

The Why, What, and How of Family Governance



Stephanie Traversy

Vice President of Personal
Development and Governance
Bridgegreen Capital

THE FAMILY GOVERNANCE STORY



CORPORATE GOVERNANCE AND FAMILY GOVERNANCE

CORPORATE GOVERNANCE

FAMILY GOVERNANCE

CORPORATE GOVERNANCE AND FAMILY GOVERNANCE

CORPORATE GOVERNANCE



Focus on the Family business



WHY?

To lay out for all stakeholders “the way we do things”, the consequences of not doing these things and the principles that guide us as we do these things.

FAMILY GOVERNANCE



Focus on the business of the Family



WHY?

To support the successful transition of five critical pillars of capital across generations.



 James E. Hughes

5 PILLARS OF CAPITAL

- ➞ INTELLECTUAL CAPITAL
- ➞ FINANCIAL CAPITAL
- ➞ SPIRITUAL CAPITAL
- ➞ HUMAN CAPITAL
- ➞ SOCIAL CAPITAL

Beyond



4G



3G



2G



Founders



Beyond



4G



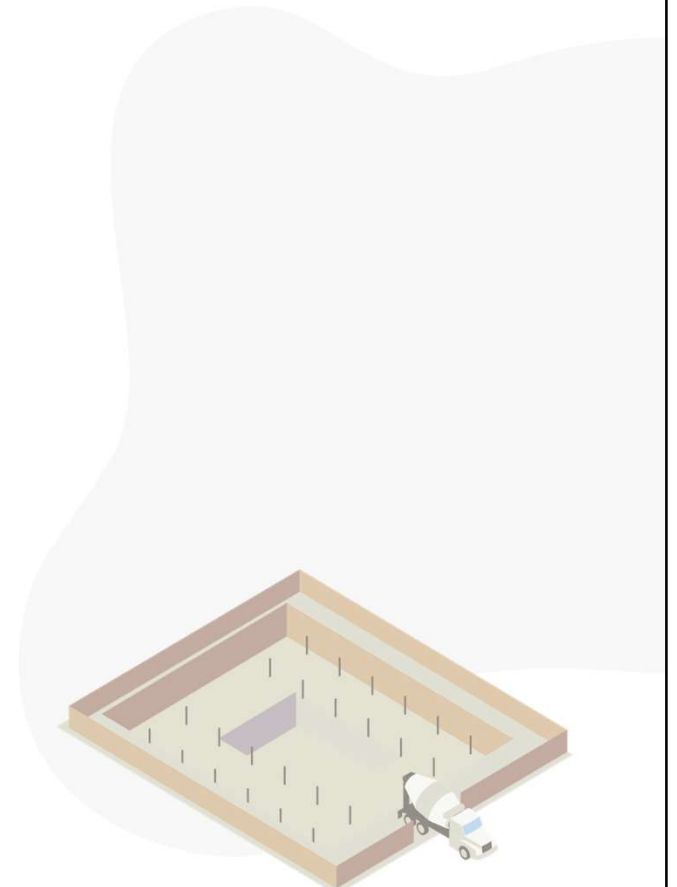
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Founders



Beyond



4G



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Founders

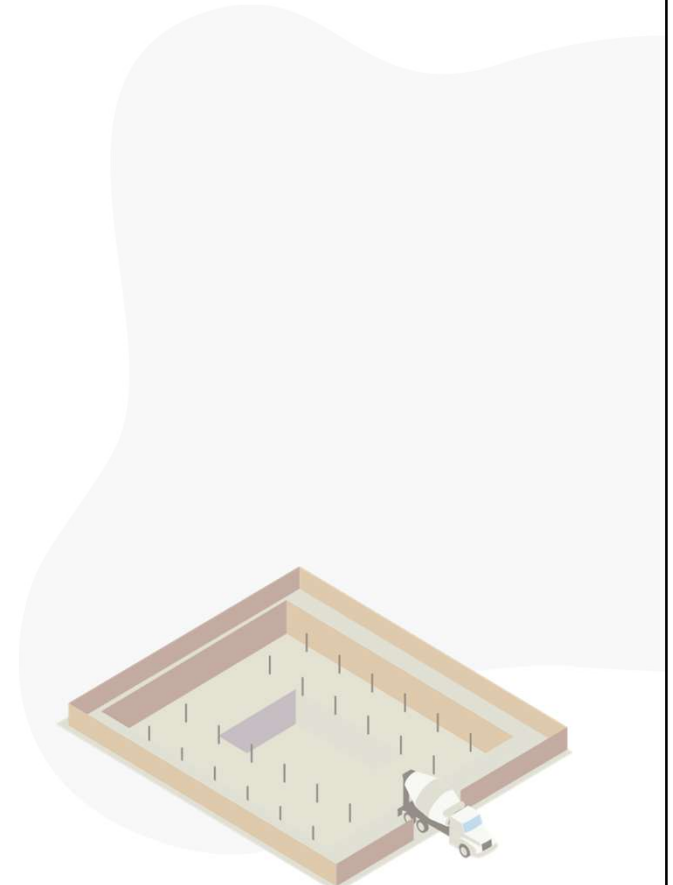


Operational Governance

- Owners/Shareholders
- Board of directors
- Committees
- Executives
- Shareholder agreements
- Board charters
- Estate plans
- Trusts
- Wills

Process Governance

- Family employment policy
- Board membership criteria



Beyond



4G



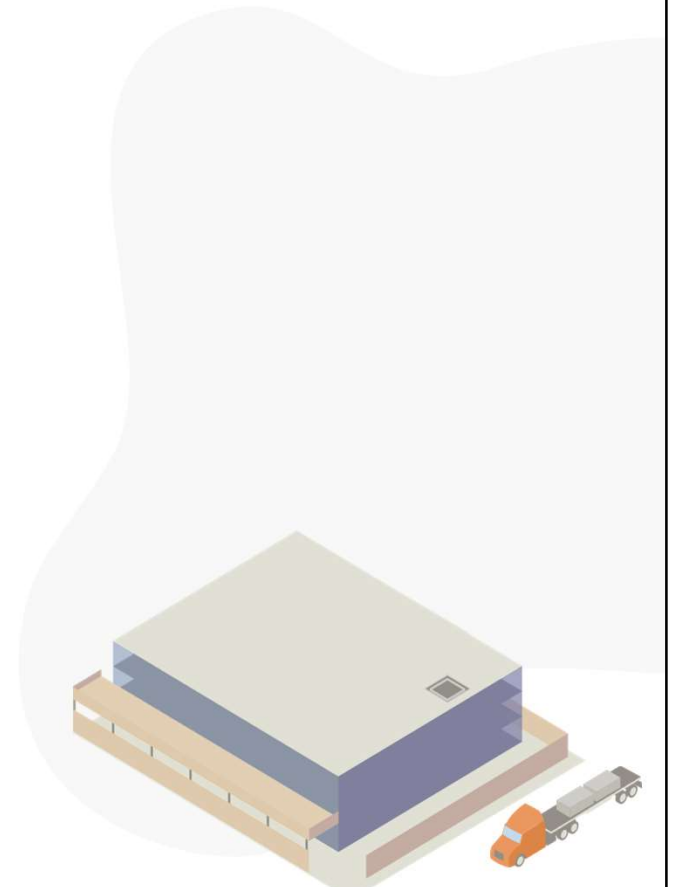
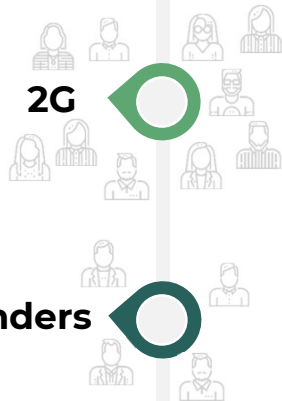
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Beyond



