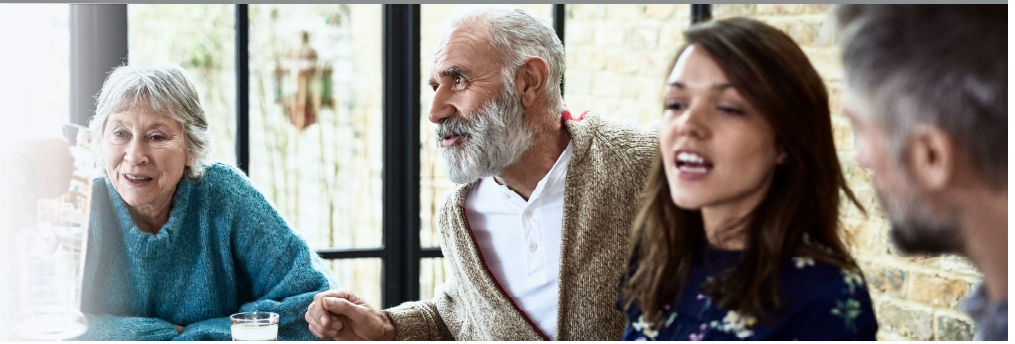


Family Meetings

Step one of family governance



Family meetings are an important part of the family governance process. They act as the forum for discussions, sharing of information, learning and education, and decision making. The goal of family meetings is to build communication, trust, and connectivity in the family, through a framework of goals, structure, and engagement. Ultimately, they can assist with guiding family unity, and the successful stewardship of wealth.

Why are Family Meetings Important?

Family meetings offer an opportunity to discuss important topics that will affect one or more family members, and to share expertise or knowledge across a range of topics, including planning, legacy, individual and collective family objectives, as well as aspirations. Some families develop Family Values and Vision Statements during this time together, examining beliefs about life and family, and where they stand on issues common to all. Both younger and older generations can add valuable insight to these discussions.

It is also an effective forum for family members to support one another, if individuals are experiencing a stressful situation or facing a challenge which they do not have the expertise to deal with. Though many families avoid sensitive topics in front of each other, family meetings can allow for training on how to develop skills and comfort at navigating difficult conversations. This happens over a period of time, but can tackle many issues before they become entrenched.

How to Conduct Family Meetings

Logistics may seem like the obvious; however, items such as agendas, frequency, location, and family member roles should be given due consideration to ensure everyone is comfortable and should be outlined at the outset of family meetings. Additional formality would include adding categories for agenda items to differentiate what topics are for discussion, for information, for decisions or for learning. This ensures family members know what to expect in advance of the meeting.

When forming family meeting agendas, consideration should be given to the following:

- **Inclusive** – include every member of the family where appropriate
- **Transparent** – disclose relevant materials, facts, figures
- **Timely** – deal with essential topics at hand today
- **Actionable** – offer some practical takeaways to help drive progress
- **Reflective** – offer an opportunity to think, review and reform

It is important that formality does not take away from the value of the meeting. Family members should look forward to these gatherings because they are productive and fun. Dr. Lee Hausner, Senior Managing Director, First Foundation Advisors, states that, “Productive and structured family meetings that support family unity are common among ‘Legacy Families’ who have survived through four generations.”

Meeting structures and processes should grow and evolve with the family, ensuring that communication and relationships are of paramount importance. Ongoing forums for meetings can assist families with critical connections and bonding.

The Pillars of Capital (FISHS Accounts)

When attempting to steward multi-generational wealth successfully, family meetings can focus on both the tangible (financial), and intangible (non-financial), pillars of capital. The primary focus of family discussions is usually centred around financial capital, however, the qualitative, non-financial capital, such as intellectual, social, human, and spiritual, are rarely discussed or solved for, and can impact the chances of success for the family. When you have a family enterprise, each of these FISHS Accounts must be considered as they are highly correlated to one another.

Pillars of Capital



Each family will have different wants and needs in these areas, and all can play a role in driving important conversations. Moreover, family participation, dialogue, and engagement, are essential to a successful outcome. FISHS Accounts are a very useful construct for family learning and development.

Four Cornerstones of Family Meetings

Four cornerstones for consideration at family meetings are family enterprise, learning, cohesiveness, and fun. The below chart represents the four cornerstones framework of goals and broad topic areas for the FISHS Accounts. A good rule of thumb is to ensure family meeting agendas are balanced to spend approximately 1/4 of your time in each area, while considering content (the WHAT – sharing and conveying information), and the process of family meetings (the HOW – interaction and exploration).

<p>Family Development</p> <ul style="list-style-type: none"> • Assessment • Learning • Planning • Skill training • Policy creation • Philanthropy 	<p>Family Enterprise</p> <ul style="list-style-type: none"> • Entrepreneurial focus • Information sharing • Tours, internships • Meet with directors • Innovation • Connection to ownership and business
<p>Family Cohesion</p> <ul style="list-style-type: none"> • Vision, mission, values • History and traditions • Hopes, dreams, aspirations • Support, care, love • Fair process 	<p>Family Fun</p> <ul style="list-style-type: none"> • Games • Activities • Tournaments • Talent shows • Humour • Celebration

Source: Family Enterprise Canada

The Role of the Family Council

Within larger families, it is often helpful to establish a governing body called a family council that acts on behalf of the larger family (the family assembly). This does not include every member of the family, or everyone who would attend the family meeting. However, instead, it would be comprised of select individuals, representative of each generation or family branch, who can take a leadership role in helping to organize family meetings and provide structure for the development of all family members and policies. It is often the case that the business intertwines with the family, and this requires a careful balance to create guidelines for governance within each of the family, business/enterprise and ownership. Roles of the family council can include:

- > Establishing family member development and education
- > Setting collective values, mission, vision, purpose and goals
- > Promoting communication and conflict resolution
- > Managing philanthropic goals within the family
- > Liaising with leadership from other circles (business, ownership)
- > Building capabilities for succession and leadership within the family
- > Guiding the family constitution or charter

It's important to be mindful of which "hat" one is wearing when discussing issues at family council meetings. Wearing the appropriate "hat" in each respective family, business or ownership forum is an important consideration, together with understanding where each family (or non-family) member has a voice versus a vote. Being respectful to allow everyone's perspective to be heard and input acknowledged is critical prior to certain decisions being made that impact family members.

In Conclusion

Each family's situation is unique however, there are common themes which many families encounter. Careful planning, and establishing the appropriate governance framework, is a good starting point to keep the family connected, and family meetings can play that critical role in establishing a communication process within the family enterprise. They are also an effective forum to share ideas, strategize, reflect, and create progress. Although this article concentrated on the family circle, governance integration and coordination of the interdependent circles of the business/enterprise and ownership is recommended, along with guidance of the family's advisors.

Shelley Forsythe provides clients, families, and enterprises with strategic guidance across personal, financial, family, and enterprise goals. Shelley takes an in-depth approach to gain insight into each client's overall goals and intentions to customize intergenerational options and frameworks. She specializes in facilitating family governance and legacy conversations to promote education, harmony and effective communication across generations.



Let's connect

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