



ASPEN FAMILY BUSINESS GROUP, LLC

DEEP RELATIONSHIPS. ENDURING LEGACIES.

Best Practices for Families in Business

By Leslie Dashew

Adapted from *'Keys To Family Business Success'*

We are excited to announce that our new book, *Keys to Family Business Success* is now available here!! In anticipation of your reading this book, I thought I would share some of the best practices that are described in the book. These are practices that contribute to the well being of families and their businesses. They have been described throughout the book along with the challenges you may be facing. There are case studies of families like yours to help you see how they dealt with typical family business issues and resolved them.

1. Shared Vision: Do you and the other members of the family have a written vision for the future of the family and business? This statement assures that everyone in the family is headed in the same direction and is the basis of plans, policies and roles.
2. Shared Values: Have you documented the values that are most important to the family and lead to success of the business?
3. Planning: Do you have strategic plans to provide a road map to success to help you reach your vision? Do you have budgets to guide your use of resources that are consistent with your plans?
4. Have you created a Family Council or had a series of family meetings to explore your vision and values and to develop a set of family policies (and/or a constitution)? Discussing the undiscussables: Have you created a forum (like the council) to talk about the difficult subjects that must be addressed in families that own business and developed the skills to do so?
5. Job descriptions and performance management: Do you have clear roles and job descriptions for everyone working in the business? Does each person understand the tasks for which he or she is accountable and the extent to which he or she can make decisions on their own? Is every employee given feedback on a regular, structured basis so that they know what they do well and where they can stand improvement? Is that documented?

6. Have you developed, written down and shared a family employment policy so that all family members (and key employees) understand how family members may be considered for employment? Do you have a policy on compensation that assures that everyone receives “fair market value” for their work; while distributions to owners are provided according to their percent of ownership?
7. Ownership: Do you have documents describing the ownership of the company with clear description of the roles, rights and responsibilities of owners (e.g. shareholder agreements)? Do shareholders have a regular time and place to learn about what is happening in the business and to share their goals and concerns?
8. Catastrophe Planning: Do you have a plan for who would run the company if the leader died suddenly and documents that are readily accessible to help that person deal with the legal, financial and operation challenges in that crisis? Have you shared the plan with key people so that they will be prepared to implement it at that time (spouse, other executives, etc.
9. Succession Planning: Have you considered what type of leadership will help achieve the long-term vision and who might be prepared to be a successor to the current company leader? Have you thought about the six components of succession planning and addressed those?
10. Ownership Succession: Have you developed estate plans to assure that the company would be protected from estate tax obligations and conflict at the death of the current owner(s)?
11. Building Trust: Have you identified points of distrust, explored what is contributing to the distrust and what can be done to repair those relationships? Are you working to keep trust by honoring each other?
12. Advisors: Do you have advisors who are challenging your thinking and proactively bringing your attention to issues that will protect you, your family and your business? Do your advisors talk to each other to be sure that they are coordinating their efforts on your behalf? Do your trusted advisors work with the entire family business system (not just one person)?
13. Do you have a Board of Directors to help you work “on the business” rather than “in the business” with independent perspectives that come from outside the family and the business?