



AESNATION.COM

ACCELERATING ENTREPRENEURIAL SUCCESS PODCAST

EPISODE
150

Denice Gierach

Show Notes at: <http://www.aesnation.com/150>



Dear Fellow Entrepreneur,

We are thrilled that you have joined us here at AES Nation, where we're dedicated to accelerating entrepreneurial success—your success.

We hope you find this transcript to be a valuable supplement to the podcast and encourage you to share it with like-minded entrepreneurs in your network.

In addition to our five-times-a-week interviews with leading entrepreneurs, keep in mind that we have plenty of other resources to help put your success on the fast track:

- Our **monthly live, interactive webinars** co-hosted with Dan Sullivan of Strategic Coach feature today's top entrepreneurs. These are world-changing entrepreneurs who have the insight to help transform your business.
- Our **virtual conferences** showcase business leaders and experts in elevating your success and your life. These one-day online events give you access to the in-depth presentations and interaction that you'd get at a live conference from the comfort of your office or home.
- The **AESNation.com weekly newsletter** will always keep you on top of the latest interviews and events. [Sign up here.](#)

Thanks for being part of the AES Nation community. We'll see you online.

Best of success,



John Bowen
Co-founder, AES Nation

John Bowen: As entrepreneurs we all want to make a difference and we want to keep on making a difference and leave a tremendous legacy. I have a remarkable guest today. She is an amazing individual. I've known her over a number of years. We hang out at some of these CEO Mastermind groups together. She's the one that everyone looks to, to really understand the estate planning, the business succession and a lot of legal issues, which is really high.

What I want to talk about today, I've asked Denice to really focus in like a laser, is this whole process of estate planning for entrepreneurs. The opportunity for us to really deal with our personal side and our business side, so that we have everything taken care of, no matter what happens in life.

It is an amazing opportunity for each and every one of us because we all know we're not going to get out of this game alive but we're going to win the game nonetheless. I'm John Bowen. You are at AES Nation, it's all about accelerating your success and you want to stay tuned because we're going to show you how to do it.

Denice, I am so excited to have you here today. You and I have sat together at many of the Mastermind groups, Joe Polish's Genius Network in particular. You're one of those attorneys who really thinks big picture. You're an entrepreneur, you're making things happen, you've been practicing for over 30 years, not practicing, you've been doing it right for over 30 years.

You've got all kinds of credentials. The financial side, the CPA, the management, the legal and you bring it together really nicely. This is where I see so many of my friends and ... before we turn on the camera I shared one just recently in our family that I had to go through three years of legal action protecting some family interests and it's just ... and I actually referred to him as my stepfather ... referred him to someone to take care of it and he kind of did it.

There's just a huge opportunity and so many challenges both for us as entrepreneurs but also for family members and you know, it doesn't need to be. I want to get a little of the back story because I think of you as this high powered attorney, making a difference and did you wake up ... I always go ... at age five did you decide you were going to be an attorney?

Denice Gierach: It wasn't age five, but the story behind it is actually my uncle was an attorney and he had an office that was about three blocks from our house. One day, for some reason, my dad was going to go over there and he asked if I would go with him.

While I'm over there, my uncle is seeing a client for a divorce. He asked me to come in and he said, "Would you like to sit in on this meeting?" Of course he asked the client to see if it was okay. This lady was just ... she was bawling her eyes out and all I remember, because I think I was probably like an eighth grade or something like that, was that, you know when he got done with the conversation with her she wasn't crying anymore. I thought, wow I wonder if I could do that someday, well here I am.

Some years later, you know, doing, not divorce work but we deal with many families of entrepreneurs and it's been a really rewarding experience for all of these years.

John: You know, it's such an opportunity to have ... we survey a lot of entrepreneurs, affluent families and when we look at the five big concerns that they have today; number one, they want to make smart decisions about their money. They're building that wealth for family and independence. Second, is they want to mitigate income taxes. Number three, is taking care of the heirs and often times those first three are interrelated. Then four, is protecting the assets from being unjustly taken. Five, is going ahead and making, you know really magnifying charitable gifts.

This is what we see over and over again when we study successful entrepreneurs. So often they're so busy doing it, doing it, doing it in the office that they don't take care of this. I mean, what's your experience in working with entrepreneurs in their really dealing with these issues?

