Family Meeting Handbook

Concepts, tools and resources to help optimize family meetings.

BMO Wealth Management

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"Family" is built upon sentiments of **love, affection and cooperation**.

Family Meetings

This handbook is designed to support families connected through wealth understand the importance and value of Family Meetings. The handbook provides families with concepts, tools and resources with the intention of helping them optimize their Family Meetings.

Family and Enterprise

Family is the oldest human institution we have.

There is no human society we know of, past or present, where some form of "family" does not exist. Our families form the cornerstone of society and extraordinary measures are taken to safeguard and protect this ancient human form.

The institution of family has multi-faceted functions and predictable features.

Family is built upon sentiments of love, affection and co-operation. Family members are emotionally bound to each other by care and protection. Considerable sacrifices will be made for the welfare of our family members. Relationships are characterised by strong degrees of attachment and longevity. Family welds together an environment where character is formed and the next generation is groomed and prepared for life. Emotion can substitute rationality. Exit from a family system is usually by death or divorce and is typically painful.

Contrast this human institution with another institution "enterprise". Enterprise for the purposes of this handbook is being used synonymously with tangible wealth in a family and refers to a group of assets owned by all or part of a family which could include all or some of the following:

- operating business(es)
- real estate
- financial investments
- heirlooms

Enterprise is a system which is based upon performance and profit. Relationships are contractual and non-performance may lead to rapid expulsion. Metrics of success are monetary (based on profit) and decisions are typically made with rational processes in place.

Family Enterprise occurs where these two systems are interconnected through ownership and engagement. Family Meetings are a critical structure to manage the interface between two otherwise very contrasting systems.


Learn how to be **adaptive and resilient** when facing change.

The Transformational Value of a Family Meeting

An enterprising family or wealthy family with multiple shared assets — businesses, real estate, investments — is best served when they learn how to be adaptive and resilient when facing change, especially as it crosses generations. As children grow to adulthood, the socio-economic landscape shifts and to survive as a family enterprise, the family has the best chance of successful transition when information is shared about values, expectations, responsibilities and the family learns together to cope with the changing reality through focused, trusting and productive Family Meetings.

Regular communication is key for families to ensure that the plan that they have for their assets reaches all of its intended goals.

Most families have informal ways communicating, but regular communication is more likely to happen if they "formally" structure time to meet together face to face. This provides the family with the opportunity to discuss matters they need to talk about with all family members present.

Family meetings provide the opportunity for families to talk about their wealth, to talk about the responsibilities of the wealth, and to share worries and concerns. Most of these cannot be addressed through legal documents alone. Families cannot delegate the task of building trust or making joint decisions, or any of the other capacities needed to live well with wealth and/or transition an enterprise. This is why family meetings play such an important role. By meeting and working together, the goals and values of the wealth planning can be shared and a road map developed to meet the challenges of bringing the planning to life.

All good family meetings share common elements and this handbook will highlight some of these for you. But first some research...

> "Legal documents, such as wills, trusts, deeds, estate plans or shareholder agreements, are not sufficient to assure the legacy a wealthy family wishes to be carried into the future... Effective family meetings reveal meaning and allow the members of each generation to bridge that gap and work together to anticipate and design the best future for the family and family enterprises." – Dennis Jaffe[1]

The Research

Research conducted by the Williams Group on 3,250 families of wealth around the world looked at transition of wealth within these families from one generation to the next.[2]

The findings showed that most families have excellent estate, trust and wealth preservation plans in place but despite these plans, only 30% of wealth transfers will succeed (i.e. in only 30% of the families, the wealth remained in the control of the family by the end of the second generation).

The research found that the reasons for failure, i.e. all the wealth having dissipated by the end of the next generation, was because of:

- **60%** breakdown of trust and communication within the family
- **25%** failure to prepare heirs
- **15%** all other causes: poor professional advice, economic downturns, etc.

By contrast, the Williams Group research showed successful families were unified around a common mission, common values, and shared sense of trust in one another.

Of the 30% success group, family philanthropy was a common element.

The successful families had a transition built upon:

- total family involvement
- a process that integrated family learning with development
- a deep understanding and application of skills such as effective communication, trust, accountability, consensus building as well as articulated shared values

What happens if you never have a Family Meeting?

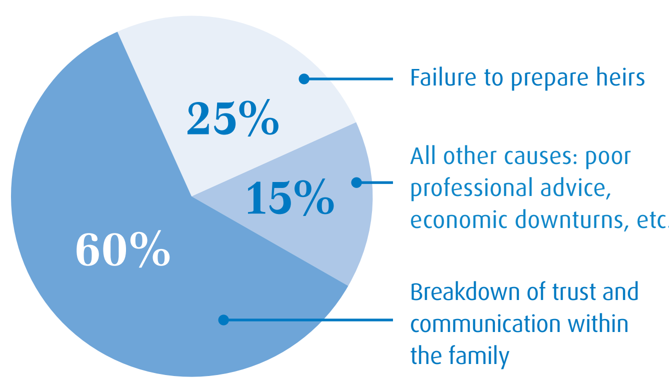
If you never have a Family Meeting, one or more of the following may arise:

Exclusion and secrecy can proliferate: some family members are excluded from information and the withholding of such information from other family members can potentially harm relationships.

