

Leave a legacy

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Your business is there to meet your needs

Entrepreneurs like giving birth to ideas. Sometimes those ideas are monsters. Then the entrepreneur goes to work to feed the monster.

If you're a business owner or leader, no matter what kind of business, you pretty much have an environment where the demands for your time will always exceed supply. There will never be enough hours in the day. Your work will never be finished.

It's pretty easy to be emotionally attached to something you've created. I think that's a big reason why entrepreneurs don't sell the business. But if you make your business meet your needs and plug it into a legacy process then you're less likely to treat the business as a god and serve it.

Reconcile yourself to your mortality

One of the things that has helped me focus on what's most important vs. what's urgent (are you living under the tyranny of the urgent?) is a choice I made in 1994: I was going to live like I only had a few years to live. Why a few years? Well too much shorter and you may have too much desperation in your actions. Too much longer and you may not have a strong enough sensation of mortality. That's the point. I reconciled myself to my mortality.

This was also the genesis of much of my future planning mindset and the beginning of the most productive and practical efforts of my life.

I learned that if you can not reconcile yourself to your mortality you're not going to take full advantage of life and get your house in order. Here's a quote from an ancient Hebrew writing:

In those days Hezekiah became ill and was at the point of death. The prophet Isaiah son of Amoz went to him and said, "This is what the LORD says: Put your house in order, because you are going to die"

Some people would read that and think poor Hezekiah. I read it and thought that's a good idea. Get my house in order. The truth is we are all mortals and do not know when our time will come.

Don't just create wealth, leave a legacy

I ordered the most important things in my life to the point where everything I had built would not collapse if I suddenly were not around. A marvelous thing happened along the

way. I was able to step back from a lot from the tedium that was not enjoyable and apply myself to the highest and best uses of my skills.

A very major thing I did was find a good estate planner; we created trusts and a corporate trustee.

Clone yourself

One day as I was admiring ronald reagan's presidency I stopped to think about how one man could run the entire federal government and change it for the better. The answer I came up with was delegation to talented people. This is a pretty tough thing to do for an entrepreneur. After all you have conviction, vision, passion, ideas and the guts to take a risk to put them in play. What "employee" has that?

Succession planning is the act of a responsible person. What happens if you're disabled? What happens when you're gone? Are you going to leave a mess behind for your friends and family to clean up? Will that be your legacy?

Do what only you can do

Through delegation, I'm able to accomplish much more than ever.

If you enjoy playing music, fine. But the orchestra leader hears all the instruments. In my case, I'm strong on strategy and vision and not strong on people management. So as much as possible I try to work on what I'm good at and what only I can do.

Flag the important docs

I go through a lot of papers in a typical week and I don't like to throw things away. But I realized that I needed a system to keep track of the important documents so I could distinguish them from the stuff that would probably become useless soon. Also, if something were to happen to me I did not want to have a tangled mess.

So I started what I call redfiles. I have a drawer in my desk where I store my important keepers and I use a red folder instead of the manila folders. I also started clearly labeling my documents in my computer and periodically moving out the old drafts and useless docs. I told my wife and my assistant about the system.

Diversify your family

The book *family wealth* tells the story of meyer rothschild . He had 5 sons. He taught them all how to be bankers. One day he sent each of them to a different country and lent them the money to start their own bank.

Many years later, economic depression hit Europe. Three of the 5 brothers lost their bank. But two others did well. The moral of the story is how Rothschild not only diversified his assets but his family as well. He was legacy minded. Today his name has respect and his legacy is known around the world.

Be a founding father

The founding fathers of America had a vision, and they sat down one day and discussed with each other what they believed, what truths they had experienced, what they wished for the future, what they wanted for those that came after them.

From these discussions came the declaration of independence and the bill of rights. They went beyond that though, and created a system of government that would self-perpetuate and survive them. Today, over 200 years later, America's the most powerful nation on earth with the strongest and most stable government ever invented. Our founding fathers were geniuses and there's a lot we could learn from them.

In 1999, I realized I could be a founding father for my descendants. The book on family wealth taught me that we can pass on much more to our children than just wealth. They need to learn what we've learned. Your family, just like civilization itself, only advances when there's learning from previous mistakes.

Family constitution

So I developed my own family constitution. I did not try to fill it with every truth known to man, just the truth that I had experienced and developed convictions about. The instrument itself became part of my legacy to my descendants because it was an extension of the best of me.

One great thing about a constitution is that it becomes an objective reference point for future decisions. I review it regularly to remind myself of what's important. I look forward to sharing it with my kids; I can see now how I can build respect for a document that contains the values I use in parenting them.

After Sonya and I discussed our family constitution, we made plans to move to Europe.

We were excited about the kids learning French and experiencing a new culture. Our move was designed to make my personal experience as an immigrant part of the family culture. We have raised our kids to be multi-lingual and multicultural and better competitors in the marketplace. I intend to change the world through my kids.

Will it be as if you never lived?

My great-grandmother was there when I was born. For some period of time we were contemporaries. You know what? I know virtually nothing about her and have learned little from her having lived.