4G



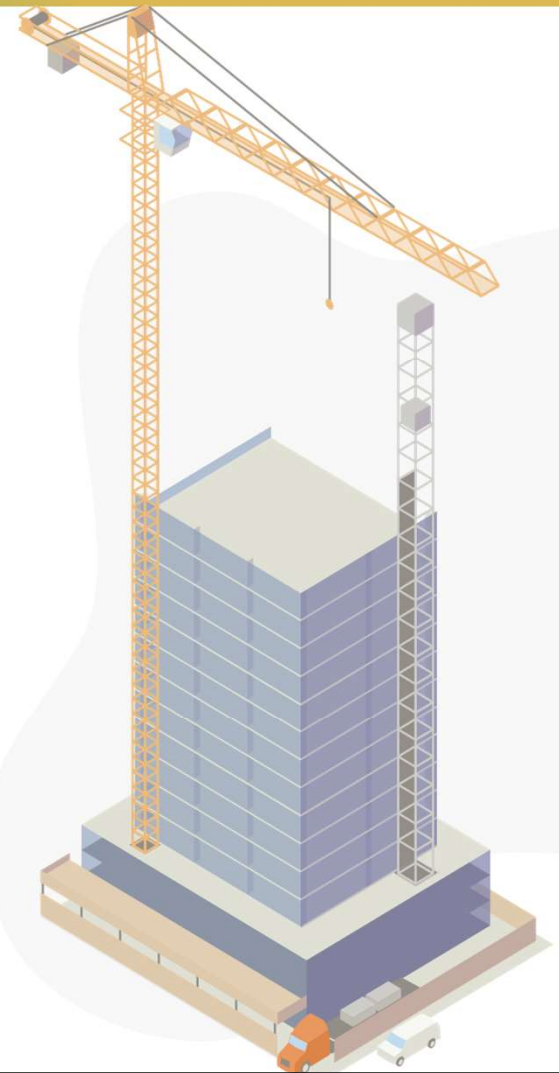
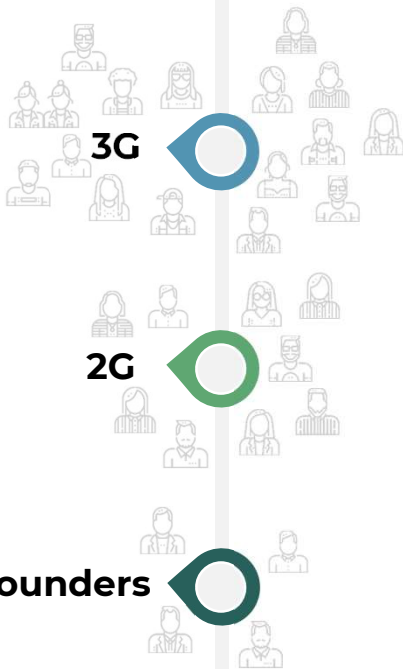
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Beyond