Assumptions replace truth: no meetings are occurring, so family members do not know for sure what is factually correct. Family members create their own "truths" by assuming facts without having any ability to verify.

Information is shared in an ad hoc manner where some family members receive information because they are "around" and others who are absent do not receive the information.

! Family Meetings can be an effective structure that advances these indicators of success.



The purpose of the Family Meeting is crucial to success and in order to keep family members engaged in these meetings, all attendees need to believe and agree on this purpose.

Possible purposes for Family Meetings

There are many purposes for Family Meetings and the key is for the family to first agree on that purpose:

- to ensure family talks and listens to each other
- to maintain effective family relationships by improving communication
- to share information, opinions and ideas
- to ensure that all family members are getting the same information
- to plan for the future: effective family meetings can be a foundation for working together on a shared vision for the future
- to provide a forum for education
- to build capacity for good decision-making in life where wealth and enterprise are connected to the individuals and the family
- to identify possible conflicts and manage them with mastery before they escalate
- to create action and accountability

TIPS

Additionally, Family Meetings are designed to preserve and enhance:

The integrity of the individual
Each family member is an individual with his or her own goals, dreams and ideas.

The integrity of the family
The family is a critical unit and family relationships are the most significant relationships in our lives.

The integrity of the assets
Preservation of the successful running of the assets is needed to support the family for future generations.

Family Meetings could be a forum for:

- teaching family about responsibility and privilege of family assets
- balancing the independent and interdependent nature of family
- sharing family stories
- identifying shared family values
- developing transition plans
- dialogue on family members' goals, ideas and perspectives
- setting family goals that are shared
- designing family policies to advance shared goals
- dialogue about matters that affect the family that relate to the family wealth and how to best manage
- strengthening relationships so families are better equipped to withstand challenges
- putting a structure in place supported by adopted policies that "institutionalizes" the practices that will give the best chance to the family of sustaining trust amongst family members.

Skills family members could acquire through regular attendance of Family Meetings:

- money management
- effective communication and mastery of conflict management
- good decision-making
- sharing power across generations
- mentorship
- becoming a learning family
- good governance
- how to choose advisors
- what it means to work collaboratively
- leadership
- understanding structures that hold family assets

The **traditional nuclear family** is a statistical minority in North America.

Getting Started.
Who, Where, What, & How?

Who?

Who Should Be Included?

It is increasingly complex to define "family". Family has now expanded to include an array of individuals whom a few decades ago might not have been considered. The traditional nuclear family is a statistical minority in North America. To pretend that these changes have not occurred is potentially detrimental to the purpose of "Family Meetings". There are no hard and fast rules — only an array of options that exist along a continuum where there is no wrong or right answer — just a range of possibilities to consider and decide upon.

Ultimately who is included will be driven by some core questions: **How do the family members define "family"? What do we mean by "family"?**

Some options:

- bloodline
- spouses
- spouses who are parents of next generation members
- common-law spouses
- boyfriend/girlfriend
- divorced/separated spouses who are parents of next generation
- adopted/step children — blended families

Some considerations when determining level of inclusion:

- age of children
- age at time of adoption, becoming step child
- degree of amicability/bitterness in a divorce/separation
- length of intimate relationship

Other important questions to consider when planning who to include in a Family Meeting:

- What is the purpose that the Family Meeting is trying to achieve?
- What are the core values we share?
- What do we need to talk about?
- What is the risk of inclusion/non-inclusion in the topics we need to talk about?
- How do family members feel about inclusion/non-inclusion?
- What would the result be if some family members hear information directly and others hear it second hand?
- What conflicts could arise with the chosen approach that we need to manage?
- What is our timeline for this approach and when will we revisit to consider if this approach is working and continues to be viable?
- In what activities can we include younger members of family/in-laws/blended family members beyond the Family Meeting so if the decision is to not include them in Family Meetings, they are not excluded from all activities.

Where?

Location Considerations

If the purpose of the Family Meeting is to have all attendees feel comfortable and able to talk freely, then careful consideration needs to be given to where the meeting is held. It is helpful to canvass family members who will be attending as to preference.

Some considerations:

Neutral location: It is important that the chosen location is neutral and does not trigger reactivity. Family homes / vacation homes/ business premises may not be optimal as they may not be seen as neutral by all. For example — vacation homes: some family members may enjoy more usage than others, and business premises: some family members may not work in the business and may feel that their voice is not equal to those that do, etc.

