

STRATEGY PROFILE

CLIENT SUITABILITY

- Individuals wanting to analyze exposure to unwanted taxes
- Individuals who desire to see where current financial and legal instruments fail to achieve goals
- Individuals wanting a concise and integrative summary of balance sheet, asset management, legal, tax, insurance, and cash flow documents

HYPOTHETICAL RESULT

- Develop a report card showing what is good about current planning documents and what aspects of planning need attention
- Summarize planning documents in one place

Value Proposition Letter

OBJECTIVE: To calculate the costs and benefits of planning, before spending money on plan design, drafting, and funding.

Thomas and Virginia were anxious about the status of their planning. They were especially concerned that Virginia wouldn't know what to do if something were to happen to Thomas. In order to gain a complete understanding of all of their planning documents, they hired a wealth counselor to review financial, legal, tax, insurance, and cash flow documents. Documents analyzed included:

- Net worth statement and expected returns
- Income tax status including income sources, deductions, and tax categories
- Financial independence as it relates to lifestyle, inheritance, and philanthropy
- Wealth transfer status to heirs, taxes, and charity
- Expected return, volatility, and portfolio efficiency of liquid investments
- Life insurance summary of coverage
- Goals, objectives, and progress

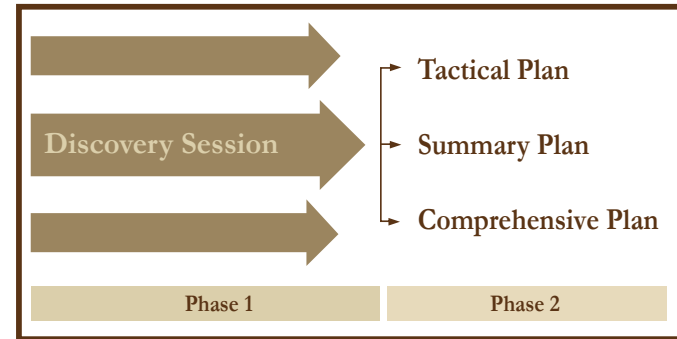
The wealth counselor provided a grid showing how the Smiths are subject to unnecessary income, capital gains, and estate taxes. The grid showed how the costs of additional planning should be less than 1% of the tax savings. The value proposition grid is in a letter that addresses:

- Potential for enhancing surplus cash flow
- Tax saving strategies
- Investment portfolio returns and risks
- Wealth transfer steps and timing
- Life insurance considerations and alternatives
- Estate planning deficiencies and solutions
- Family meeting agendas and metrics
- Other areas of importance to the Smiths



Value Proposition Letter Process

The Smiths adviser met with them during an initial consultation. The consultation was free because the Smiths agreed to provide their balance sheet, income tax, and legal documents before the initial meeting. Having this information in advance allowed the adviser to document the costs and benefits of planning in a Value Proposition Letter (VPL). The VPL showed the fees and expected additional after-tax cash flow and inheritance amounts that should result from engaging the adviser for a new tactical plan, summary plan, or comprehensive Family Wealth Blueprint®.



	Current	Proposed
Estate Taxes	\$14,300,000	\$100,000
Benefit to Heirs	\$15,200,000	\$18,900,000
Income Tax Savings	\$0	\$200,000
Benefit to Charity	\$0	\$21,300,000

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