



# The Power of High-Impact Family Meetings

## Key Takeaways:

- Family meetings can foster family cohesion and superior management of the family's future across the generations.
- Family meetings are often held every year—they're not "one and done" events.
- Get input from all family members. Everyone's opinions are valuable, and by taking them into account,
- you are more likely to achieve desired results.

As well positioned as they are, Super Rich families (with a net worth of at least \$500

million) can easily veer off course—resulting in the erosion of the family enterprise and the family fortune. Indeed, the potential for severe intrafamily conflicts can be particularly high among extremely wealthy families.

The good news is that many wealthy families are taking action to mitigate the possibility of family members distancing themselves in ways that damage or ruin the family's business and wealth. Their actions can help the rest of us in our own quest to maintain healthy family relationships and, by extension, healthy family finances.

One approach that we've seen to be quite effective is well-organized and *focused family meetings*.



Among many families with significant wealth, family meetings can help avoid the thorny problems that arise from inheritors receiving substantial assets without the proper preparation to manage the assets. While family meetings are prevalent among the Super Rich, we find that they are becoming much more commonplace among families with considerably less wealth.

## FOSTERING FAMILY COHESION

Healthy and productive family relationships are often necessary if your goal is to keep a family business strong or maintain a family's wealth across geographies and generations.

Family meetings are designed with an underlying objective of helping foster family cohesion, with the accompanying benefit of superior management of the family's future across the generations. That's one reason why many ultra-wealthy families whose members are in business together are finding family meetings a good way to keep the family enterprise in the family—and performing well generation after generation. That said, many non-entrepreneur families with significant investable assets are finding family meetings useful in educating heirs about how to best handle their wealth.

The family meeting principally provides a venue for multiple generations to discuss business, financial and relevant personal matters. Common topics covered at family meetings involving affluent members include:

- Updates to the succession plans within the family business (or single-family office)
- The concerns of family members that can impact family enterprises
- How business acumen and financial literacy will be developed in future generations
- Family philanthropic activities and how they are financially supported
- New business ventures and how to fund them

Family meetings can also serve as good opportunities to discuss the values and mission of the family and to ensure overall alignment among family members. Governance structures can be addressed and refined. And important family milestones can be commemorated.

In many cases, family meetings prove to be an excellent setting to delineate the steps that should be taken to prepare the next generation for family leadership roles—such as taking over the single-family office or family business. High-caliber family meetings are designed to create an atmosphere of trust and support. They help instill and strengthen the family value system.

### **Cohesion versus unity**

It is important to note that family cohesion is not the same as family unity and harmony. Just about all families have a degree of discord. What family meetings can help accomplish is getting your family members on the same page and in agreement about what they can achieve by cooperating. It is about coming together for a common purpose—business, personal or both.

## CHARACTERISTICS OF FAMILY MEETINGS

Family meetings can range in length and involvement, of course, depending on the topics being covered and how critical they are to the family, as well as the number of people involved. The more important the decision, the more likely the family meeting will be a longer affair. This is even more apt to be the case if many family members are involved and the goal is to reach consensus among the participants.

Effective communication is essential for promoting and fostering coordination and cooperation within all families. A well-



structured family meeting is a forum where you and your family work through issues and preferably come up with solutions and action plans that benefit the family.

There are a number of guidelines that can make these family meetings more effective (and pleasant). First, understand that family meetings are not “one and done” events. Your life and the lives of your family members are likely in flux at least some of the time—and maybe quite often. Therefore, you all will be best served by holding family meetings regularly. Generally speaking, ultra-wealthy families run their family meetings annually or semiannually.

Tip: If you find that there are lots of logistical issues in getting family members together in one place, make use of technology and tools that enable a face-to-face, interactive experience—such as videoconferencing and virtual reality meeting rooms.

## A PROCESS FOR RUNNING EFFECTIVE MEETINGS

It can be useful to think about family meetings as a four-step process, as opposed to a discrete event. The four steps are (1) planning the meeting, (2) conducting the meeting, (3) determining follow-up actions and (4) assessing outcomes.

### Step 1: Planning the family meeting

The starting point is specifying the goals for your family meeting. The more specific and refined the goals, the better. That said, keep some flexibility in the mix. That will enable you and your family to move in different directions if the consensus is to change objectives based on what transpires during a meeting.

An agenda, based on the goals, should be clearly delineated and communicated to all. It should describe the topics to be discussed and the decisions that hopefully can be made. Based on the nature of the topics on the agenda, supporting material might be

required (such as the financials of the family business or the performance of the family’s investment portfolio).

Get input from all family members. Everyone’s opinions are valuable, and by taking them into account, you are more likely to achieve desired results that everyone can buy into. Often, professionals are brought in to help plan and run a family meeting. If you take this approach, have the professionals get involved in soliciting perspectives from all family members and incorporating those topics into the goals and agenda for the family meeting.

Pro tip: Add some fun and other ways to blow off steam. Many ultra-wealthy families also include downtime activities—such as golfing, family softball games or wine tastings.

### Step 2: Conducting the family meeting

The focus of the family meeting once it starts should be squarely on the goals and agenda of you and your family. Therefore, it is usually wise to push day-to-day distractions aside—for example, by holding your family meeting off-site at a resort.

As noted, families may hire an outside professional—a neutral third party—to act as a facilitator or an expert resource. The backgrounds of these professionals are diverse, but often the professionals selected include:

- Single-family office senior executives
- Private client lawyers
- High-net-worth accountants
- Wealth managers
- Family business consultants
- Life coaches

### Step 3: Determining follow-up actions

The family meeting itself should lead to specific follow-up action steps and plans. These actions may need to be turned into projects with milestones and deadlines, and designations about who is accountable for





what tasks. It is also worthwhile to specify how the subsequent actions will be tracked and benchmarked.

#### Step 4: Assessing outcomes

Having started with particular goals and determining what actions need to be taken to achieve those goals, the final step entails determining the degree of success attained over the desired time period. While non-family members (like accountants and advisors) might collect evaluation data, you and your family should decide together to what extent the stated goals have been achieved.

Based on the assessment of outcomes, new actions to help reach the stated goals are identified. These can be a refinement of current actions or a different approach entirely. Moreover, the results achieved always factor into the goals and agenda for your next family meeting.

way can help to further build strong bridges between family members.

#### CONCLUSION

Done well, family meetings can add significant value to your life, the lives of your family members, and your shared interests (a business, investment assets, etc.). They can be an excellent way to ensure you and your family are on the same page—and at the very least, you all understand each other's perspectives and views on key issues impacting the family. These meetings can also be very effective in helping deal with disagreements *before* they become severe.

And of course, you don't need to be worth millions of dollars to conduct family meetings that generate these and other outcomes. Meetings that create family cohesion and help everyone involved address both challenges and opportunities for greater success are something we can all potentially benefit from.



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