

# Empowerment

Empowering the World One Family at a Time

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This newsletter is sent to you compliments of Lee Brower  
(801) 397-3300 • (801) 397-3301 Fax • ew@empoweredwealth.com



A Message From:

**LEE BROWER**

ASSET CATEGORY:  
FINANCIAL



## The Three Buckets of Financial Wealth

Is that a Bucket Number Two or a Bucket Number Three investment? That was the question posed to me by a client as he evaluated a potential investment in a Brazilian clothing factory. In his case it was most definitely a Bucket Number Three investment.

What exactly was he asking? For years now I have been using the metaphor of three buckets to help provide people with the context for understanding their financial wealth. Context, as defined by Webster, is "that which surrounds and gives meaning to something else." The Empowered Wealth Quadrants® provides the context for all of a person's true wealth or assets. The Three Buckets provides the context for a person's financial wealth.

Continued on page 2

## SUCCESS PRINCIPLES FOR THE 21<sup>ST</sup> CENTURY - part one

ASSET CATEGORY:

HUMAN, INTELLECTUAL,  
FINANCIAL & CIVIC



In one word, what is management? This is the first question that Dr. W. Edwards Deming would ask his students at the beginning of each of his classes. Deming is the acknowledged genius whose teachings transformed Japan's quality from poor to world class. He would point at a student, nod his head and expect the student to respond.

"Leadership," "Motivation," "System," were the most frequent responses. Rarely did anyone's answer meet with Dr. Deming's approval. He would then turn around to his chalk-board and write his answer: **Prediction**. The role of management is to predict future performance. "Any statement devoid of a prediction contains no knowledge," he intoned. It might contain facts, information or other specifics; however, without a "prediction" it contained no knowledge according to Deming.

The following are my predictions for ongoing business success for the 21<sup>st</sup> century:

1. Focus on the top of the value hierarchy
2. Together you're better; expand your *strategic* network
3. Giver's get
4. The quicker the feedback the greater the opportunities
5. Stories and Metaphors stick
6. Act like a free agent
7. Act with integrity

Continued on page 2

## IN THIS ISSUE

- Lee Brower: The three Buckets of Financial Wealth
- Marshall Thurber: Success Principles for the 21<sup>st</sup> Century
- Idea of the Month: If I Had My Life To Live Over
- Quote: Vince Lombardi

**Bucket Number One** is our Security Bucket. It consists of those assets that provide us with security. They would consist of cash reserves or savings; life, health, disability and property/casualty insurances; your wills, trusts and other entities designed to protect and appropriately transfer your financial assets; and other similar type assets.

**Bucket Number Two** is our Retirement Bucket. It consists of those assets that provide us with a comfortable retirement. These would include our qualified and non-qualified retirement plans and other investments of stocks, bonds and real estate that are secure with low to moderate risk that will insure a secure and comfortable retirement.

**Bucket Number Three** is our Get Rich Bucket. This bucket consists of those investments that could make us financially rich. It could include those investments that carry a higher degree of risk. That would include speculative investments such as private equity deals, hedge funds, high risk loans, etc.

As a general rule, getting a handle on Bucket #1 should be your first priority. Once Bucket #1 is full or on it's way to being full do we then begin to really focus on Bucket #2. Bucket #3 should not be invested in until we have a firm handle on Bucket #'s 1 & 2. And, the assets in Bucket #'s 1 & 2 should never be put at risk for any investments made in Bucket #3.

It is not uncommon for me to meet someone whose Get Rich Bucket is over flowing and they are carrying around very little in their Security Bucket or their Retirement Bucket. Or, they have sufficient assets in their first two buckets but they have put them in jeopardy by the types of investments in their Get Rich Bucket.

History tells there are no short cuts to financial wealth and that your chance for true financial wealth increases dramatically when you have a system in place that you adhere to. If you follow these simple rules of prioritizing and identifying your financial assets, your chances for financial success will increase exponentially. ★

In this issue I will introduce the first three predictions. The remaining four will be explained in an article in next month's EmPowerment issue.

**Prediction #1: focus on the top of the value hierarchy.**

What two elements, when combined, reduce your value (and ultimately your profitability)? Answer: (1) a fully informed buyer and (2) an alternative source of supply. With the Internet, customers are clearly more informed and, if there is an alternative source of supply, it can usually be found quickly by using an Internet search engine.

The *value hierarchy*, moving from least to highest profitability, is: commodity, product, service, experience, transformation. Why are experiences and transformations on the top of the value hierarchy? Experiences and transformations are unique. There is no other "exact" source of supply for a personal experience.

Why does one pay three times as much for a cup of coffee at Starbucks than at a Seven Eleven? The *coffee experience* at Starbucks is very different than at Seven Eleven. People are willing to pay three times more for the Starbucks experience.

Medical cures fall into the top transformational level of the value hierarchy. If you are ill and there is a predicable cure, is cost a primary consideration? Rarely. This is a prime reason we are experiencing runaway inflation in the health care industry. We are a rich country; if there is a cure (transformation) people pay the price.