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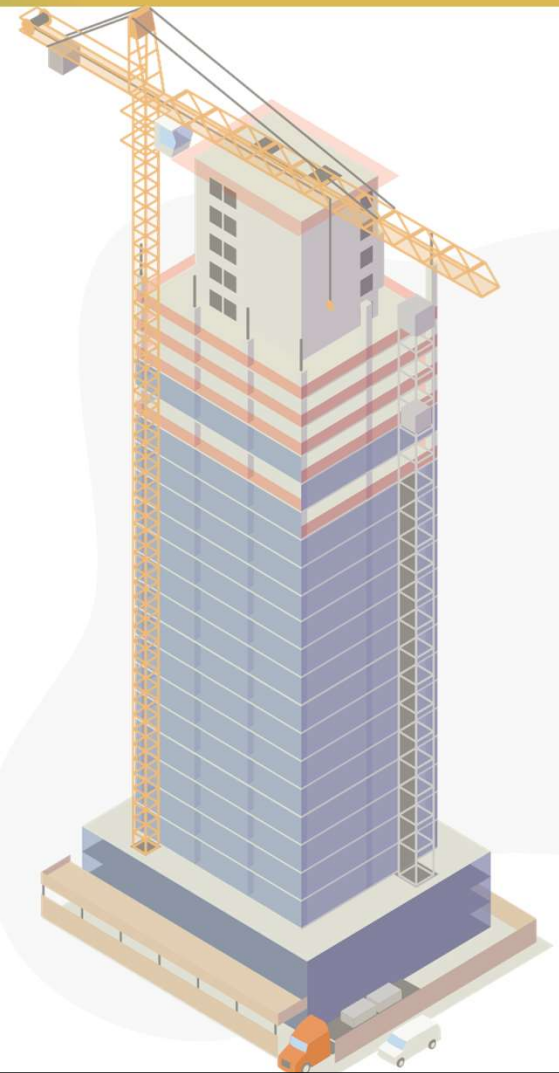
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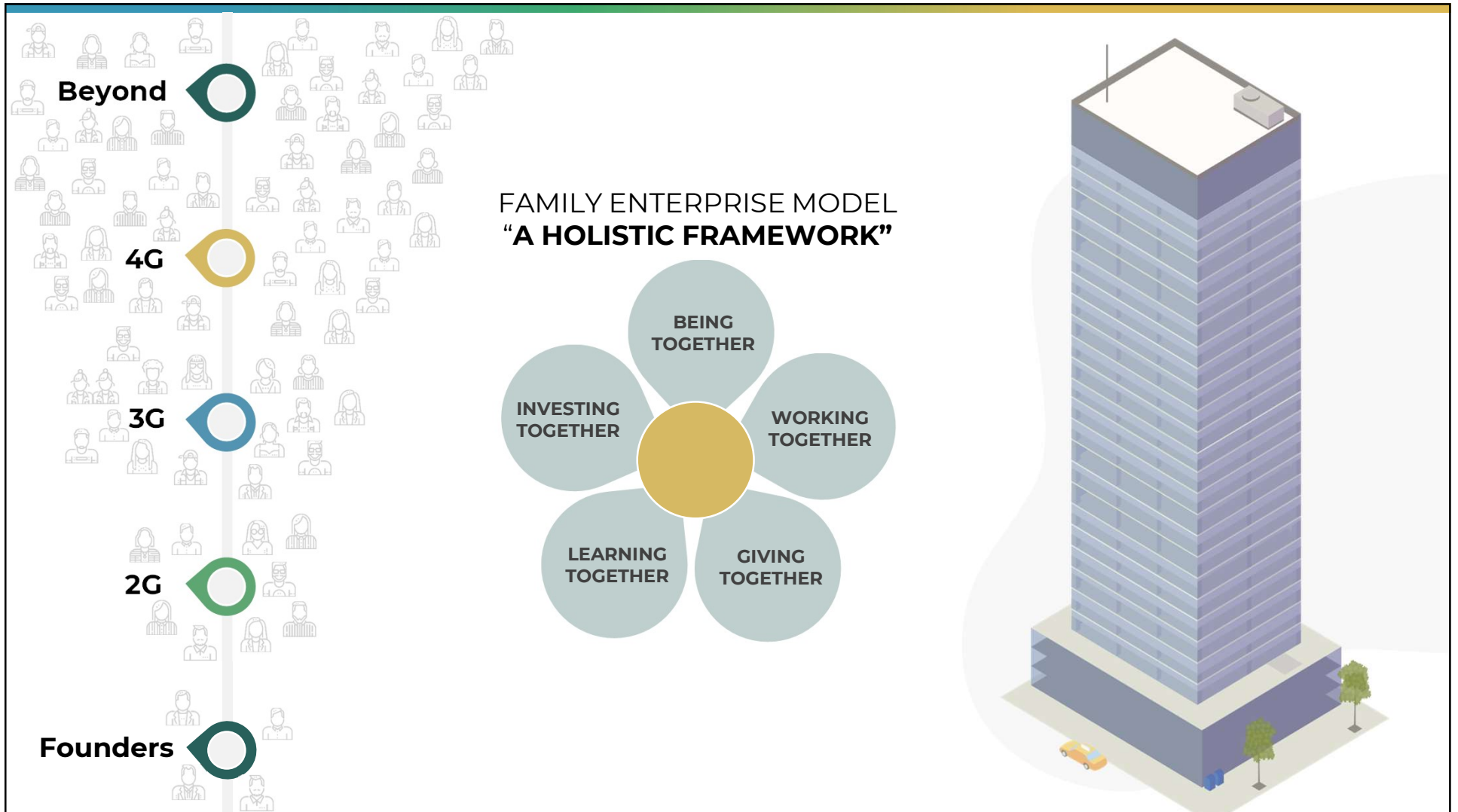
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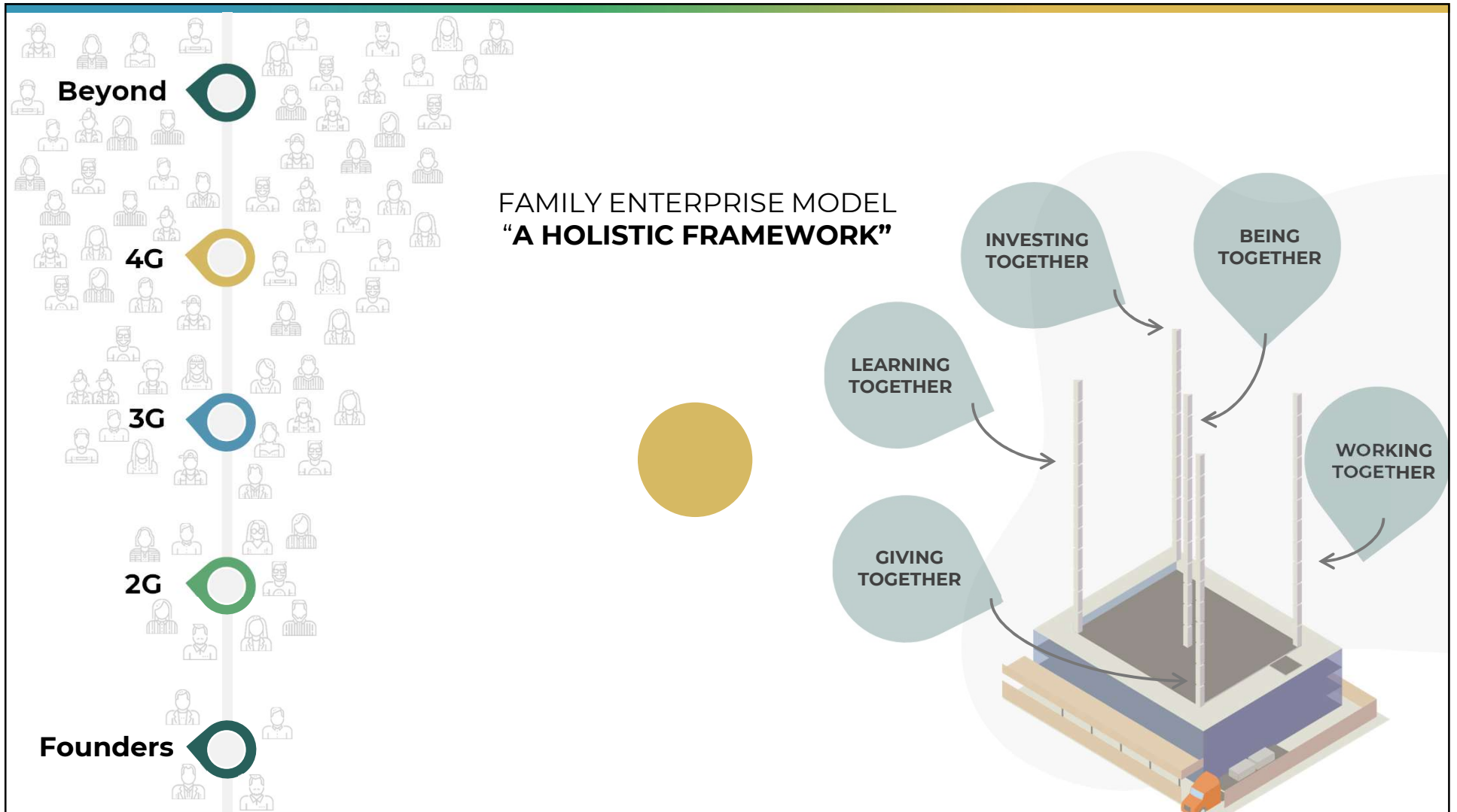