Denice: That's exactly the problem. I mean there's always a fire to put out at their office, so to speak. You know, they don't get around to this and they really look at the process like it's really so overwhelming to make that choice, as if they can't change it later.

I tell my entrepreneurial clients that, hey if you don't make a choice life is going to make a choice for you and it may not be the choice that you would have in mind. You know, give it your best shot now, I'm not telling you to guess but everybody in your business ... you're making educated guesses every single day of the week, you know so it behoves you to make your best guess now and come up with a plan of how you're going to do those first three things you talked about. So you can get eventually, to that legacy portion, that charitable giving portion, that give back portion. That something that you can show you were alive here for a purpose.

You know, it's ... we at our firm try to take the guess work out of it, you know. We used to deal with the things in a 10-page questionnaire and the standard process. I found, I just got

these blank stares and nobody would do anything. You know, we boiled it down to two sides of a page. I interview them for the rest. I make them bring their financial information in and so the process has to be simple.

That is what we built our process around is making it simple. The hard part is making those decisions. Who's going to be in charge of things? What's going to happen with your business when you die? I tell people, you know you need a written succession plan, but before you do that at least give me five names of companies that you would feel confident in having your spouse go and sell your company to. So that, you know, when you die, it's not going to be like a bunch of vultures coming in, you know, for the kill.

I'm sure I'm off your point --

John: No, no, no.

Denice: Generally speaking, it's something that needs to be looked at. We try to make the process very easy.

John: You know as you think about it Denice, one of the things I see over and over again, why I wanted to have you on is, you know, just the horror stories. Most of my life I was a financial advisor for, you know many high tech executives here in Silicon Valley. Then I did sports and entertainment. You know life happens, you know life intrudes, nobody gets out of life unscarred, we're living longer. The higher likelihood of some of us getting dementia now, you know the health.

We're progressing, we want to have all ... you know, we're ... if you're listening to this, you're already successful, you're accumulating assets, you're making a difference, you're working hard in your business. What a shame to ... I'm going to give one example here, Denice, maybe you might give another. I'm going to think of one when I was a financial advisor.

This is awhile ago but it just, it was the first one where it really hit me. I'm at the south end of Silicon Valley, kind of halfway between San Jose and Monterey and there's ... I'm surrounded by about 20 vineyards, wineries, here I've got maker of Merlot too. I like the wine and all that and one of my clients passed away and I had just got them ... because the classic, I'll call it a heart attack that we have ... that they now ... getting advisors and we just got it right at the end of life.

He had set up the ... really a pretty successful vineyard but not very much cash flow. You know, land rich and where the spouse had the income and the kids had the remainder interest, you know what's left over, but the kids were trustees. They didn't ... the wife had no ability to make any of the asset ... or make any disposition the assets and there wasn't enough cash. The family was really ended up being destroyed on the difference of how we were going to take care of mom because mom was ... had some health issues of her ... on her own. They could've sold a piece of property ... you know put millions, no problems with cash, but you know, this is if somebody had worked with the family ahead of time to think this out.

As you talked about, you know when they first did it, they had no assets, you know, it really didn't make any difference. The value exploded and just a real problem and I see in my own family has been touched by this, where people didn't deal with things that they were supposed to do. Even with, you know, top help around, everybody kind of doesn't want to talk about estate planning. Particularly entrepreneurs, we're all going to be immortal, Denice.

Denice: Yeah, well eventually we'll all have Google chips in our head just like Ray Kurzweil.

John: With Ray we'll probably have to take ... some of you don't know Ray. Ray's one of the most successful, I want to call him futurist. I mean that's not the right name. He's now head of research at Google but he's an amazing individual and I think he takes about a hundred and some supplements. He's one most predicting that we will be able to have ... live forever. There's a likelihood and I'm with him if he can figure it out, I'd love to do that.

Denice: Yeah. I read one article where they had talked to him and he said, death is really a mistake in the DNA and during our lifetimes, he says, we ought to be able to fix that. I'm with him. I'll live with a Google chip and totally rebuilt by that time. That's okay with me.