Distractions: Be aware of possible distractions. The Family home may not be optimal as phones ring, doorbells, pets, people drop by, etc. Equally at the business premises, those that work in the business may get called out of the meeting to deal with a business issue. For the meeting to have the best chance of success, as few distractions as possible is desirable to ensure all family members are focused and committed.

Privacy: Family members need to feel safe to talk openly

Ambiance: Natural light, comfort, ability to access healthy refreshments all contribute to a setting conducive to open, honest dialogue

Conference calls: If family members cannot attend in person and need to conference in via telephone, it is helpful to institute 'call etiquette'

- choose a quiet location for calls to eliminate background noise
- use the mute button when not speaking
- if multiple family members are calling in, do not assume everyone knows who is talking — state name before speaking
- maintain good cellular phone reception – avoid walking around where reception may vary
- turn off call waiting and other alerts that may distract the call

What?

The Family Meeting Agenda

This is a critical tool to manage the "WHAT". Important steps can be taken with the agenda to ensure the best chance of success and reduce the chances of derailment.

Agendas should be:

Inclusive: agendas that are created collaboratively with all attending consulted as to what they want to talk about are far more likely to garner support than agendas that are imposed. It serves the purpose of the Family Meeting to ensure all invited are included in the creation of the agenda; in larger families, tools such as questionnaires are helpful to ensure all have a voice.

Transparent: no surprises — everyone knows what is going to be discussed and has time to prepare.

Diverse: while not all topics can be discussed at one meeting, agendas for Family Meetings should be reflective over a period of time of the diversity of interests of family members and not just of the interests of those who are senior in the family or favoured in the family.

Timely: the agenda should be circulated well in advance of the meeting so everyone has time to think about what is coming up. During the meeting, allocated time slots should be given for each agenda item and these should be adhered to. It is important to be intentional about allocating "time to talk". Packing an agenda with presentations and content misses the over-arching purpose of the Family Meeting which is to communicate effectively with each other about topics that matter.

Used to help manage expectations: it is critically important that everyone attending the meeting shares a common understanding of expected levels of engagement on different topics. The meeting will quickly derail if expectations are not met; if family members arrive thinking they are going to be making decisions when actually only their input is being sought, the risk is that the meeting collapses. It is important that each agenda item is clearly defined to carefully manage expectations. Categories might include:

- for discussion
- for information
- for decision
- for learning

One reason for resistance, avoidance or misunderstanding in Family Meetings is when family members are not clear what role they should expect. It is critical that a Family Meeting be clear from the start about its purpose. Is it to share ideas, learn more about a specific topic or make decisions? If decisions are to be made, what decisions are they?

Actionable: family members will quickly tire of these meetings if there is no movement forward. To sustain momentum, it is important to be clear who is going to do what, by when and with what resources, to move important matters forward. Because the meeting is an important event for the family, what was said should be documented. Taking notes to capture planning reinforces to the participants that this is a serious and ongoing process about taking action, and ensures that the meeting has real impact.

Reflective: no family gets it right all the time. It helps to always maintain a continuous improvement mindset:

- What would make our meetings even better?
- What is working well?
- What needs improvement?

! The measure of a successful agenda is that family members want to attend the next meeting.

Final notes regarding the agenda

- It is helpful if there is agreement that the meeting will be conducted in a professional manner with an agenda, chairperson, minutes, and follow-up to avoid the risk of apathy and disappointment.
- Preparing a professional and well-planned meeting creates expectations of professional conduct — formality is your friend.
- The format of the agenda sets the tone for the family's participation and contribution.
- An agenda led only by certain family members leads to a very different meeting than an agenda for which all family members are encouraged to submit ideas.
- A shared agenda supports effective family communication and allows controversial or sensitive items to surface.
- Be sensitive to different thinking and learning styles of family members.

In summary: Families by their very nature naturally resist formality. Yet for Family Meetings to realize their purpose, it can be very helpful to be intentional about structure and agreed policies. Without this, default pattern behaviours may prevail and these may not conducive to an effective family meeting.

Starting the Meeting

Icebreakers: What are they and why are they helpful?

Typically, icebreakers are activities designed to put people at easy and help them get to know each other at a different level.

Reduce tension
When family members are comfortable with each other, and people feel more known and connected to each other, they are better able to face difficult conversations and decisions. Icebreakers involve everyone, which is especially important with families where there may be patterns of dominance.

Provide a bridge
Icebreakers provide a bridge. When people come into a meeting, they often need a bridge from "out there" to "in here"; providing a warm-up can help everyone feel fully present in the meeting.

Help remove assumptive beliefs about each other
In many of today's families, family members have grown apart. They live in different geographic locations and may spend very little time together. Icebreakers are a tool used to help family members get to know each other and update their view of each other! Be careful as family members may resent "getting to know you" warm-ups if they cannot make an obvious link between the warm-up and the purpose of the meeting. In such cases, openers may be more suitable. Openers are subject matter oriented and accomplish all of the above and introduce the participants to the why of meeting.

