



Leaders in Business Mediation and Collaboration

Strategies for Families: The Family Business Charter

Building a Firm Foundation

A family business can enable you to fulfill your dreams. Or it can become an excruciating nightmare. The difference is often determined by a few key business and interpersonal factors. How well do the family members understand each other? How well do they treat each other? How well have they clarified their business arrangement? How well do their dreams meld into a common, powerful vision?

BMC Associates' Family Business Charter is a unique, structured process for families to address these crucial topics. BMC has drawn on its combination of business, finance, legal, and psychological expertise to create the Charter. The process helps family members talk about seldom discussed and sensitive interpersonal issue. It also helps create clarity about the business aspects of their "deal" related to money, visions, governance, and control. The product of the process is a Charter document that commits to paper the family's conclusions in all areas. If you are considering a family business, transforming one, or trying to save one from serious problems, a Charter can make all the difference.

The Price of Failure

The consequences of an underperforming or failed family business are often very painful:

- **Distracted owners and employees.** Precious time and money is lost if family members are absorbed in their relationship instead of the business. When owners' focus is lost, employees' is sure to follow.
- **Lack of strategic direction.** Divided leadership produces inconsistent direction or no direction at all.
- **Emotional pain.** Families invest a great deal in each other — emotionally as well as financially. When that investment goes bad and stays bad, everyone in the family is affected.
- **Business decline or failure.** The efforts and dreams of decades can be lost. So can the economic security of the family. Respect and reputation can be tainted.

How can we make our family business more effective and rewarding?

Create a Family Business Charter to enhance your business and personal relationships - with strategic help from BMC Associates.

“BMC worked diligently to understand our issues and help us come to a higher level of understanding and effectiveness. They are true professionals.”

- Manufacturing CEO

A Total Solution

Lawyers and accountants are indispensable in running a business. But they may not have all the expertise needed in dealing with some of the fundamental issues dealt with in a Family Business Charter.

- **Trust and fairness.** These are the foundations of a family business. Sensitive and specialized help is critical to help build them or, if needed, rebuild them.
- **Personalities.** Family members' different personalities can add to the range of capabilities in their business. But they can also rub each other raw. Learning how to avoid the hot spots can save the day—every day.
- **Values and vision.** Good will and consideration can only go so far. A family business can still fail if the owners have divergent visions or values. It's vital to align them.

Working with your other advisors, BMC will address these key issues.

BMC's Approach

Our approach is one that encourages collaboration within families. We facilitate family members' work as they shape their own specific agreements regarding all aspects of their relationship. These agreements result in a written Family Business Charter - a working document. The Charter process will help you and your family to identify differences in your individual goals and develop a common vision - and plan - for the future. It will help you clarify your financial and management "deal." We will work with you to understand your personalities, how to deal effectively with one another, and how to build a sense of trust and fairness. We will also help you prepare for the inevitable surprises and shocks.

BMC Associates draws on its wide range of experiences to assist you in dealing with the complex business and personal issues involved in a family business. We are committed to a strategy of co-consulting. An associate experienced in psychology and family business dynamics work as a team on Charter projects.

It's best if the Charter is completed before problems emerge. However, it can also help families sort out existing problems and get to the source of what may be getting in the way.

What issues can the Charter address that our attorneys, accountant, or other advisors alone may not?

Business issues plus:

- Trust.
- Fairness.
- Personalities
- Values and vision.

What is BMC's approach?

- Client-focus.
- Teamwork.
- Clarity.
- Confidentiality.

When should start our Family Business Charter?

As soon as more than one family member joins your business.



BMC Associates offers a full range of services to family businesses, partnerships, and others. All of our services are grounded in a philosophy of collaboration among partners and family business members.

Please call David Gage at 703-465-1262 for more information. BMC can help clarify expectations, roles, rights, and responsibilities and resolve costly conflict.

Family Business and Partnership Charters

Business Succession Planning

Preparation for Estate Planning

Management Coaching