John: We're kind of kidding about it but the reality is, we are living longer and in the next 15 years, almost every futurist out there, health professional, sees big breakthroughs. We've got to start dealing with this stuff now because these assets have to take care of us longer. We're going to have multiple generations that we really want to take care of.

Denice, maybe ... you talked about getting together with you. You know, if they're ... wherever they are, you know, they're getting together with a talented estate planning attorney. You know, it's the kind of thing that everybody goes, well I'm not really sure what I want to do, so I'll do that later, you know.

Denice: Yeah, many times people do put it off but you know, it's okay to come in and have a sounding board. If you have a good estate planning attorney, that person is going to be listening to what your concerns are and identifying some things.

Many times we find that you know, we'll have multiple marriages, so you have children of different marriages and you ... sometimes I'll see trustees that are the kids of another marriage from the principal beneficiary is the wife. You know and that causes all sorts of conflicts, so sometimes it's better to rely upon a corporate trustee, you know because they're going to be impartial. You just give them instructions as to what it is you want to have happen. Who comes first, who comes second in the pecking order.

Going back to the business, sometimes you have you know, everything is left to say, children, three children, you've got one involved in the business. The other two are going to stand there with their hand out if you don't do something and expect they're going to get paid the same as what the person is that's working in the business.

It causes a lot of problems that you can't just sweep them under the rug, guys. You've got to really just decide again, make your best guess here of ... an educated guess, who's going to be the best to be in charge of that business and who's going to be the best one to be the trustee. They don't have to be the same people. You can use a corporate trustee and a corporate trustee to also take over to run your business until it eventually sells if that comes to that. Because you don't want to have this conflict going on between all of the beneficiaries.

The only ones who make out on that are the lawyers. You know, I shouldn't shoot myself in the foot by saying that but I never like to see that. I like to see a plan come together like the person who's plan it was wanted to see it.

John: You know I see it time and time again, Denice that you know, there's a very famous beer family that everybody probably that's watching this has had at least one of their products and unexpectedly the patriarch passed away.

It was a blended family, multiple marriages, seven kids and only one child was working in the business. This is one of the most successful families and this is all public and they went ahead ... he named the youngest son and one of the moms as the trustees. Gave absolutely no power or influence to the rest of the family. It just ... it was devastating, you know, that was the last ... it happened ... he passed away after Thanksgiving and they never

had another Thanksgiving dinner together. I never met the man, I know the son that was involved in this and it's just, it doesn't need to happen.

When we go through and we're doing the process, one of the things Denice, I think it's so important for all of us to recognize because life does change, that when we're putting our plan together, it's not irrevocable until you know, there's some triggering events that happen, usually death.

Denice: Right. Usually upon death then it becomes irrevocable but there are certain things that you can make, you know, to be irrevocable if you want to. You know, such as gifts or different charitable things, but it doesn't have to be. You can adjust it and you should adjust it according to changes in circumstances. You know and it may be that because life throws you curves that you had a son or a daughter in mind who was going to take over that business for you, but for some reason they decide otherwise or they die or something happens. You know that's something that you know, you have to adjust as time goes on.

John: The other thing I think that's so important when we're talking about entrepreneurs, is we're talking about individuals who have created businesses and there's some value in that business. Often times we're talking with the CEOs or certainly one of the most senior people there and what happens is when you're gone, there's a void.

You've talked about this, Denice, the succession plan isn't dealt with, we can valuation come crushing down. I've been involved in a number of situations like this, where somebody didn't deal with it, you know. We get the call that there's six weeks before, you know when I was a financial advisor, you know, it's terminal cancer, they've got a business, they're trying to get ... they're going to get it in shape in six weeks.

It's not going to happen and what ... the key employees who are family so often are very opportunistic there. You can see ... they want to buy it for a song. It's so disruptive. How do you see entrepreneurs going ahead and dealing with this business succession because you know, if they do it a little ahead of time it's not, it's really not that challenging?

Denice: My favorite story is, I bumped into an entrepreneur who started a business about 25 years ago. He had just sold it for \$500 million. I asked him, when did you decide you were going to sell the business? He said, when I put the business together I was on the 25-year plan. I said, well that's a ... you're the poster child I guess of succession planning because most people don't even think about, you know when they're going to sell.