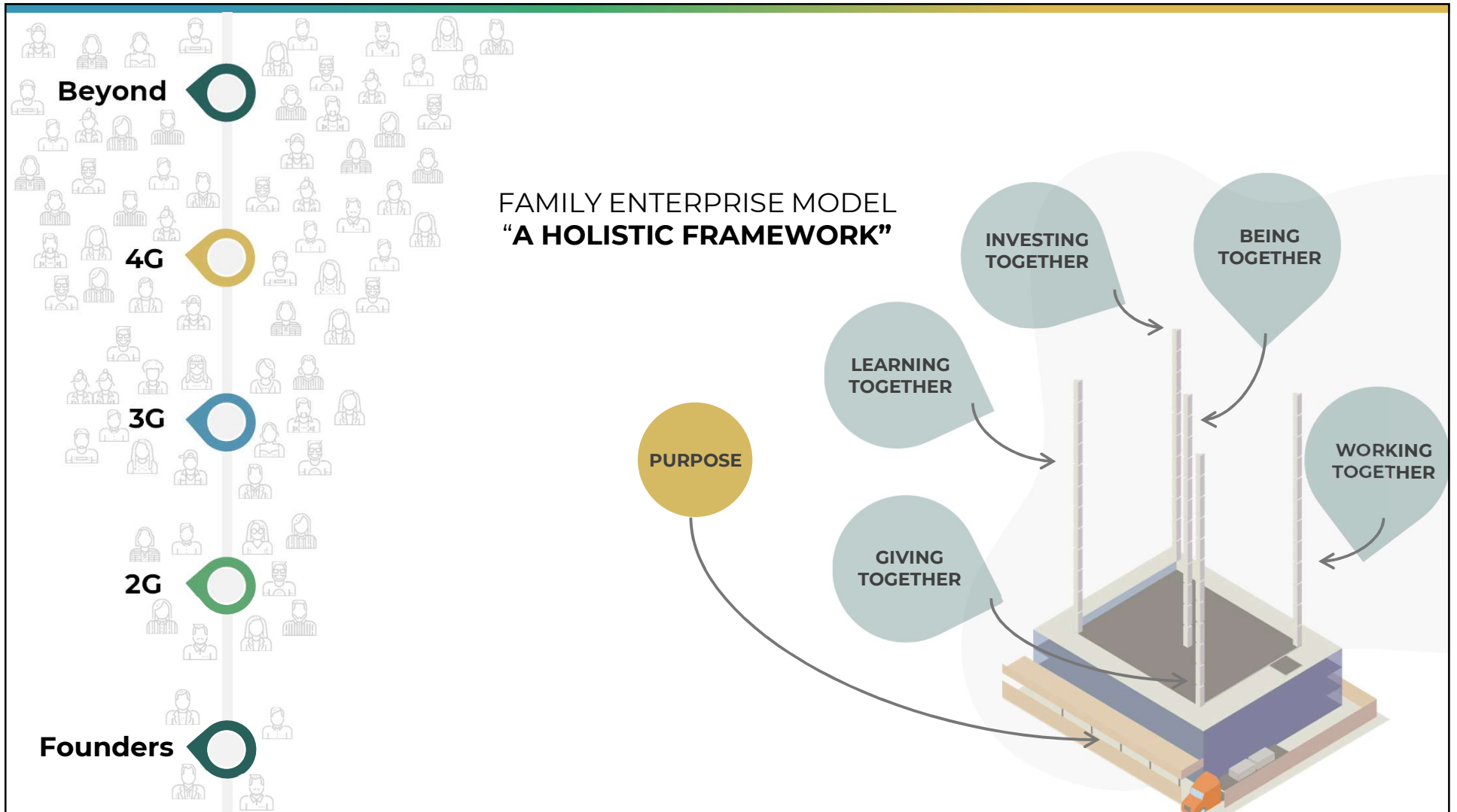
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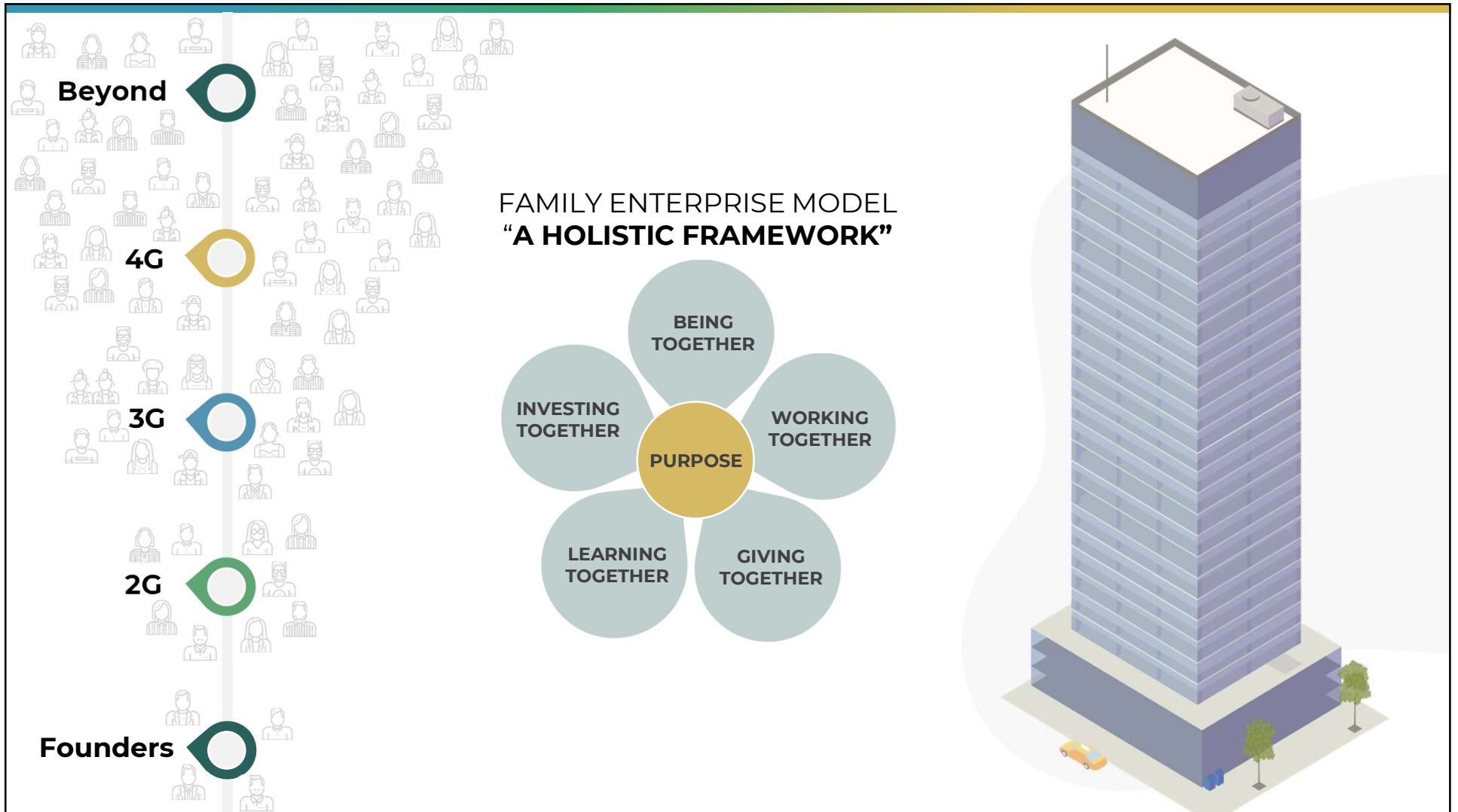