Instill discipline of listening and equal participation
Icebreakers and/or openers set the tone that everyone participates. In participating, family members are eased into listening to each other. Effective listening is a key skill needed for effective family meetings.

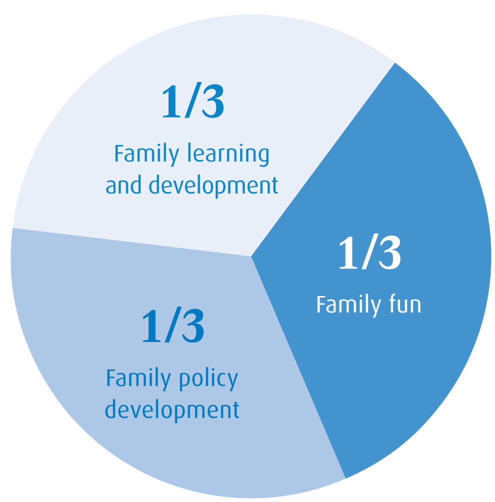
Some examples

1. What is a secret ingredient that you are going to bring to these meetings so they are flavourable and palatable?
2. Bring a favorite object to the Family Meeting and be prepared to share why you brought it with you... (no other instruction.)
3. It is 15 years from now... You are unable to make the Family Meeting/Assembly — please write a postcard to the family (no further instruction.)
4. Please share a challenge you have overcome in the past year and what you learned.
5. What did you learn this past year from an accomplishment?
6. What happened since we were last together that you are most proud of?
7. I signed up for this because...
8. What is one question you would like answered by the end of today?
9. Describe one thing about your life and one thing about your family for which you are truly grateful.
10. What would you like to know about one another?
11. What would you like others to know about you?
12. What do you need under stress?

What are we going to talk about?

Family Meetings are best when the agenda content strives to be balanced.

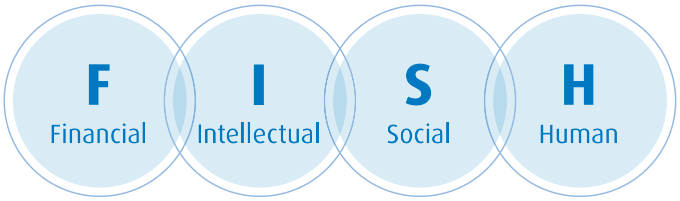
A good rule of thumb is the one third; one third; one third; rule.



Family learning and development

A very useful construct for family learning and development is the FISH Accounts.

We call these the financial, intellectual, social and human capital accounts of the family.



Family wealth is about more than just financial assets (businesses, investments, real estate, etc.).

Family wealth is also about the family members:

- who they are
- what they stand for
- what their hopes and dreams are
- what they have learned
- the stories that capture the family identity and values
- what matters to the family
- how the family want to be known
- what contributions the family want to make to society, to each other, to themselves

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Families that want diverse, robust and meaningful agendas should think about what they can do to build and develop each of these capital accounts.

Some suggestions for FISH Account topics are listed below.

Financial

- Business updates
- Understanding financial aspects of assets
- Financial literacy
- Investment strategies
- Financial parenting: preparing the next generation to be responsible stewards
- Effective transfer strategies

Intellectual

- Governance
- Rights and responsibilities of trustees and beneficiaries
- Coaching and mentoring
- Education
- Career choices
- Personal Development Plan

Social

- Philanthropic activities of family
- Volunteer time
- Public service
- Articulate family philanthropic principles
- Understand the philanthropic and charitable landscape, emerging and impactful trends and how this could influence family philanthropic decisions
- Be aware of the alternative philanthropic vehicles and the implications of each: bequests, securities, annuities, charitable gifts, Family Foundations
- Create granting guidelines
- Be able to monitor and measure the impact of giving
- Understand how charities cultivate, solicit and steward donations

Human

- Communication skills building
- Consensus building
- Team building
- Conflict resolution — understanding and learning how to manage conflicts well
- Leadership training
- Values, morals, ethics
- Spirituality

Family policy development: a function of the Family Meeting

In order to ensure that everyone is on the same page and has a common understanding of what was talked about and in certain situations agreed to, families should capture their work in family policies.

Characteristics of family policies:

- capture what the family has agreed to
- moral agreement between family members — these policies are only as good as the moral investment of each family member to abide by what is agreed
- continuing working documents that have mechanisms built in to adapt to change over time and reflect new realities
- based on consensus: everyone who is being asked to abide by the Policy had a voice in the creation of it and shares a common commitment to the benefit of abiding by it
- communicated to all members
- applied consistently to all family members — no exceptions

Types of policies that are created may address:

- family culture
- family careers
- family connection
- family control

Important: If rules change or there are different rules for different family members — everyone should know and understand why. Surprise, betrayal or inconsistent application undermines the trust in the Family Policy which can have a ripple effect on the entire family enterprise.