The same is true for a predicable diet (Atkins) or beauty (plastic surgery). Empowered Wealth, with its quadrant living, is transformational. When properly experienced, Empowered Wealth clients transform their

*Continued on page 3*

*Empowered Wealth is the pioneer in the analysis, understanding and identification of your "True Wealth". The Empowered Wealth Solution focuses on preserving, protecting and perpetuating True Wealth for the benefit of future generations.*

*Empowered Wealth is the only asset growth and management system that recognizes and focuses on your four asset quadrants: Human, Intellectual, Civic and Financial. We are a network of hand picked professionals deeply dedicated to the principles and values that make The Empowered Wealth Solution so successful.*

family relationships. The financial investment is not the primary determinate; predictable transformation is!

To continually succeed in the 21<sup>st</sup> century you need to continually live this question: How can I offer a predictable transformational experience? Successfully answering this question will provide you unique ongoing quadrant success.

**Prediction #2: Together you're better; expand your strategic network.**

A network is made up of only two components: nodes and connections. Your success in the 21<sup>st</sup> century will depend upon the size of your node (smaller is better) and the size and wisdom of your connections (the larger and more strategic the better).

Each day the world is getting more and more connected. No one is as smart as their network; attempting to go it alone (rugged individualism) cannot succeed long term when pitted against a growing strategic network. This is true no matter how much power (force) you have individually; a strong strategic network will outperform you. America is learning that lesson now in Iraq.

In the United States the average business lasts only seven years before either being morphed, purchased or driven out of business. The size, tightness and strategic nature of your network is the best predictor of success when your business/life transforms (and transform it will, like it or not!).

Nodes grow mathematically while its value grows exponentially. Take a fax machine; its value as a single "node" is nothing. With each additional fax that is added to the network the value of the "fax network" increases. Each new fax machine is a mathematical (slow) process at first.

However, at a certain point the fax network reaches a certain criticality or threshold. At that point the "value" of the fax machine is so great that it becomes a necessity for ongoing business success. When that happens there is a *cascading* effect. The network grows wildly (exponentially actually). Can you name any successful business or organization in the world today that does not have the ability to send or receive faxes?

Like the fax machine, your success or failure in the 21<sup>st</sup> century will depend on how adept you are at expanding your strategic network. Unless your strategic

network is growing you are falling behind. America's success in Iraq and the world's success against terrorism is far more dependent on the ability to establish a large, tight and strategic network than it is on raw power. The same is true for you as a business.

To continually succeed in the 21<sup>st</sup> century you need to continually live this question: How can I continually grow a tight strategic network? Successfully answering this question will provide you unique ongoing quadrant success.

**Prediction #3: Giver's get.**

In order to grow your tight strategic network you must feed it first. Initially, when I wanted to create a strong strategic network, I would take the best business book I had read that month, do a critical analysis of that book and then send both that book and my analysis to individuals who I wanted to create a strong strategic network. When my strategic network got to almost 100 people I sent out a letter to each "node." I explained that the demand for this "free" service had become so large I needed to cover the cost of the book. I explained that I would continue to send them the book and my analysis if they would be willing to cover the cost of the book plus shipping. Almost everyone responded positively and *ededge.com* was born.

Remember the smarter, tighter and larger your network the more capable your "node" becomes. The quickest way to establish your smart, tight and growing network is to add value (seed it) first; once established you will find many ways to harvest it. Contrary to traditional economic models (based upon scarcity and thus one must hoard) the network economy is based upon plenitude. Sharing is having more and strategic givers receive sustained success.

To continually succeed in the 21<sup>st</sup> century you need to continually live this question: How can I strategically feed my desired network? Successfully answering this question will provide you unique ongoing quadrant success.

These are my first three principles for long term success in the 21<sup>st</sup> Century. I am sure these can be improved and I will cover the next four in next month's issue. I would appreciate your feedback. Please contact me through [newsletter@empoweredwealth.com](mailto:newsletter@empoweredwealth.com). ★

*By Marshall Thurber*

## IDEA OF THE MONTH

ASSET CATEGORY:

HUMAN



The following was written by the legendary and popular American author and humor columnist Erma Bombeck after she found out she was dying from cancer. Reading this made me think and reprioritize certain parts of my life. I hope you will read this and enjoy your life to its fullest.

### IF I HAD MY LIFE TO LIVE OVER

I would have gone to bed when I was sick instead of pretending the earth would go into a holding pattern if I weren't there for the day.

I would have burned the pink candle sculpted like a rose before it melted in storage.

I would have talked less and listened more.

I would have invited friends over to dinner even if the carpet was stained, or the sofa faded.

I would have eaten the popcorn in the 'good' living room and worried much less about the dirt when someone wanted to light a fire in the fireplace.

I would have taken the time to listen to my grandfather ramble about his youth.

I would have shared more of the responsibility carried by my husband.

I would never have insisted the car windows be rolled up on a summer day because my hair had just been teased and sprayed.

I would have sat on the lawn with my grass stains.

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I would have cried and laughed less while watching television and more while watching life.

I would never have bought anything just because it was practical, wouldn't show soil, or was guaranteed to last a lifetime.

Instead of wishing away nine months of pregnancy, I'd have cherished every moment and realized that the wonderment growing inside me was the only chance in life to assist God in a miracle.

When my kids kissed me impetuously, I would never have said, "Later. Now go get washed up for dinner." There would have been more "I love you's." More "I'm sorry's."

But mostly, given another shot at life, I would seize every minute...look at it and really see it ... live it...and never give it back. ★

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**“It's not whether you get knocked down; it's whether you get up.”**

*Vince Lombardi*

*Vince Lombardi lived from 1913 to 1970. He died as the NFL's all-time winningest coach.*

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