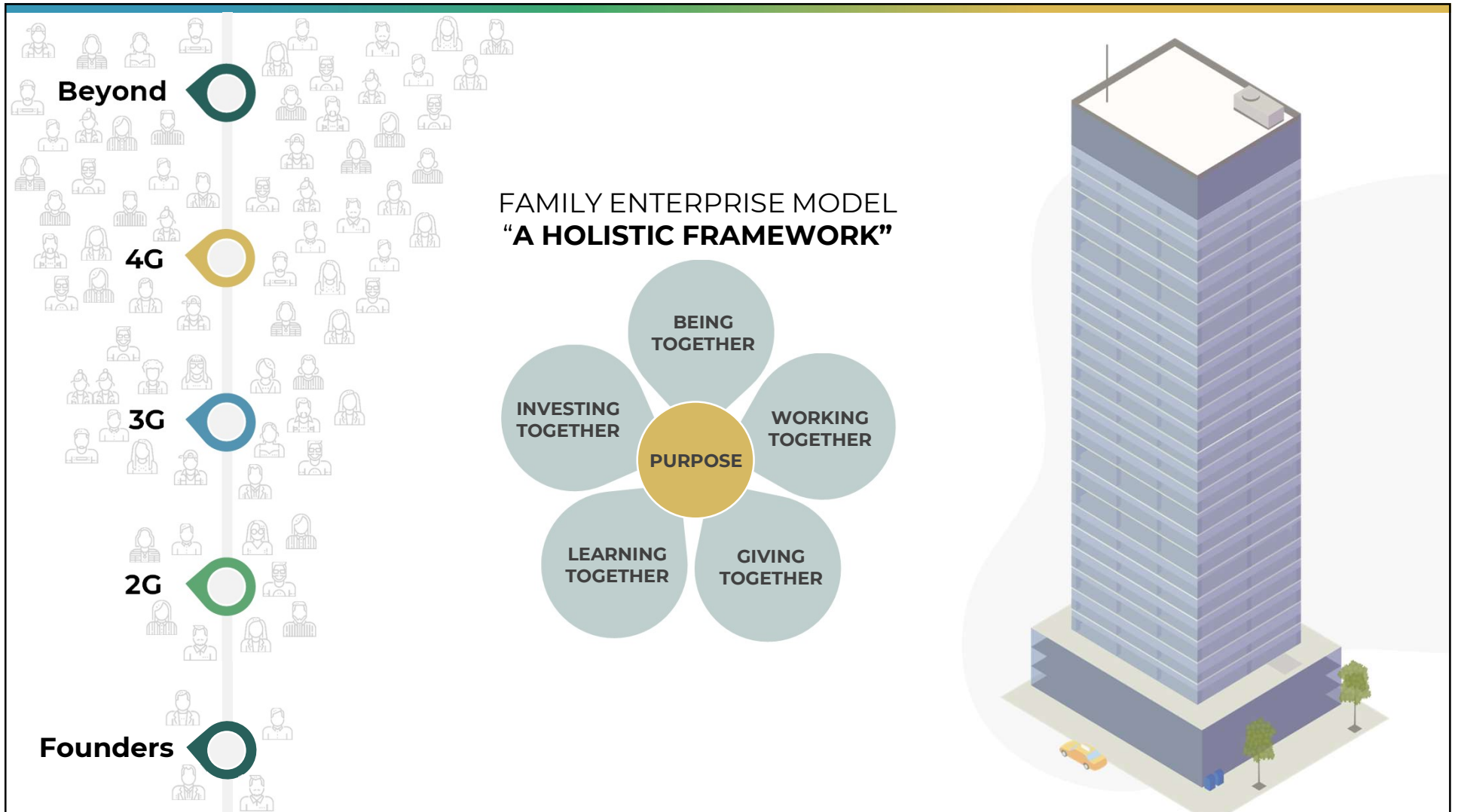


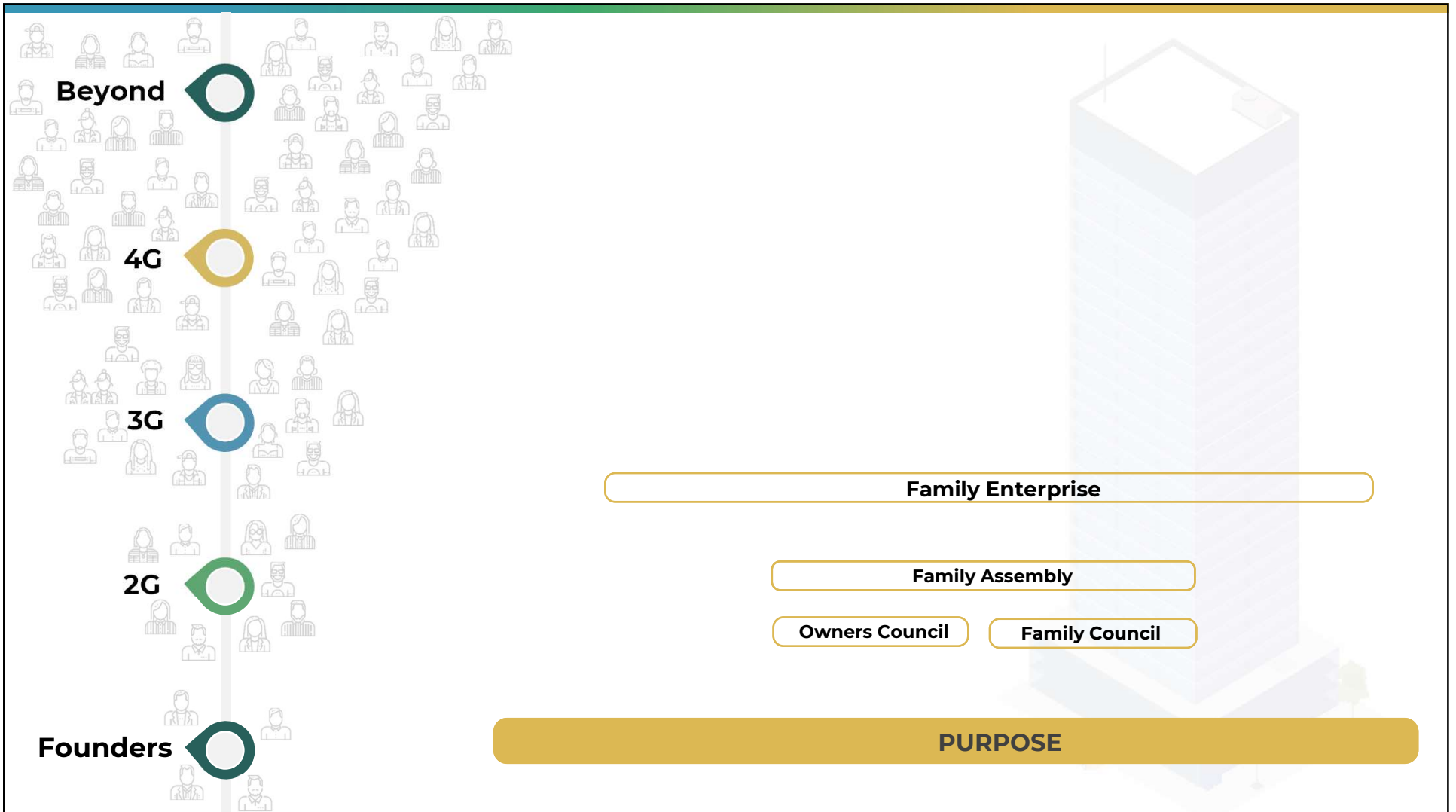


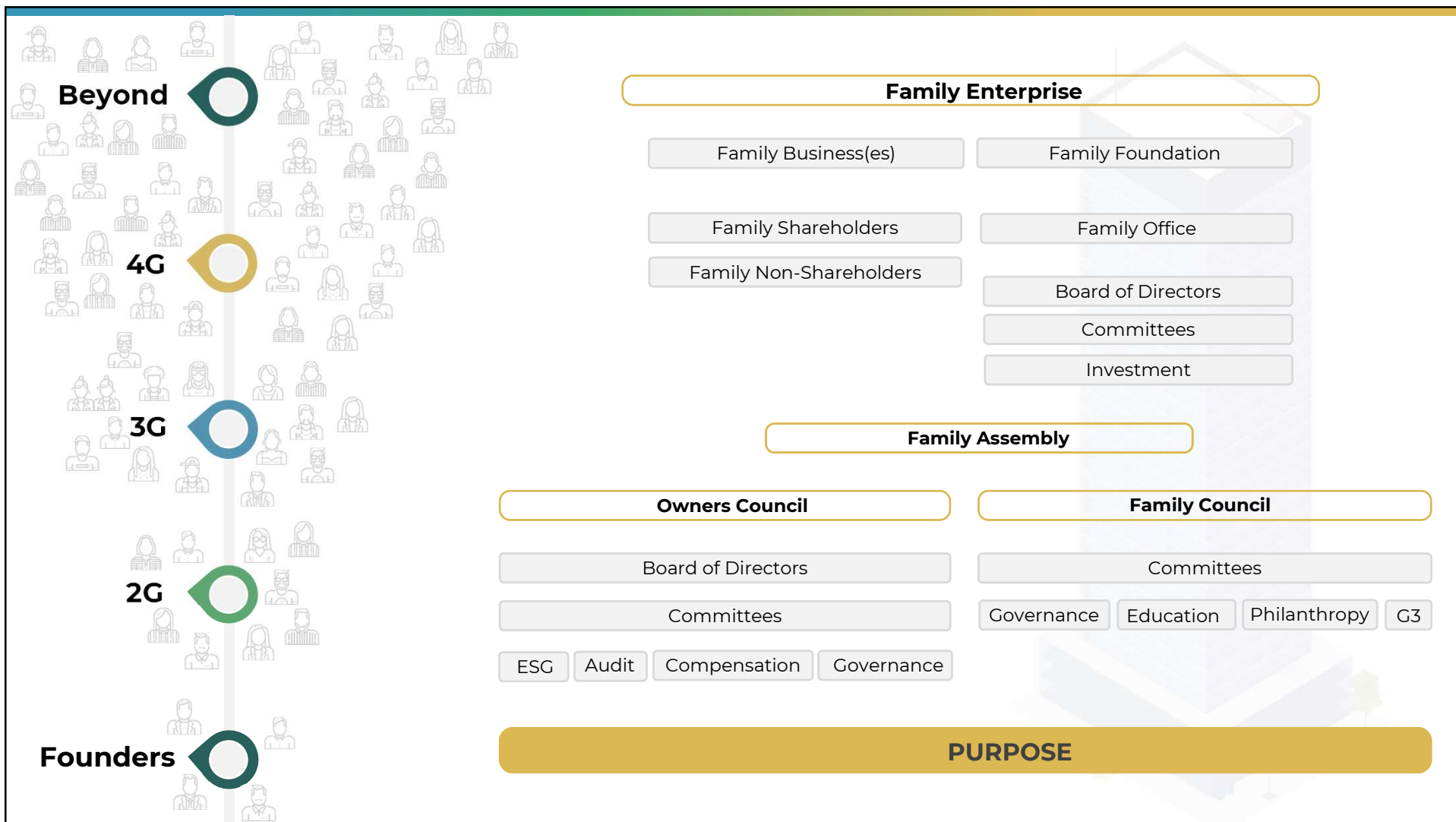