Examples of policies

How family members will be involved in following:

- Governance: business and family
- Participation in the family enterprise system
- Employment: in family enterprise
- Dispute Resolution
- Decision-Making
- Conflict of Interest
- Conduct external to family; conduct internally with parents
- Dividends
- Prenuptial Agreements
- Spousal On-Boarding
- Philanthropic Giving

Policies may also capture the values and vision of the family.

Family fun

When managed properly, Family Meetings are wonderful and fun occasions that bring everyone together to promote healthy and robust dialogue, learn and develop together and strengthen bonds between members. A core purpose is connection, and a critical component in strengthening connection is to have fun together.

This handbook is not a guide on "Family Fun" — just a reminder to schedule in time for fun activities. Some ideas from other families include:

- family storytelling
- family values exercise
- family meal together
- attend a concert/sporting activity/event that all family will enjoy
- cooking class
- games
- family picnic or barbeque with all ages shared activity

Common questions about the agenda

What happens when matters arise which are not on the agenda?
Typically, Family Meetings are forward-looking, discussing what the members want to have happen and building a strategy to achieve it. When past issues arise that could derail the meeting or new ideas emerge that are valuable but not necessarily directly relevant to the agenda, a Parking Lot is a useful tool. To ignore valuable ideas and matters of importance (past or present) is potentially damaging to the overarching purpose of the Family Meetings. Rather, these should be acknowledged and itemized for future discussion.

Keep a flip-chart labeled "Parking Lot" handy. Any topic that threatens to knock the meeting off-course can be noted so the person feels heard, but explain that, to keep the meeting on track, this will be addressed at a later time in the appropriate venue.

What level of sharing is appropriate?
"Share the right amount of information at the right time," but how do you figure out what the right amount of information is and what the right time is?

Joline Godfrey, who specializes in financial education, has a saying of "no transparency without preparation."[3] Before sharing critical information, it is helpful to first ensure the family members have received some good education and have the appropriate level of competence to cope with what is being shared. In her experience, though, families generally tend to under share, not over share, information. More is usually better. It's rare that the family balance sheet would be revealed at the first Family Meeting. Family Meetings are a process from innocence to awareness to education to understanding to competence. By focusing more on the process of sharing and less on the outcome, families have a better chance of achieving their shared hopes.

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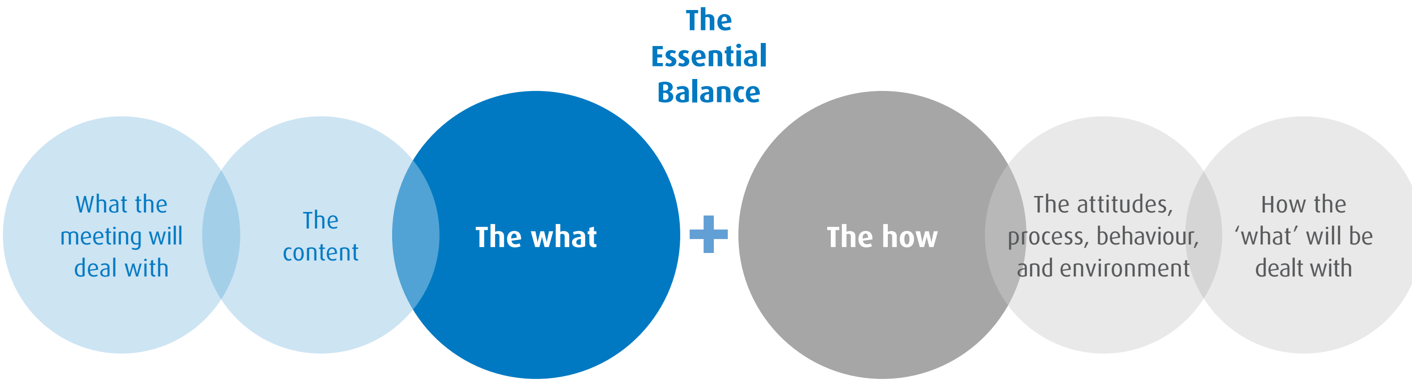
Ultimately, the effectiveness of meetings is not measured by its content per se but rather by HOW matters are addressed, power is shared and participation is encouraged towards a shared goal.

How?

How the "What" Will be Dealt With

It is not enough to just focus on the content of the meeting. Care needs to be taken with the HOW the content is decided upon and talked about. In preparing for and conducting a Family Meeting, it is critical to think about and manage:



Code of conduct

How will the family work together to complete tasks and build stronger relationships?