He had both of his kids were involved in the business and he went to them about year 20 and he said, okay when you get up in the morning, is this all you can think about? You can't wait to get to work to do whatever you're doing? They said, well Dad, you know, it's a fun thing and blah, blah, blah. He says, that's okay, I get it because he knew that it would really take him five years, not six weeks, but five years to really do a good way of building in sustainability into the business, so that he could maximize what he could get out of it when he sold it.

Now as entrepreneurs, we all think we have to take this idea that we ran with and keep this business alive forever until we die. I think that sometimes is a mistake. Sometimes it makes sense, just like he did, to plan that we're going to be selling it. Then we're going to be a ... you know, a serial entrepreneur, put it into something else. Maybe take half of our proceeds off the table so that you can go to a great financial advisor, who can you know, have some liquid assets for a change because many entrepreneurs don't have the liquid assets. They're so busy investing and reinvesting in their businesses.

It's a good idea to really have a plan. That plan really should be in writing. It's going to be adjusted from time to time but you need to be working with somebody to question what it is that you have in mind and to throw ideas out for you. So that you have an actual plan that somebody can execute again. If something happens, a triggering event like you're ill, you are in an auto accident, whatever it is, you die, there's a play book that you can play against because if you don't plan you are actually planning to fail. I forget who it is that said that. John probably knows, but you know that's something that you know, most entrepreneurs always back burner this issue.

What's the biggest asset they have in their estate, is their business? You know, that asset ... you've got to protect, that's your baby. You would always protect your baby but you're not protecting your own biggest asset.

John: What I find too, when we look at that, I mean I totally agree, Denice. What happens so often, is there's a real opportunity and the real opportunity, it's simple, is to go ahead and do the succession planning. Because having been involved in about 50 acquisitions along the way, I can tell you if you have, you know, a good succession plan, you're raising the value of your business because you've got ... you know as Denice ... you're maximizing cash flow, you're going ahead and you're building the business so it's sustainable.

Here's the thing, for all of as entrepreneurs it's great without you. You know, great business is one that will continue without you so you have the most flexibility. You have the total

freedom. Now you may choose never to sell it, okay. We ultimately have a disposition at death but you know, you can do that but having that option.

Denice, I totally agree, we call it the five-year plan. Almost everybody needs at least five years to do that. We have an M&A Group, Merger and Acquisition Group, so we advise on this in the financial services phase. It's just ... I see, you know, so many half-baked ideas but once they get it, it's like, oh the light comes on. They're so glad they went ahead and got the succession plan taken care of.

Denice: There's lots of different levels of doing the succession plan so don't feel like you have to have all of the answers in order to sit down and actually do something. You need, you know, a broad brush approach to start with and then you have to identify within that succession plan who do I need to replicate some of the jobs that I have because now my unique ability has grown beyond what it was when I started.

Maybe I came in and I was selling products. Now I should not be selling product anymore, I should bring in somebody else, train them on how to do what I do the ... did the best and then move on to the next position.

Until you can make this a self-managing company, so that you can walk away, you can go to Florida for a couple of months during the winter time or whatever, and that business is going to succeed anyway. It's going to throw off cash for you because that way when you sell it, if you decide to sell it while you're alive, is one of the options you have, you're going to maximize your return out of it. You're not going to buy yourself a job working for somebody else.

Many times if you're looking at that six week wonder, guess what, you're going to have to work for that company for three years. That's not going to be pleasant when you've been an entrepreneur on your own.

John: Having sold a few businesses along the way and stayed around for the earn, now I can echo that too. Someone into large businesses that ... some people really ... very few I can see CEOs make it through the full earn out. There's all kinds of studies, the average is just ... I think it's just under 18 months.

The other thing that I love in today's world, I mean you and I are talking here in the Chicago area. I'm in Silicon Valley and we are, you know, using technology, you know, it's virtual that we're getting together here although we get together in our CEO groups on a regular basis.

One of the things you do that I've been doing for a long time, Denice, is this outsourcing of general counsel. I just want to touch on this because as we're building our businesses, we're scaling up, you know some of us have tremendous legal needs. I mean we've got the scale all ready. You've got general counsel maybe you even have a full team. Many of us though, don't and I have multiple businesses. I have multiple legal needs and I've just found, really this ... the whole concept of outsourcing. This virtual general counsel to be so valuable ... maybe just ... because I know you do that as well and it's a little off the estate planning but I want to touch on it.

