



ASPEN FAMILY BUSINESS GROUP, LLC

DEEP RELATIONSHIPS. ENDURING LEGACIES.

## Key to Family Council Success

by Leslie Dashew

During the 17<sup>th</sup> Annual Women in Family Business Gathering, we explored best practices for gathering the family, developing family councils and herding cats!

We discussed the fundamentals of family councils (membership, mission, vision, values, planning structure, leadership, governance and meetings) along with stages of family council development over time, etc. One of the key observations from our participants was that *the family council meetings and retreats need to be compelling to all ages in order to maintain the engagement of participants over time*. Over and over during the 4-day program, we came back to the observation that sustaining the family council required *fun*.

Business can be challenging. Talking about business in business-owning families seems incessant. Stress is ever-present when working with family members as there are so many decisions to be made that can be the source of conflict. So getting together for yet even more time talking about the business with family members in and out of the business may not be an exciting prospect for everyone.

However, as we discussed, there are many reasons it is important to gather as a family council:

- Provide a communication vehicle for all family members (including those not employed in the business) to stay aware of what is going on in the family and in the business and feel included;
- Help the family look at what it wants to accomplish as a family and to create a shared vision of the future;
- Establish a forum for understanding and stewardship of shared assets and to consider how to utilize the assets to achieve the family vision;
- Create “private” place to resolve business/family issues and concerns;
- Offer education on family, business and/or interpersonal development
- Serve as a policy making board for such issues as family employment and compensation, and values to be manifested in the business, etc.
- Establish a forum regarding the family business and business in general.

- Represent inactive shareholders and provide a communication channel to management and/or the Board of Directors.
- Formalize roles in the community through philanthropy, establishment of a foundation, etc.
- Help strengthen the family no matter how their assets are invested.

So how to add fun to the mix?

Participants from large (400 family members) to small (12 family members) families all had ideas about how to make family meetings and council fun as well as productive, educational gatherings. The following are some of the ideas:

- Make Wine!! One family business is in the wine business, so the family would follow the 4 seasons and pick grapes, smash grapes, make the wine, put the wine in the bottles and create labels. Oh, and later drink their products!
- While not every family is in the wine business, doing something that is related to the business and fun can be a creative exercise. For example, another client is in the bridge building business. We went to visit a large bridge under construction on a Sunday and in the nearby storage area, we worked with the young kids to build a small bridge over a ditch. The kids gained an understanding of what it takes to plan, execute and test a bridge. They had great fun and left with a greater appreciation of the big bridge overhead.
- Sharing talent: at each event have family members share talent that might not otherwise surface: karaoke or leading the group in a song fest; group hike with lessons about the area; kayaking or rafting together with a family member who is a guide; talent night with kids getting together to create the show.
- Team building activities: paint ball, blind-folded trust walk, other team competitions such as family Olympics (with small scale athletic activities);
- Philanthropic activity together: teams make bicycles together and then give them to children who would otherwise not have a bike; serving at a soup kitchen together or building a house together via Habitat for Humanity; doing a near-shore clean up along the coast.
- Games: board games like Scrabble or learning ones like Cash Flow or Thrive Time for Teens as well as family softball game, golf, or particularly sports that everyone is equally inexperienced.
- Other activities included beach time, family travel tours that include guided activities, cruises that include recreation, education and business conversations. One family visited historic sights and learned about families who had lived there in previous generations.
- Movies that have family content as well as entertainment value were another thought.

Family council meetings often include dialogue and presentations on the business of the family as well as the business of the business. These include topics that may impact family members of all ages such as:

- What is our vision for the future?
- What are our policies about family employment in the business?
- What are the possible roles for which we will be looking to find successors?
- What are the practices that have made us successful in the past and may help in the future?

Further, engaging young people in thinking about the future (shared vision exercises), getting to know each other (using tools like the Myers-Briggs Type Indicator) and communication tools (like listening skills) can be conducted in a participative and fun manner that yield engagement and enjoyment as well as growth. Learning about the family history and sharing it during meetings was also found to be of interest to many people.

The bottom line is that we need to lighten up a little! Many of us tend to be workaholics and think that we have to make every moment a productive, focused profitable one. The interesting finding is that we can have fun AND be productive and profitable! If our goal is to engage as many family members as possible in adding value to the family and its business, we need to find ways to balance fun and work.

*Leslie is finishing a new guide to family councils which will be available on the Aspen Family Business Group website later this year.*