Families like to see themselves as free form and informal, so suggesting any kind of Code of Conduct may seem contrary to the essence of how the family views itself. However, since families may have unhelpful patterns that risk effective and meaningful Family Meetings, a Code of Conduct can help ensure that all attendees have a voice, all participate, and the outcomes that are reached are ones that everyone can live with.

Families are deeply emotional. They have history, expectations, considerations and personal relationships.

- Communication in family is different from business.
- Emotional matters need a different set of rules and skills.

It serves families to consider creating a Code of Conduct. The purpose of a Code of Conduct is to capture:

- Agreement on expected behaviours during meeting so that all can feel safe to participate
- Guide for family behaviour in other contexts i.e. family members working in business

An effective Code of Conduct:

- supports family communication about real issues
- increases effectiveness of the family when they come together
- reflects all family member's needs
- represents the first family agreement — supporting the evolution from personal trust to institutional trust

Other Terminology if family does not like the terminology "Code of Conduct":

- Guiding Principles
- Rules of Engagement
- Operating Principles

If we could accomplish all we hope for, what would that look like? What are the goals of our meetings?

Example of goals of meetings might be to:

- build cohesion
- give everyone a voice
- create plans WITH the family rather than FOR the family
- be open
- be transparent
- build trust, etc.

Ask:

- What behaviours will best serve that goal?
- What do you need to feel safe?
- What would make conversations productive for you?
- Can you provide a phrase that would capture what you think would make our meetings safe and productive?

Decision-making

An inevitable part of Family Meetings will be to make decisions. It is important to remember that the overarching goals of good decision-making[4] in a family enterprise are to:

- preserve relationships
- build cohesion
- manage conflicts
- ensure freedom from political warfare
- promote efficiency
- ultimately avoid third party intervention in decision-making

Potential for poor decision-making in a family enterprise:

- There may be times where family members are upset, leading to conflicts and tension which could affect other parts of the system (e.g. business and ownership).
- Consistent poor decision-making in the family ultimately could lead to legal challenges in other parts of the system where frustrated family members feel marginalised and a "nothing to lose" mentality prevails.

Skills for joint decision-making

Joint decision-making is where interconnectedness of the family and independence conjoins. A decision-making process for families brings together a group of independent, individual members to work together to figure out outcomes that all the individuals can live with and abide by. It therefore requires that the individuals show:

- emotional maturity: they don't personalize every issue
- ability to think about the greater good of the group and not just their own individual agenda
- skills of empathy and compassion to be able to truly listen to the perspectives of others

Family wealth expert, James E Hughes[5] in his book *Family: The Compact Among Generations* recommends five specific areas for families to address so each family member can fully participate in their family decision-making. Each family member needs to know:

- how as individuals they learn and take in information
- their own unique calling in life
- their own individual work style
- their personality type
- how to have difficult conversations

The family then needs to:

Decide how to decide
Understand the Decision Rule: Understand what rule will be used to make the decision. What are the different decision-making models, and when is each model optimum/less than satisfactory?

Manage the process and outcome
Fair Process: What does that look like and how do you create it? Create a decision-making environment and develop skills and attitudes for good decision-making.

Develop policies
Create policies that capture the decisions made to assure consistency, fairness and efficiency in decision-making for the family, and the interconnectedness to other parts of the family enterprise system.

Good decision-making & Fair Process

Fair process — what is it?
These are the core principles that define "fairness" in a fair process for decision making:

1. **Communication and Voice:** giving those concerned with the issue a voice

- Hold one-on-one meetings to hear the views of all those concerned with the issue not just those who have power

2. **Clarity:** be clear about:

- Process
- What is expected
- Who ultimately will decide and under what circumstances

3. **Consistency:** across people and over time:

- Reach agreement on rules and process for decision making
- Critical to then apply the rules to everyone and ensure everyone is held to the same process until such time as everyone agrees to different rules and process
- Family policies capture what is agreed on and create conditions for consistent treatment, i.e. all are treated the same way

4. **Changeability:**

- This may seem paradoxical to consistency but for a process to be fair, policies need to be reviewed to ensure they are still relevant to the changes in the family, society, etc. (for example: inclusion of spouses). This rule could change if there was a divorce in the family.
- Need some flexibility if circumstances change AND for fairness to prevail, changes made should be done in a clear and transparent manner.

5. **Commitment to Fairness**

- If there is not a deep commitment to fairness, there is a risk that the process will be mechanical rather than a truly fair process that family members agree on. This mechanical process will impede the strengthening of trust and also prevent the goal of achieving a shared commitment to the outcome.