Denice: Yeah we kind of started doing that because I always felt like my clients were giving me a ball when it was on fire, say, here put it out. You know, I kind of got tired of putting the fires out honestly. You know, I thought that you know, the large companies, they have a legal counsel that's down the hall from all the management teams.

Anytime that they have a merger and acquisition target or something going on, they'll go and sit down in with the counsel and run some questions by them. They're part of the team, you know. When it comes to ... they are truly a counselor at that point. Whereas the model that law has grown into for businesses has been, well I'll hire this person to do one thing and another person to do something else. In the smaller context, small to mid-size businesses, there's nobody that's able to watch the store. So you really don't know what you have.

For instance, I had one client that I have on this program and when ... he had 22 companies so when he first came in, I said, okay draw me a picture of how these all relate to each other, so he did. Then I asked him, bring me all the secretary estate reports and I'll draw the second picture. You know those two didn't agree, so I said, now let's have some real fun, you give me all the tax returns, let's see what you told Uncle Sam. Now I had three different pictures, none of them matched and I had four companies out of the 22 that had never filed tax returns. Nobody knew because nobody was coordinating it. This is a --

John: I just want to stop Denice, because I think that is something again, that we're all charging ahead as entrepreneurs. It's so easy to have this happen to your businesses. As you have more success, you have more entities, you're doing different things and so on. I think this is invaluable. I mean, it is ... I do have, you know, virtual general counsel ... because I'm in security industry I have to have it on the security side. I have a virtual CFO for the three businesses I have and I got to say it's been invaluable because ... you know getting them involved along the way other than, you know waiting to bring ... you know I just had a heart attack Denice, here it is type thing.

Denice: Yeah right.

John: The government is here to help, give you a call type thing.

Denice: Right, like I had a call this morning for one of my clients and he said, this is not a good Monday. I said, why? He is not one of my outsource general counsel clients and he said OSHA just walked in the door.

John: And to help too, they always say ... I remember one time I had the California Department of Corporations come in with five agents showing my receptionist badges to come in and help.

Denice: Yeah, we want to help.

John: I actually had no issues but they billed me and California at that time, they could bill you hourly for the time they spent with you.

Denice: Oh no.

John: You know, a lot of the stuff ... you can be preventive and just, it's so distracting and you know, the reality is we all have to deal with these regulatory issues and the legal issues. Sometimes as entrepreneurs we're focused on commerce and we miss these things. We don't want to do it.

Okay, I want to go to the next segment. The next segment is a ... the book of the day and Denice, you know, I'm not going to let you off. I want you to recommend your book, so let me put it up on the screen. It's pretty new. Tell us what's in there.

Denice: This book is hot off the press. It's on Amazon and it's called Your Worry Free Legacy. I'll shamelessly promote it. What I did is, I took most of the commonly asked questions that I get from clients and you know, the answers and I put them into a book format. Along with articles and stuff in the estate planning area so that people could read it and it would answer some of their questions. So that they felt more comfortable with the topic as a whole. As I said, it's hot off the press and you know, it's a good way to give you a real basic view of going forward on your estate planning.

John: Let me just read it, you know, for those of you who are listening, Your Worry Free Legacy, everything you need to know about estate planning. As always we'll have the links at AES Nation and you know, I have not read it, Denice because you did not tell me that you did this book until ...

Denice: Surprise.

John: So I will read it and I'm sure it's going to be unbelievably good because this is an area that all of us ... I was telling Denice, I gave a talk not that long ago to 100 really top tier estate planning attorneys and I asked them, show of hands, how many of you think your clients, particularly your business clients, have their estate plan in order. When we worked down through the numbers, it averaged about 10%. It wasn't because they weren't trying. It was because all of us are out there doing the business and forgetting to take care of this.

Denice: That's right.

John: It's so easy to do. Let me go ... I want to go to the next section, which is resources and Denice, let me pull up your website. Why don't you tell us what's at your website, resources and how somebody might reach out to you as well?

