



## **THE LIFE OF THE FAMILY IN BUSINESS**

### **A WINNING RECIPE FOR PEACE & PROSPERITY - IN YOUR LIFETIME**

***How to achieve prosperity and serenity in the Family in Business requires some skilful and innovative solutions for some complex problems.***

#### ***Consider the scenario:***

##### ***The Situation***

The Family in Business is an energy-laden, explosive mix of passion and potential. When it's well-focused, the Family Force achieves wonderful things. But when it loses direction and turns on itself, the Family Force can destroy families and businesses.

##### ***The Challenges***

Every Family in Business faces some or all of the following challenges:

- Sharing Visions and Values – Why are we here? What are we doing? Where are we going? How are we going to get there? Will we get there together?
- Maintaining Balanced and Respectful Relationships – Being fair, commercial, loving and supportive with our individual, family and business needs and interests
- Solving Problems – Using frequent, open, honest and constructive communication
- Acceptable Risks and Rewards – Satisfying everybody's needs for happiness, health and wealth
- Transition Management – Leadership, Succession, Exit – Being able to manage the process proudly

##### ***The Win***

Peace, Serenity and Prosperity in your lifetime plus a legacy of opportunity for future generations, through smooth transition and ongoing sustainability

##### ***The Loss***

Possible destruction of both the Family and the Business.

##### ***The Solution***

- The Family in Business Winning Recipe – Improves each family's prospects for peace and prosperity, no matter what state the family, or the business, may be in
- The Family in Crisis – Stabilises the situation, calms conflicts and soothes fears. Changes focus from current problems to future possibilities. Facilitates the process of developing shared visions and agreed, go forward plans
- The Family with Challenges (eg. Transition, Succession and Exit Issues) – Establishes and facilitates a process to satisfy everybody's needs. Produces clarity and consensus and develops appropriate strategies and structures for the Family and the Business

### ***The Family in Business Life Transition Process Stages – A Winning Recipe***

| Stages F  | amily | Business | Activities  |
|---|-------|----------|---|
| 1. Qualitative Fact Finding – the Human Aspects | ✓     | ✓        | The Family Dynamic – People, Family and Business facts, perceptions, needs, interests & interaction.<br><b>Importantly conflict resolution, relationships, communication, generational &amp; demographic shift issues</b>         |
| 2. Visioning                                    | ✓     | ✓        | Develop agreed, shared visions for the long term future of the Family & the Business  |
| 3. Strategy Plans                               | ✓     | ✓        | Develop agreed, shared strategic plans for the long term future of the Family & the Business  |
| 4. Structures                                   | ✓     | ✓        | Establish Family Council, Family Constitution & Family Forum. Succession, Exit & Retirement planning  |
| 5. Business Transition Plans                    |       | ✓        | Develop detailed, operational business plans, including: financials, corporate/tax structures, individual roles & responsibilities incl. non family members, business valuation, leadership & management transition plans         |
| 6. Implement                                    | ✓     | ✓        | Plan, train for & facilitate the painless implementation of all above plans & structures  |
| 7. Monitor/Mentor                               | ✓     | ✓        | Monitor implementation & progress. Mentor individuals & provide support as required   |
| <b>8. Celebrate – with Pride and Passion</b>    | ✓     | ✓        | <b>Pride</b> - Enjoy the fruits of your success in the Family & the Business. Including happiness, health & wealth, business stability & sustainability, family business continuity and <b>Passion</b> throughout the generations |

#### ***Please consider this checklist for Families in Business***

- Regular family meetings to facilitate team building, communication, conflict management and resolution of challenging issues
- Each family member has a very clear focus of what they see in store into the future for themselves, the family and the family business
- Have considered in depth well thought out and reviewed Vision and Mission Statements – both for the family and the family in business together including frequent analysis of whether you intend the business to remain in the family
- Identification of the overall guiding principles of the business based on what is best for the family and what is best for the business – the Constitution
- By way of the Family Council (or Board) consider and prepare policies for the conduct of, growth and entry into & exit from the business
- Written business and strategic plans including having an up to date business valuation
- Criteria for family members joining the business, including outside experience in an allied field before they join
- Market-rate salaries for all staff, including family members
- Business transition and succession plans which address both ownership and management succession with other family members, particularly, being involved in the discussions – including knowledge capture and transfer
- Development and mentoring programs for young family members – the next generation
- Strategies and processes in place to ensure compliance with all relevant statutory and regulatory requirements