Unless I do something about it, my great-grandchildren, and maybe even some of my grandkids, will not know who I was, what I believed, what I discovered and learned and accomplished in my life.

My mom kept a diary, one day I took her pages and pages of manuscripts and hired editors to compress it into an appealing autobiography. Then I hired a publisher to print it in a professional hardback form. Mom's life is immortalized in her story.

A few years before my dad passed away I realized I would not have him around much longer. Dad was not good at all at writing or sharing emotional things. So one day I rented a professional video camera and recorder and some tv lights and set it up in his living room.

I asked him to sit down a few times over the following week and hit record and just start talking. Most of the time he was alone just talking into the video camera. He managed to tell his life story and share who he was on many hours of tape. It was an amazingly simple thing to do and now I have a very cherished possession.

My four kids were born years after he passed and never had an opportunity to know him in person. But they have a terrific video presentation he made just for them.

Teach kids to make money

What about leaving money for your kids? I believe the horror stories about children of the wealthy. I spoke recently to a consultant to the wealthy and he relayed a story about one of his clients who gave his 20 year old son in college a \$10 million gift and promised him 10 million more on his 30th birthday. The father asked the consultant if he should renege on what he promised. His son was now 30 but was still in school.

If you have grown kids you have a pretty good idea if they can handle money or not. If they are still young or you have young grandkids you can teach them how to handle money and how to make it.

One of my favorite sayings is give a man a fish, he'll have food for a day, teach a man to fish he can feed himself forever. Likewise, I expect to teach my children to fish well before their 35th birthday. That's when they get control of their trust funds.

Take a calculated risk to change the world through your kids

Granted, I may never know how successful I will be at this or the impact of the inheritances I've set in motion. Money has great power to corrupt. The consultant told

me that 80% of the kids of the wealthy that inherit money are seriously damaged by it. He said it to alarm me. But instead I thought about the 20% that weren't damaged. They must have had a tremendous resource few people on the planet ever get.

As an entrepreneur and capitalist I've had experience already with risk/return and have some sense of calculated risks. The potential for my kids to accomplish great things with the money is huge and ultimately a risk I'm willing to take.

Leave your descendants a value system

I asked dad to do his video in spanish, his first tongue. Even back then, I anticipated that my future kids would speak spanish. My parents had raised me to appreciate my heritage and they always spoke to me in spanish. So even though I was raised in america among only english speaking people I became a multi-lingual, multi-cultural person.

From the birth of my first child, I began to speak to them in spanish exclusively and insist that they speak spanish to me. It has worked very, very well.

Legacy means love

If you're working hard to build a business then you're building wealth. And if you're building wealth you should decide now what to do with it. Some people act as if nothing matters after they're dead. That, I think, is irresponsible. If you care about the people around you, you'll get your house in order for their sake.

Die poor

There's actually one thing harder than making money and that's keeping it. The two biggest benefits of estate planning is to keep the money out of the hands of the IRS and out of the hands of hostile trial attorneys. Tax avoidance and asset protection is legal and wise. You have liability exposure as an individual. You are driving the car, you are making promises. If you have a lot of your wealth in your personal estate you are the proverbial deep pocket target.

Are you going to die poor? I hope I do. I think that's the best plan. The worst plan is to do nothing and pretend nothing can go wrong and that you'll live forever. By dying poor I suggest you not keep a lot of financial wealth in your name or estate.

Work to keep the confiscators away

Make no mistake about it, in america today there are enemy armies of people who want to take your money when you're not looking. And they don't put it to good use, either. You have to work harder to put your money to good use than you did to make it.

Even if you don't think leaving it to your kids is good use there are many other legacies you can establish. For goodness sake, don't leave yourself vulnerable to a car-accident lawyer or to the tax confiscators.

Study your psychology of money

Pamela York Klainer is a career coach. She advises clients to write a money autobiography. A story of your life as it has involved money. The point is that we've all inherited attitudes about money from our parents and society that may not apply now but we're stuck in those ruts. She asks, "how can you know what you're striving for if you don't really understand your feelings about money?" Part of your training for your kids or grandkids should be proper attitudes about money.

Some sons, like me, kill themselves their whole lives trying to measure up to their dad. Think about how you define being proud of your kids. Are you trapping them in your image or performance-based love?

Develop your own wealth planning convictions

Estate planners are more tacticians than strategists. You are the entrepreneur. That gives you a unique ability to problem-solve and innovate in any area of interest to you. But you do have to dive in and learn about the science somewhat and you have to stop and think about what you want in a legacy.

Estate planning is not an event it's a long-term process. If you learn it, you will earn it.

Live on purpose

When you start thinking about and planning for legacies you develop a strategic plan for your life and you can live on purpose.

Merrill Lynch published a study that said business owner estates are among the least prepared. Ironically, we have the most to lose. They said that less than half of business owners have a current appraisal of their business (you need a tax-friendly one that's prepared on your terms and timing), or a successor, or a document governing the transfer and survival of their business or the arrangements for capital should they become disabled or pass away.

Wealth is more than money

You have other forms of wealth besides money. You may be a steward of human capital, children. You have spiritual assets. You have intellectual capital. What do you want done with it?