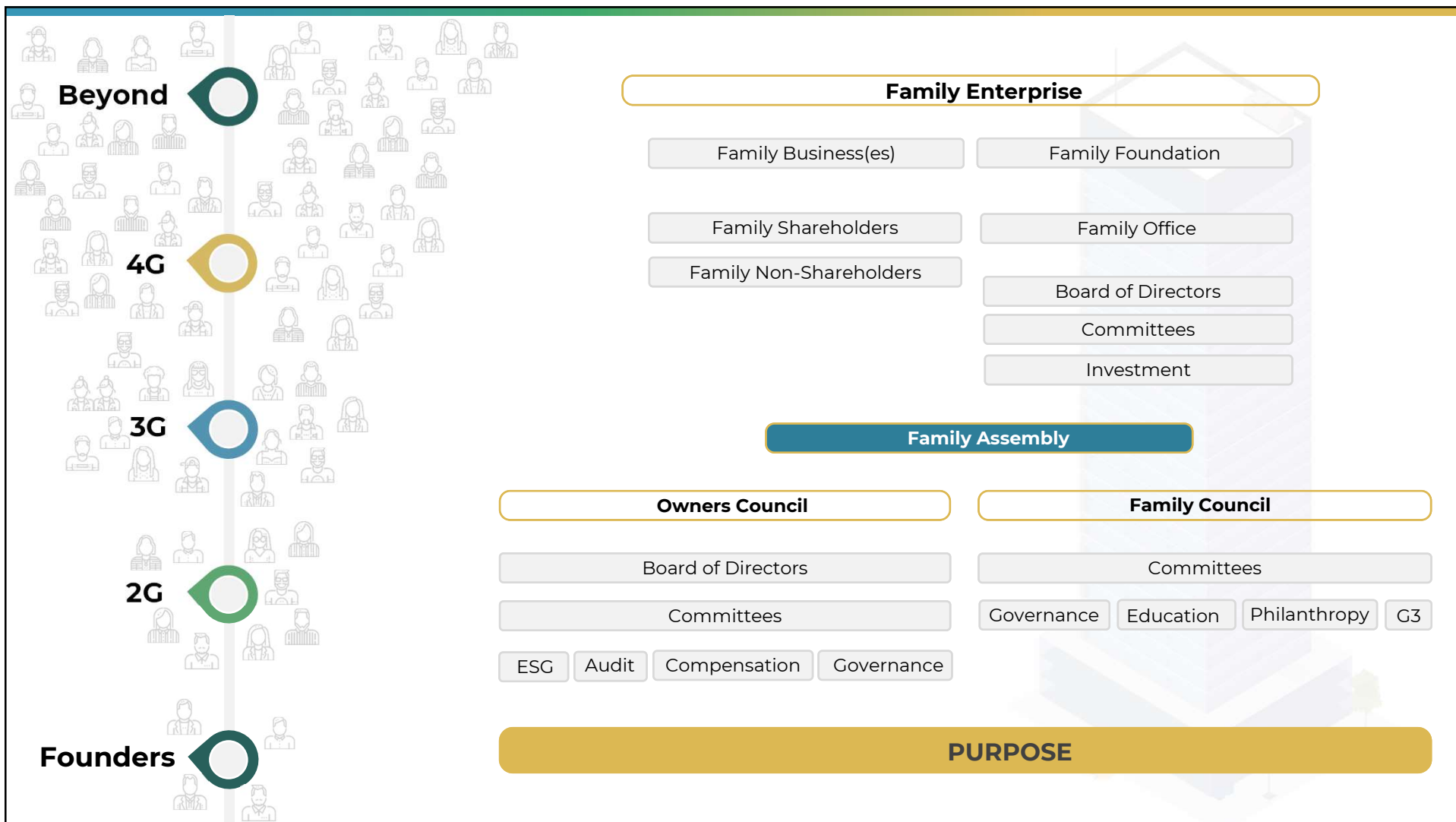








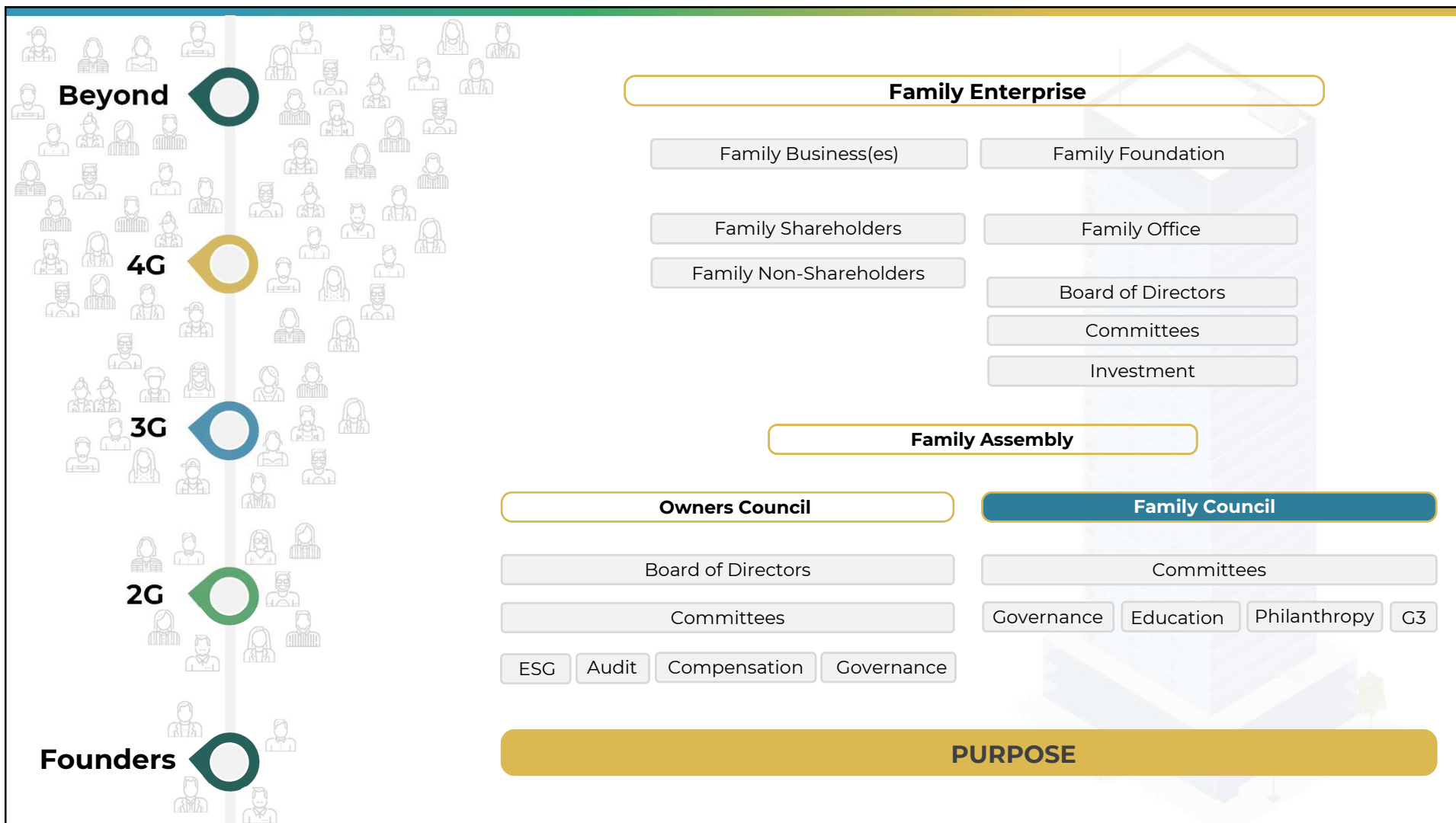




PURPOSE OF FAMILY ASSEMBLY

- ✓ Younger people to feel connected to the Family Enterprise
- ✓ Discovering the Legacy
- ✓ Paving a new path forward
- ✓ Having Fun