***If you have answered “No” to any of these, perhaps you may consider the value of devoting some thought to arranging that Family Meeting to discuss these crucial areas of your family business life – and see what you can tick off.***

***We believe the 12 Key Attributes of successful Families in Business are to -***

1. Develop, declare, share and live a **stewardship** culture
2. Create a **shared family vision** and **shared sense of purpose**
3. Be **proactive** and **plan** consciously for the family's future
4. Communicate, **Communicate** - always **Communicate**
5. **Don't procrastinate** - resolve those problems and conflicts
6. **Separate** the business from the family - **use structures**
7. **Separate** ownership from management - **use strategies**
8. **Seek Balance (1):** Work **on** the business **AND** ... **in** the business
9. **Seek Balance (2):** Work **for** the family **AND** ... **with** the family
10. **Seek Balance (3):** Grant yourself some **"me time"** for sanity
11. Develop a **Family Constitution** - your values, policies and rules
12. **Parent well** (teach+support+respect) at home and in business.

***And now a Word about Us – Our Focus and Intent as Transition Managers, Executive Mentors & Facilitators***

Carnegie Management Group was formed in 1999 to partner with Families in Business and therefore to better service the needs of this large portion of Australian Business. ***It evolved from the notion that Family Business deserved much more than just professional accounting, legal and coaching advice.*** Accordingly with a rich diversity of formal skills, experiences and appropriate qualities Paul Smith and his Team of experienced Senior Executives established the new organisation. It is based on a set of clearly defined values – that every day, every decision - CMG will value and commit to:

- Service
- Respect for the People, the Family and the Business
- Integrity
- Commitment and Accountability to itself and the client
- Trust and Professional Friendship
- Leadership and Teamwork

**OUR LOCATIONS AND CONTACT DETAILS**

Carnegie Management Group - *“Executive Mentors, Transition Managers & Facilitators”*

Melbourne

Sydney

Adelaide

Telephone: 1300 334 307

Visit: [www.carnegiemg.com.au](http://www.carnegiemg.com.au)

[www.executivementor.info](http://www.executivementor.info)

[www.familiesinbusiness.com.au](http://www.familiesinbusiness.com.au)

*A Profile follows of our Chief Executive*

## PAUL SMITH – CHIEF EXECUTIVE

Paul joined the petroleum industry after graduating from Sydney University as a Bachelor of Economics, progressively undertaking a number of Senior Executive and General Management responsibilities throughout Australia involving significant Marketing, Corporate Planning and profit centre accountabilities.

In the latter part of his thirteen years with Mobil, he directed a number of strategic planning projects and initiatives for the Marketing Division and had the National Marketing and Planning responsibility for the road-surfacing subsidiary, Emoleum.

Subsequently Paul spent five years in General Management roles in the Logistics industry, primarily leading the building of strategic alliances with major corporate clients of the road, rail and air activities of Mayne Nickless and V/Line.

In more recent years Paul has been intensively involved in leading his own Consultancy providing advice to Organisations/Executives/Managers over a broad industry base.

In 1999 he founded the Carnegie Management Group where his and the Team's core focus is ***Transition Management through Mentoring & Facilitation*** - undertaking significant assignments in the following areas:

- Organisation and Leadership Development for Business Owners & Executives
- Family Business & SME Strategy Development & Implementation
- The Human issues of conflict resolution, relationship building and communication skills enhancement - both for the person, family and people in business
- Strategic Business Enterprise Planning, Re-Engineering & Change Management
- Executive Mentoring, Career Planning, Management & Transition

His Professional Affiliations include:

- Fellow - Australian Institute of Management
- Member - Australian Institute of Company Directors (AICD)
- Accredited Family Business Adviser - Family Business Australia
- Member - Family Firm Institute (FFI) - USA

Positions held include:

- Member - National Executive Mentor Panel - AICD – 2007-2009
- 4 non-executive Board positions – primary role as Adviser/Mentor to Board
- Executive Member – Family Business Australia Adviser Group
- Non-Family Council Member with 5 significant Family Businesses

Publications and Engagements:

- Published numerous articles in Business Magazines, Generations Magazine (FBA) and national press
- Regularly conducts Workshops on Transition Management and Exit Planning throughout Capital cities & major Regional centres
- Regularly approached by national media to comment on topical issues – e.g. Executive Mentoring

***“Working together we have the minds and the means to get you where you want to be.”***

