

Part IV: The Family Retreat

In the previous articles for this series, I described how the Family and Business Renewal Process begins with confidential interviews of all family members to determine everyone's goals and concerns with regard to the family business. That information is then used in developing a new plan for transferring the family business and other wealth to succeeding generations. In this article, I'll discuss how the new plan is presented to the family.

The Family Retreat

Rather than discuss the new plan with each family member individually, I use a different approach. All of the family members who were interviewed are invited to a family retreat at a neutral location. The retreat is usually held at a nearby hotel, conference center or resort. The goal is to assemble the family at a comfortable site that will encourage open, honest communication and facilitate serious discussion.

There are a number of objectives I keep in mind while conducting a family retreat. My goals are to:

- Create an atmosphere for open and honest communication
- Revisit the needs and expectations family members have of the business.
- Present the new plan in a way that demonstrates how it addresses family needs and expectations.
- Obtain agreement from the family members to implement the new plan.

I begin by asking these three questions of each family member in turn.

1. What do you expect from the retreat?
2. What do you admire most about the family and the business?
3. What would you like to see changed?

By responding to each of these non-threatening, open-ended questions, family members have the opportunity to "get their voice into the room" and overcome any initial shyness. This technique assures that everyone gets actively involved. It also gives each individual a chance to voice their degree of satisfaction with the status quo and their hopes for change.

I continue by reviewing the existing legal documents and financial statements for the owner and the business. These are summarized in a report I have created using special software developed for this purpose. The goal of this phase is to help the family members understand the plan that is currently in place for the transfer of the family's

wealth. An understanding of the current plan forms the basis for evaluating the new plan.

Of course the overriding objective of the retreat is to have all the family members leave with an understanding of how the proposed new plan works and how it will preserve and protect the family's personal and business wealth. During the presentation of the new plan, I always stress its benefits to the family as a whole. If I've done my homework properly, the new plan will secure the long-range future of the business by preserving and protecting the family's wealth. While everyone may not get everything they originally wanted, once family members understand that the new plan is best for both the family and the business in the long run, they will usually accept the new reality.

During the retreat, it is critical that I remain open and unbiased. I avoid becoming defensive about the details of the new wealth transfer plan. I recognize that there may be a need to modify the plan based on the reactions of the family members during the retreat. Of course, the more complete the individual interviews were, the less likely extensive modification will be necessary.

Agreement to Implement the Plan

This is another primary objective of the family retreat. If I've been effective with developing and presenting the new plan, by the end of the family retreat, everyone should be convinced that the new wealth transfer plan is the best solution for the long-term success of the family and business. The retreat ends with general agreement that the plan will be implemented. Next steps are to execute the necessary legal documents and secure any financial products that are needed.

As you can probably imagine, I've experienced a variety of human behaviors during family retreats. However, the bonding of family members continues to delight me. The willingness of family members to share of themselves and help develop quality relationships, enhance family communications and improve their understanding of the business is truly amazing.

I remember a grandfather listening to his grandchildren tell how much they appreciated his hard work, willingness to risk all, and the sacrifices he made so that their lives could be easier. Hearing this was too much for the grandfather who started crying while listening to their expressions of appreciation. By the end of the session, there wasn't a dry eye in the entire room. There have been many such experiences. Many of my clients have told me that the family retreat was the first time they had ever heard their children speak of the family and the business in such honest and heart rending ways.

The last step in the FBR Process is one that is vitally important to the long-term success of the new wealth transfer plan. No matter how good the plan is, how well thought out it is, how ingenious it is, it won't do anyone any good if it is not fully implemented or is allowed to become ineffective over time. Implementation can often be a lengthy process. My job is to keep the process moving.

Once the new wealth transfer plan is fully implemented, it must be constantly monitored to make certain that it continues to serve the intended purpose. The plan must be reviewed periodically to make certain it still reflects the long-term best interests of the family and business.