Denice: The website has a lot of different resources on it. I put a lot of content on it, so that people could understand what it is that they have in concepts. I have 70 different YouTube videos that are connected with the website.

We usually blog at least twice a week, you know, on different legal topics. You know, to both people on a list that we have, as well as you can go to the website and you can see those blogs. We try to reach out and give a lot of information because basically there's so much information out there for an entrepreneur or other clients to try to know. Nobody can know everything unless you're in the business like us. We tend to share.

John: I've gone through blog too and there's so many important subjects that are great. Let me go to last segment, which is key take-aways. You know, I've taken a lot of notes and this is something ... this is an area that I'm real passionate about because I got to tell you, having had the privilege working with hundreds of very successful entrepreneurs. We just did a study with Dan Sullivan, of Strategic Coach and Joe Polish of Genius Network, where we surveyed over 3,500. I can tell you that most of us haven't dealt with this area. Or when we did, we dealt it so long ago that you know, our life has changed, our financial net worth, our business. I know for sure, excuse me, the tax code has changed. You know, so much has changed but we don't effectively deal with this.

How do we do it? One, we got to recognize it's a challenge. Two, Denice walked through the process and it's really quite easy to deal with.

Denice: You know, at our office we always try to, I say, do the heavy lifting. You can sit down with your spouse and have a glass of wine and talk about, you know, four of the top issues

that need to go into this and come back to us. Then we're going to fill in some of the gaps for you.

You know, another area, just as an off shoot of this, that you know, there's a lot of interest in is you know, not only passing of wealth but passing of what your values are.

In our office we do a will of values, you know for people to actually tell their kids, these are the values we have. That culminates eventually many times, into what we have as our Life Lessons program. Where we interview people about segments ... different things in their life and we give them a deliverable that is a bound volume of their pictures, their words and a DVD with them in chapters of their life.

I'm not in it, thankfully, because nobody's interested in me. You're transmitting the values to that next generation or whoever is going to take over for you. You can capture that culture that you started with so that you know, that can also pass along so we don't end up with, it takes one generation to make and two to lose it. Hopefully we'll have many more generations that will come out of those businesses as we do those succession plans.

John: Yeah, this is great, Denice. Really what I want to do is I want to encourage everyone to go out ... we always talk about making a difference, well one of the differences we should make is to our families, to our friends, to our communities. Having our estate plans in order. Having our business succession, our most important asset dealt with and just go do it.

Your family, your clients, your future clients, they're all counting on you. Don't let them down. We have the transcript, the notes, the links, everything's at AESnation.com. Let's go make a difference together. Wish you the best of success.

Denice: Oh thank you so much.

A Second Opinion on Your Finances

A Complimentary Service from Financial Advisor Select for the Members of AES Nation

Dear Fellow Entrepreneur,

Like many members of AESNation, I'm a serial entrepreneur. In addition to co-founding AESNation, I'm the founder and CEO of Financial Advisor Select, a firm dedicated to helping successful people make informed financial decisions by introducing them to top financial advisors.

If you're like many successful entrepreneurs, you and your family already have a relationship with a financial advisor. You may even work with several financial advisors. If you are completely satisfied with these relationships and confident that your finances are on track toward helping you achieve all that is most important to you, we congratulate you.

However, you may not be entirely satisfied. You may be wondering if there's a financial advisor who is better-suited to address your family's very specific financial challenges. If so, you are not alone. In today's uncertain economic climate, many successful entrepreneurs are wondering if they have the right financial advisor.

To help you find out if you are currently being served well, Financial Advisor Select is offering a complimentary second-opinion service to all qualified members of AES Nation. Simply [contact us](#) to schedule an exploratory call with one of our personal financial concierges. We will introduce you to a financial advisor who we believe has the ability to address your particular needs. The financial advisor will then meet with you and provide you with a second opinion on your finances. There is absolutely no cost or obligation to you.

[Find out more about how Financial Advisor Select can help you and your family.](#)

Why do we offer this service? Because at Financial Advisor Select, we have just one purpose: to help successful individuals and families achieve financial peace of mind by connecting them to top financial advisors in their communities. We look forward to assisting you.

Best of success,



John Bowen
Founder and CEO
Financial Advisor Select