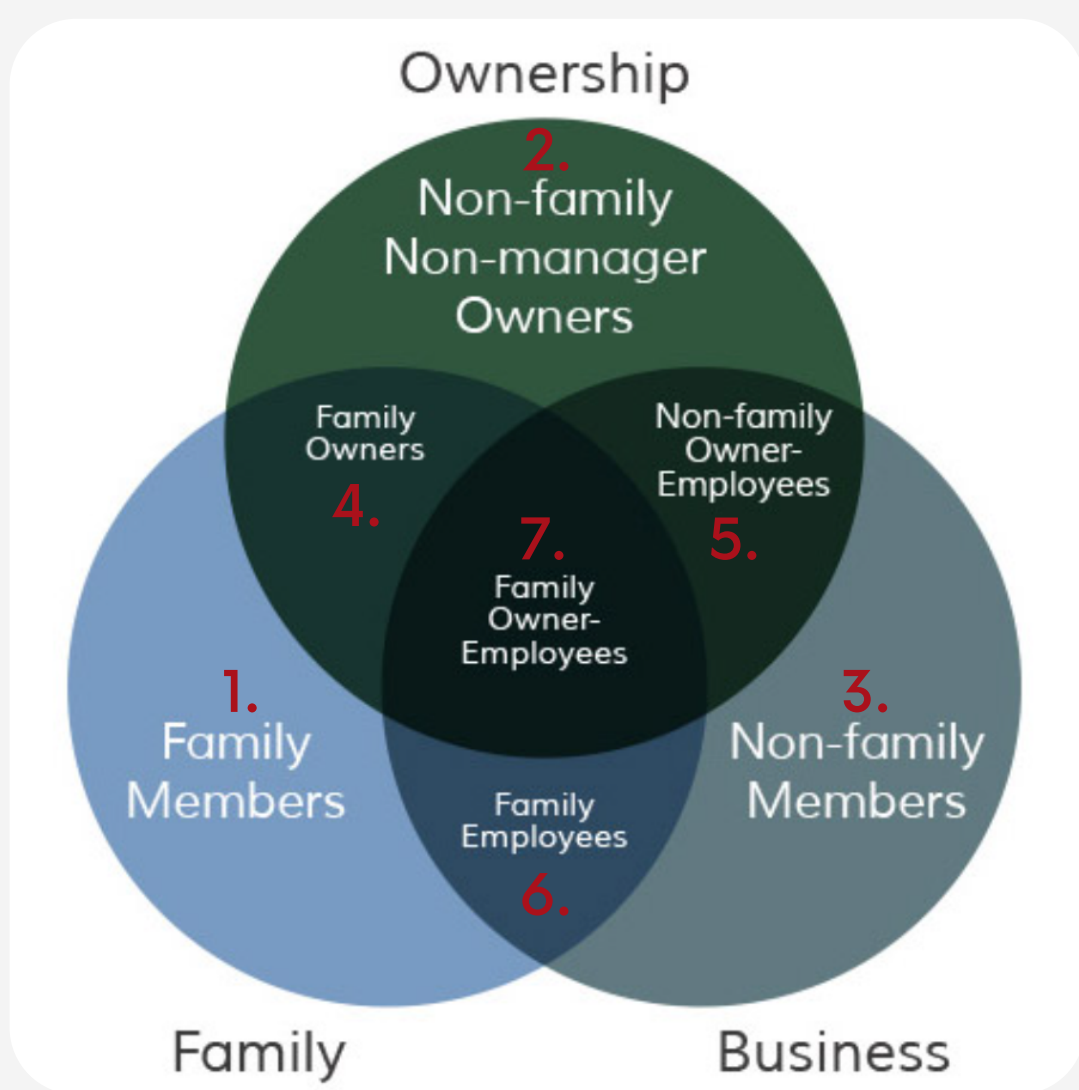


FAMILY BUSINESS SYSTEM FACILITATOR GUIDE



Tagiuri & Davis (1982)

SEVEN GROUPS

1. Family members that neither work in the business, nor have ownership of it
2. People that have some ownership, but are not family members & don't actively work in the business
3. People who are employees, but do not have ownership & are not members of the family that owns the business
4. Family members who have some ownership, but do not actively work in the business
5. People who actively work in the business & have an ownership stake, but are not from the family that has controlling ownership of the business
6. Family members & employees who do not have any ownership
7. Family members that actively work in the business & have some ownership

QUESTIONS FOR GROUP 1

- ▶ If someone passes away, will I become an owner?
- ▶ Will my children/grandchildren have an opportunity to work in the business, even though I chose not to?
- ▶ In what ways do business decisions reflect on our family name?

QUESTIONS FOR GROUP 2

- ▶ What is the business worth & how is it performing?
- ▶ Do I trust that the family will continue to manage the business profitably?
- ▶ As the rising generation transitions in, do I want to stay invested?

QUESTIONS FOR GROUP 3

- ▶ Will the business continue to be family-owned or will it be sold?
- ▶ As family members return to the family business, will that negatively impact professional opportunities for me?
- ▶ Do I like & trust the families' succeeding generation as managers & owners?

QUESTIONS FOR GROUP 4

- ▶ What cashflow/dividend expectations should I have regarding the family business?
- ▶ Is the business going to be profitable?
- ▶ How do I feel about the management of the company?
- ▶ Do I feel informed about what is really going on in the business?

QUESTIONS FOR GROUP 5

- ▶ Are family employees talented & competent?
- ▶ Is compensation for family members a fair market wage?
- ▶ Does the majority owner have a plan that includes making me an owner with someone I don't want to work with?
- ▶ Are family issues (divorce or sibling rivalry) creeping in & becoming business issues?
- ▶ Is there a clear path to liquidity that is both fair & understood?

QUESTIONS FOR GROUP 6

- ▶ Do my parents have an estate plan that includes me in the ownership of the business?
- ▶ When will I have the opportunity to become an owner?
- ▶ Will ownership be gifted to me or will I buy in?
- ▶ Will I be expected to be in a shared ownership with siblings that work or don't work in the business?

QUESTIONS FOR GROUP 7

- ▶ Does anyone care about the business as much as I do?
- ▶ Is my next generation ready for management & ownership?
- ▶ What would I do with my time & attention if I were not running the business?
- ▶ How do I manage the questions of all other groups?