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# TAX AND WEALTH ADVISOR ALERT: BUILDING A GREAT PLAN…STEP THREE: BRIDGING THE GAP

The last two posts to this blog have focused on how to build a great plan. First, you need to create a compelling vision; one that describes, in detail, where you are going and why. Then, you need to define where you currently are with empathetic honesty. The third step, and the focus of this post, is bridging the gap between the two. In other words, how do you get from where you are to where you want to go?

The first step to building a strong plan is to do the math. For example, if we are building a financial plan, and for my client to achieve his vision he needs $1,000,000 at age 65, and he is currently 45 and with a savings of $200,000, the math tells us we need to obtain an additional $800,000 over the next 20 years. If we are building a succession plan under which the company needs to fill three key vacancies to meet its five year vision, the math tells us we need to find three more bodies with the required skill sets. If we are building an estate plan and the client's vision is to leave her $20,000,000 illiquid assets (maybe a closely held business) to her children, the math tells us we need about $4,000,000 in cash to pay the estate tax when she dies to successfully achieve that vision.

The problem I see in a lot of plans and with some of the planners I work with is that this is where the plan ends: with the math. For example, the plan might be "you need $800,000 in the next twenty years, so based on an x% rate of return, you need to save $_____ every year." My response to those plans are twofold: the immature teenager living inside me wants to say "duh.," and my more thoughtful response is, if that is all planning is, simply replace the planner with a computer: it can do the math faster and better.

The math is critical. It is where we need to start. But the math is only the surface. Great planners never stay on the surface; they get deep. So, the next step in a great plan is to go one layer down and analyze why we are where we are and what needs to change to get where we want to go. For example, go back to our succession plan that requires hiring three key people over the next five years. Digging one layer deeper from the math, we might want to know why those people are not already part of the organization. There could be any number of answers to that question. Maybe three people will be leaving the organization over the next five years. Perhaps the company's growth strategy requires new talent. Maybe the company burns and churns its talent. Or, let's take our financial plan. It is critical to know we need to save a certain amount of money every year, but it is just as important to know why

our client has $200,000 saved right now.  Is our client on track or off track?

All of this leads up to the critical issue we have to help our client work through in creating the plan: change.  A great quote by Albert Einstein tells us that insanity is doing the same thing over and over again and expecting different results.  The problem with change is that science has proved that human beings are neurologically wired to resist change. Our brains are actually screaming at us to continue to do things in the same comfortable old way we always have.  We have to override that voice in our heads to build a successful change plan. It requires choice and discipline.

When working with clients, if the plan requires a change in behavior– and it almost always does– I always start with the tried and true consulting change tool: a start, stop and continue analysis.

I ask, if I want to achieve my vision:

## What do I need to start doing that I am not currently doing? Examples:

- I need to save more.
- I need to create a budget and stick to it diligently.
- I need to have savings removed from my paycheck.
- I need to implement a mentorship program in my company.
- Our company needs to train people for their next job as they are doing their current one.
- I need to invest less money back in my business and invest those funds in life insurance to pay the estate tax.
- I need to delegate more decision making responsibility to future leadership.

## What do I need to stop doing? Examples:

- I need to stop impulse shopping.
- I need to stop going to the mall for entertainment.
- I need to stop going to Starbucks every day.
- I need to stop requiring my people to work so many hours at their job so they have time in their day to focus on professional development.
- I need to stop investing every dollar my business makes back in my business and growing the value of an illiquid asset without first building up my liquid assets (even if the reinvestment is getting a  better rate of return).
- I need to stop doing all of the duties of my business and delegate responsibility to others so they can grow.

## What do I need to continue doing?
## Examples:

- I am saving enough every month to meet my retirement goals. I need to continue doing so.
- We are doing a great job in attracting talented people. We need to keep recruiting the way we have.

This stop, start, and continue analysis– combined with a compelling vision and an empathetically honest assessment of the current state of things– should result in a strong execution plan.  We will know how we have to change in order to get where we want to go. We will have a handle on the new behaviors we need to develop and the old habits we need to break.  But will we actually change? That question is the focus of my next blog article.