings in which I interact with family businesses has anyone ever stood up and rationally argued against planning. (See the box on "emotional resistance" below.) In fact, in over a number of years talking to clients and students and very explicitly talking about this emotional resistance three very important truths have been identified.

So why plan at all?

Talking with professional advisers to family businesses, I continually hear a common theme: they are ready, willing, and able to help their clients achieve virtually anything (legal) they want. These professionals are often frustrated because the client often can't answer much beyond a fairly typical default answer of "minimise my taxes."

No professional can answer the core question for you: what do you really want? So one of the biggest and often unmentioned benefits of good planning is how well it empowers your professionals, and really all your stakeholders, to more effectively work towards what you want. As a family business seeking to achieve specific goals it is therefore important to give appropriate consideration when selecting your professional advisers.

And so to emotional resistance to planning.

There are any number of surface reasons we offer to justify why we don't want to plan. We minimise the importance of it: "it's all in my head; I just need a little time to write it down." We procrastinate:

## Benefits of planning

1. Planning is a very powerful way to take ownership (i.e. responsibility) for your future.
2. The process itself greatly deepens your thinking, your priorities, and your benchmarks for success-on your own terms.
3. Personal planning puts you in an elite group of people, approximately 3% who have any written life goals or plans.
4. Having a succession plan at least five years prior to the event increases your odds of success by up to 80%.
5. You create both transparency and accountability with your stakeholders (e.g. family and advisers).
6. Even without looking at the plan again, the process gives you and your stakeholders a template or "rudder" if you will, to navigate change and decision-making.

## The Red Flags Signalling Emotional Resistance

Here are some helpful tips, warning signs, or so-called red flags to help identify when your emotional resistance may be making decisions for you.

1. You feel stuck; you end up having the same discussions or even arguments that seem to go nowhere. For example, this is the twentieth time in the last several years your spouse has gotten into an argument with you about the need to do succession planning.
2. You find there are patterns in your life. For example, every time your parents criticize you, you react the same way. Perhaps you feel bad, withdraw and avoid talking with them, or you blow up and make a scene.
3. You feel as if until the other person changes, there is nothing you can do. Here watch for the phrase: *"if only"* **if only** dad would quick criticizing me or **if only** my wife won't nag me about succession planning. As a consultant, I often ask in such situations: what do you need to do if that other person never changes?
4. You keep trying to "think" your way through the problem and it doesn't seem to work. This can be maddening because your analytical skills probably work so well in so many areas of your professional life.
5. Ultimately ask yourself two questions:
  - a. If I continue this approach to this problem what will most likely happen?
  - b. When does this approach (e.g. procrastination) serve me well and when does it not?

In a nutshell, dealing with emotional resistance often comes down to a choice of waiting for a crisis to force you to deal with some issue (e.g. succession) or making the choice to deal with it proactively. An apt quote here would be: "The fates lead him who will; he who won't, they drag."

believing there is always something more urgent to tend to. Two other approaches to avoiding planning include outright denial and humor. One famous business leader's denial is apparent in his statement: "if I die" (emphasis added).

Humour is often portrayed in statements similar to: when I am gone I don't really care; you can all fight it out. Few people really would wish this suffering on their loved ones.

With the Life Plan, about halfway through the semester after I have returned the first drafts and the grades are often not what some of the students expected, there is an amazing dynamic. This has occurred in similar fashion with the clients with whom I have worked on Life Plans, though without the grading issue. After the students spend time and energy asserting my flaws, shortcomings, and questionable upbringing, there is often a pause and I ask if there is any emotional resistance going on with any of them.

After a pregnant pause, someone usually raises their hand and says they have a fear, perhaps a fear of failure. The next person mentions they have a fear of

success followed by someone saying they are afraid of committing and the related accountability. After that moment the whole course changes and the students operate at a far more insightful, even authentic level. This is the catalyst that enables so many of these young people to have a life-changing outcome to this course: they get past their emotional resistance and look at what they really want.

This process is one that all of us who want to do real planning for our lives have

to go through: confronting our genuine fears, the real reasons why we don't plan. Getting stuck on the surface level of avoidance actually means that you are letting your resistance be your decision maker. This in my opinion is the driving force behind so many family businesses failing.

So what are the three very important truths I have learned from these experiences?

Allow me to add that at age 30 I wrote my own life plan, which still guides my career 18 years later.

1. Truth comes from vulnerability. In other words, your gut or your intuition can tell you what you really want better than your head and your analysis.
2. All of the resistance comes down to reluctance to face yourself and take full ownership for your future.
3. No one can do the work for you. Someone can help you with the process and advisers can help immensely with how to get there from here, but the journey starts with you setting the direction.

Remember, letting your resistance be the decision maker is never a good choice.

Just this past month I heard a wonderful quote: "the opposite of success is not failure, it is conformity." Especially for family businesses that are often vital, entrepreneurial groups of people, I feel this quote resonates with the idea that planning is a vehicle to write your own script for success.

Take some time and reflect on this article and ask yourself what is preventing you from planning and see if that reflects a choice you truly want to make.

## Professional Advisers

1. Do they "get" family business? How many of their clients do they see as family businesses? What training, experiences, and skills do they bring to the table?
2. Do they take a holistic approach: looking at the impact of decisions on the family, the business, and the owners?
3. In family businesses the family and the related long-term thinking mean that people will often sacrifice in the short-term (i.e. the transaction) for the long-term (i.e. the relationship).
4. Do they really listen and use their expertise appropriately. In other words do your desires drive the decisions not the technical restraints?
5. Are they willing to collaborate with your other professional advisers as necessary?