The 5 steps of fair process[4]

1. Engaging & Framing

- Engage all people who will be impacted by the decision, so you can properly frame the issue

2. Explore & Eliminate

- List as many options as possible (eliminate those clearly not going to work)
- Explore all the possibilities

3. Decide & Explain

- Make a decision and be clear about what the decision is
- Explain how the decision was made and all the factors that were considered

4. Implement & Execute

- Do it!
- Ensure decision is applied equally to all across time

5. Evaluate & Learn

- Does it work?
- What did we miss?
- Apply the three R's: REFLECT; REVIEW; REFORM: Reflect on decision, review decision and if necessary reengage in a fair process to reform the decision.

Sample rules for Effective Family decision-making from John Ward[6]

No surprises:

- Everyone knew the issue for decision in advance

Sincere care:

- Everyone feels respected and heard

Mutual commitment:

- Genuine effort to make a win-win outcome

Good conduct:

- If the meeting was videotaped and shown to future generations — the meeting would be something you all felt proud of

The presence of objective outsiders:

- Someone to ensure all are heard

Post decision review:

- Is the decision working?

No rush:

- Everyone felt they had time to prepare and present their views

Outside facilitator

Where a family has deep trust issues or concerns about participation, it can be very helpful to find a non-family facilitator. The role of such a person will be to:

- ensure all voices are heard
- manage participation
- keep emotional input at a healthy constructive level
- safeguard the process and effectively manage adherence to the collaboratively created agenda
- administer the Code of Conduct and ensure all are respectful to each other
- structure accountability
- work with the family to prepare for the meeting
- chair the meeting and prepare follow up notes, action plans, etc.

It can be helpful to have a check list of facilitator skills and expertise to guide choice:

Some possibilities:

- excellent listener
- ability to build trust with multiple family members and build buy-in
- has the confidence of the group to monitor and ensure agreed rules of behaviour are being followed and if not, help the family get back on track
- able to ensure all are heard: can validate everyone's particular style and contribution
- can step in and effectively manage conflicts that arise in a way that strengthens relationships
- develops a great agenda with the family and then manages the agenda throughout the meeting
- educator: can bring examples, expertise, outside resources on specific topics… is a student of the field of family wealth and family enterprise
- self-aware — aware of own biases and triggers and can self-manage.

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Above all, this person must have no stake in the outcome of the meeting and be trusted by all.

TIPS

Communication tips for families:

- Recognize and celebrate what you have in common. Each family is unique, and each reflects shared experience and shared values that can help form strong bonds.
- Acknowledge and take pride in each other's accomplishments. When one succeeds, it builds the strength of the whole family.
- Take time to appreciate the gifts you have been given as part of the family. Acknowledge the legacy that your parents and other forebears have created, that has been and is being passed on to you.
- Focus on understanding the other person's point of view before expressing your own. "We have two ears but only one mouth, so that we may hear more and speak less."
- Acknowledge the other person's point of view, even if you do not agree. Each person is entitled to an opinion, which deserves respect.
- "BUT" is the "verbal eraser" — it negates everything you said before it. When you acknowledge someone else's point, finish the sentence without adding a "but". You can start again by saying, "I understand your point. Here's how I see it...".
- Be tough on the problem, but gentle on the people — look for "win-win" solutions, instead of "blaming and shaming". Criticism of others seldom solves problems.
- Speak only for yourself — what you expected, what you would prefer, how you see it — to avoid holding others responsible for your reaction to or interpretation of the situation.
- Check out your assumptions by asking questions, and be prepared to accept the response if it is different than what you have assumed.
- Try to control your anger. Anger is not a primary emotion; it is a reaction to another emotion — generally hurt, frustration, or fear. If you can speak about the underlying feelings, rather than becoming angry, others are more likely to listen to what you say.
- Own your emotions, rather than blaming them on someone else. How you feel about something is your own decision — others do not "make" you feel any particular way.
- Resolve to listen without interrupting. Focus on what is being said, instead of preparing your response in your head while the other person is speaking.
- Let go of your own solution to a problem, and look for creative ways to resolve differences.
- When the other person is right, admit it. When you are wrong, apologize.
- Someone needs to take the first step. You have the power to initiate the change you want to see.

Events **after the meeting** are crucial to success.

After the Family Meeting: What is Next?

The meeting is not a single unique event for a family. It raises issues and sets a model for further communication. If the first meeting is successful, there will be plans for one or more follow-up meetings to discuss other topics and to eventually make decisions. Therefore, the events after the meeting that record, reinforce and carry out decisions and next steps are crucial to success. If a good meeting happens but what was agreed on does not happen, then family members are reluctant to meet again.

Next steps

It is very helpful if the family elects a recorder to take notes. Notes can be made on flip-charts in the front of the room so that people can keep track of ideas. After the meeting, the notes from the charts can be transcribed with special attention given to actionable items — by who, when, etc. If decisions are made or agreements are made, they should also be carefully written down.

Some families may create a secure website to store all the reports and distribute information that the family members can view on their iPads or laptops, while others will create binders embossed with a family logo that each family member is responsible to bring to each meeting.

