



FAMILY LEGACIES

50 LESSONS LEARNED FROM LONG-LASTING SUCCESSFUL FAMILIES IN BUSINESS

The following list represents the attributes and best practices of the most successful, long-lasting business-owning families. Your goal should be to be able to say yes to these questions.

Use the list as a guideline to identify strengths and areas that need attention.

	YES	NO	ATTRIBUTES & BEST PRACTICES
1.			Are the business's leaders committed to long-term continuity for societal and philosophic reasons and see themselves as stewards of their businesses.
2.			Is there a mandatory retirement age for all executives, especially owners?
3.			Does the business have an independent, outside board of directors?
4.			Does the family get together regularly for fun, not just for business reasons?
5.			Are family owners actively learning about the field of family business?
6.			Do family members live modestly, beneath their financial means?
7.			Is the owning family comfortable with its position of wealth - not letting wealth define the family nor fearing the consequences of wealth on the family?
8.			Are promotions and compensation of family members clearly based on merit?
9.			Is the business attracting the most business-competent children in the next generation?
10.			Does the business rely upon an important cadre of non-family executives?
11.			Are the non-family executives provided with opportunities to gain personal wealth - beyond compensation?
12.			Does the family openly share information about family member compensation and benefits? Do family members share information with one another about estate plans and gifts?
13.			Are owners aggressively gifting or distributing shares to the youngest generations?
14.			Are there easy, graceful ways for family members to redeem their ownership if they wish to do so, thereby facilitating pruning of the ownership tree?
15.			Is the business strategy enhanced with special competitive advantages from being a private, family-owned company - such as long-term orientation, trust relationships, etc.?
16.			Does the family generously "give back" to the community to build social goodwill?
17.			Does the family accept that the business must be run as an excellent business?



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18.			Is the family selective about which family members are qualified to work in the business?
19.			Is the family providing business education and exposure to the youngest members of the family?
20.			Does the family have a "Code of Conduct" to strengthen interpersonal relations and expectations?
21.			Does the family study and practice communication skills?
22.			Do family members have independent security beyond their ownership of shares in the family business?
23.			Do family members share information about investment opportunities outside the business?
24.			Does the family have a process to welcome and acculturate new in-laws to the family?
25.			Does the family have a statement of family values that it hopes to perpetuate?
26.			Does the family have an identified family leader?
27.			Is there a process for the selection of family (not business) leadership?
28.			Does the business's culture encourage quick responsiveness and change?
29.			Is the family committed to being in the best businesses for the future - even if that means leaving its business of origin?
30.			Is the business able to use "other people's money" to fund growth and liquidity?
31.			Does the company have a formal dividend policy that pays out according to profitability?
32.			Do the family owners have a commitment to each other for the long term?
33.			Do family members have opportunities to serve as ambassadors on behalf of the business?
34.			Do the family owners feel they hold their shares for the purpose of passing it on to future generations?
35.			Does the owning family have regular family meetings?
36.			Does the owning family provide education to the next generation on the rights and responsibilities of ownership?
37.			Are the family owners closely monitoring the business's strategy, culture, and board of directors?
38.			Do non-employed family owners avoid meddling in management's operating responsibilities?
39.			Does the owning family have respect for managers and the challenges of managing?
40.			Is the owning family active in education programs on such topics as interpersonal relations and understanding business?
41.			Is the owning family committed to helping all family members in their professional development, regardless of their interests?



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	YES	NO	ATTRIBUTES & BEST PRACTICES
42.			Does the family have a policy on how best to address family members who may be in financial need?
43.			Are there many different roles family owners can play in the family council or other family interests?
44.			Does the family have a philanthropic activity?
45.			Are family branch policies and representation avoided in favour of everyone seeing themselves as members of one extended family?
46.			Has the owning family articulated a mission for the family?
47.			Has the family articulated how its values are important to the family's business?
48.			Does the owning family feel that the family business has a social purpose?
49.			Does the owning family believe in having a family-continuity planning process?
50.			Is the family active in promoting and supporting the concept of family business in its community?

Securing Your Legacy for Future Generations