PURPOSE OF FAMILY COUNCIL

- ✓ Oversee the many legal documents governing entities within the Family Enterprise
- ✓ Create opportunities for everyone to contribute
- ✓ Communication
- ✓ Education and Personal Development
- ✓ Plan the annual Family Assembly gathering
- ✓ Separate Business of the Family from Family Business





WHAT ARE SOME OF
THE INTERSECTIONS
WHERE YOU CAN
HAVE IMPACT WITHIN
THE FAMILY
ENTERPRISE SYSTEM?

POWERFUL QUESTIONS

- ➔ What is the Family's "purpose statement" or if that hasn't been formalized, what shared values do you want to share with the next generations and how do you want the Family legacy to stay alive ?
- ➔ What do you most want to pass on to your children and grandchildren?
- ➔ How important is it to stay together as a Family Enterprise?
- ➔ What does great look like in five years? Who is involved? What is happening in the Family Enterprise?
- ➔ What kinds of structures, processes, traditions, values, activities are in place to promote engagement and continuity?



IMPORTANT QUESTIONS FOR ADVISORS

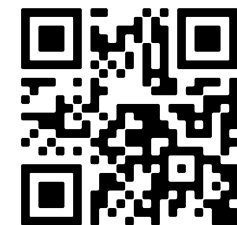
- ➔ What were some events/activities that you believe did OR SHOULD HAVE TRIGGERED an evolution or change in the Family Governance structure?
- ➔ Did the Family Governance structure keep up with the change?
 - Are the founders/ wealth creators resistant to change, are they open to a rising gen involvement
- ➔ What vehicles are in place withing the Family Governance Structure to encourage rising gen engagement?



FAMILY GOVERNANCE **INTEGRATION**

- 1 Formalize the System
- 2 Plan for the future TOGETHER
- 3 Communicate using the most creative platforms
- 4 Redefine Succession

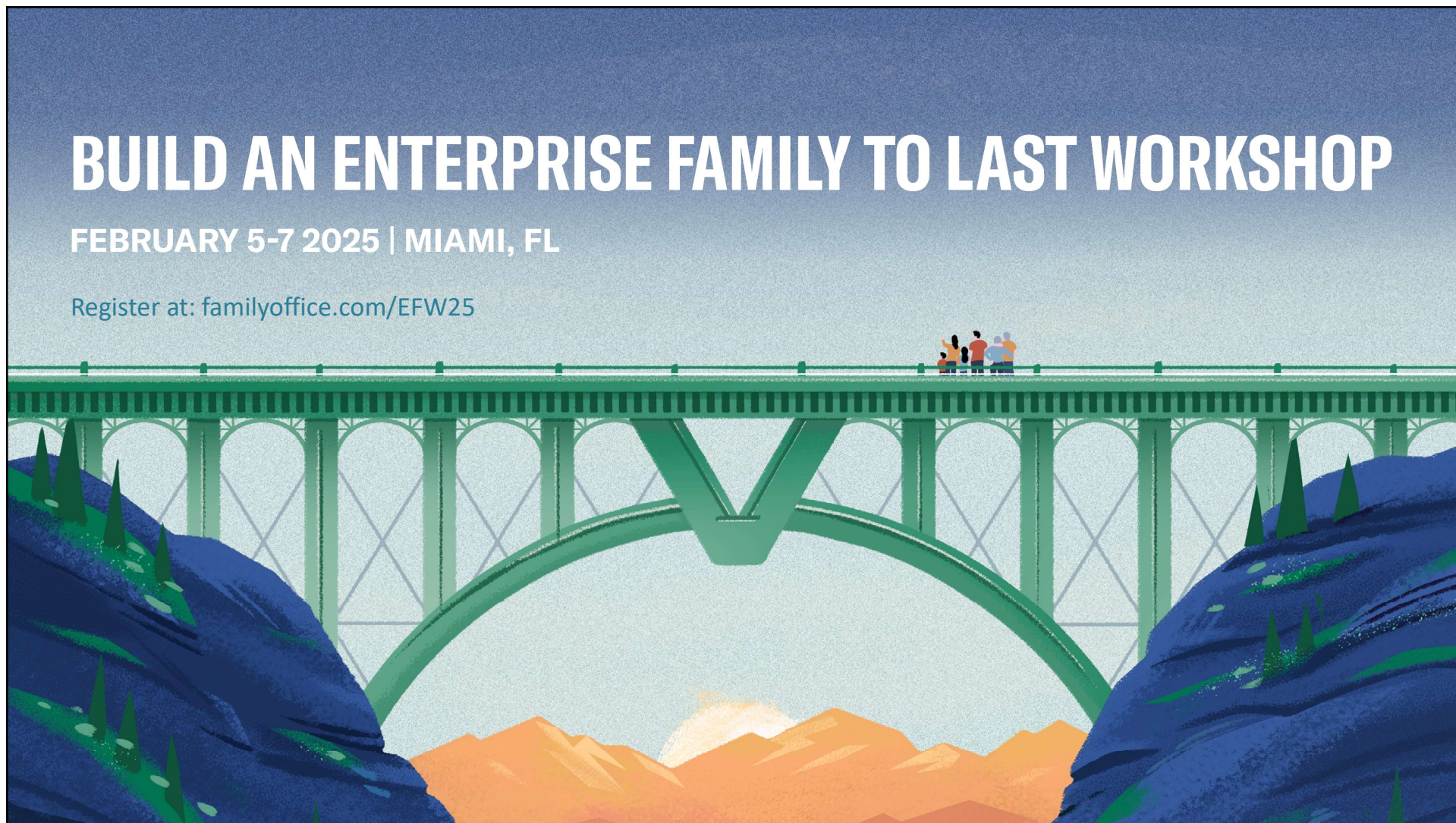
E-learning



BUILD AN ENTERPRISE FAMILY TO LAST WORKSHOP

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THANK YOU



FAMILY OFFICE EXCHANGE