Reflect, Review, Reform

- A critical piece of Family Meeting is reflection on what is working well and what needs to be changed.
- Review suggested changes to ensure buy in by all participating.
- Implement agreed to changes and Reform the next meeting

Conclusion

In closing, the major takeaway is that each Family Meeting is different and that creativity, patience, tolerance and "flexibility" are the keys to planning, holding and advancing Family Meetings. Whilst there are guidelines to help and ideas to utilize, it is critical not be constrained by a standard and rigid design but rather to reflect the uniqueness of the family within the meeting. With helpful guidance and application of some "best practices", a single Family Meeting will lead to further meetings. Together, the family will develop a successful model and habit of ongoing discussion of important issues, capacity building for skills needed to navigate wealth, and strengthened bonds towards a more cohesive, resilient, adaptive family.

Tips from the experts

My Top Tips for Family Meetings

James Grubman, PhD, of Cambridge Family Enterprise Group, Boston MA.

- **Be flexible about time.** Many family topics take longer than you think, but that means people are engaged. Focus on the family discussion and let go of having to get to the technical stuff on a rigid schedule.
- **Tolerate multiple points of view.** Differences can be productive and help people feel heard. Keep conflicts manageable and you'll find family meetings gradually converge toward true harmony.
- **Be patient.** Initial reactions, old resentments, strange questions, and unplanned tangents all surface in family meetings. With good ground rules, eventually everyone will be heard and you will get to what you need to discuss.
- **Appoint someone as leader who knows how to handle group process.** Not everyone is skilled at facilitating family discussion. A good meeting leader is not necessarily the family leader. Running the meeting well means using the right person with the skills.
- **Bring in advisors or experts when needed, then get them out.** Don't let boring, domineering, conflict-avoidant, or overly technical advisors derail your precious meeting time.

Dr. Jim Grubman has provided services to individuals, couples, and families of wealth for over 30 years. His work with clients at many levels of affluence — from the "millionaire next door" to The Forbes 400 — has earned him a reputation as a valued family advisor. Jim often is consulted in situations of complexity where psychology, law, finance, medicine and business all come into play to varying degrees. He draws on his experience as a psychologist, neuropsychologist, and family business consultant with specialty interests in trusts and estate law, family governance, and wealth psychology.

Jim brings his deep knowledge of the client's perspective to his work with single and multi-family offices, Top 100 wealth management firms, attorneys, and other advisors. He has coached hundreds of advisors on the core competencies needed to foster exceptional client relationships. His practical approach emphasizes collaboration, empathy, and efficiency.

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Thayer Willis, Wealth Counselor & Professional Speaker, Willis Management Inc.

- **Hire an experienced facilitator.** You will get more attention and cooperation from family members, and benefit by the facilitator's expertise and wisdom.
- **Interview family members before the meeting**, or have the facilitator interview them, to find out what they need to learn about now. Provide education on their learning needs.
- **Plan recreation for the family each day of the meeting.** This varies from one family to another, from river rafting a local river to watching a provocative film and discussing afterwards to a winery tour. "Recreation" varies widely, and for some family members will be the most important part of the meeting.

Thayer Willis is an internationally recognized author and expert in the area of wealth counseling. Since 1990, she has specialized in helping people of all ages handle the psychological challenges of wealth. A member of the founding family of the multibillion-dollar Georgia-Pacific Corporation, Thayer offers an insider's perspective on the privileges and tragedies that wealthy families face on a regular basis.

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Ruth Steverlynck, LLB (hons), FEA

Ruth is a founding partner of Your Family Enterprise and works as a private consultant to family enterprises. Ruth holds an honors LL B from the University of Edinburgh, Scotland and holds numerous certificates and diplomas in mediation, conflict and dispute resolution. Ruth holds a Certificate in Family Business Advising from the Family Firm Institute in the USA and was one of the first Canadians to receive the Family Enterprise Advising ("FEA") designation from the Institute of Family Enterprise Advisors. With a special interest in the success and development of family enterprises, Ruth supports families who care about the future of their family as well as the future of their enterprise. Ruth works with the entire family taking them through a process that integrates family learning with the meaningful and collaborative development of policies, practices, skills and structures found in family enterprises who have been successful in continuing to keep both their wealth and their family strong beyond two generations. By supporting the family in the development of the human, social and intellectual capital of the family members, families experience more cohesion, improve their capacity to make good decisions together, trust and respect for each other is strengthened and the family is ultimately prepared for the responsibility of continuity of success for the individual members of the family, the family and the enterprise.

http://yourfamilyenterprise.com/

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6. John Ward is a co-founder of The Family Business Consulting Group, Inc., and is co-director of The Center for Family Enterprises at Northwestern University's Kellogg School of Management (Chicago, USA) where he is Clinical Professor of Family Enterprises. Ward teaches and studies family enterprise continuity, ownership, governance and philanthropy.

Notes

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