



# The Power of Family Meetings

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Wealthy families typically have great opportunities not shared by most. For example, wealth provides freedom of choice — the choice of where to live, where to get an education, where to travel and even what to pursue in terms of career.

This incredible freedom illustrates the bright side of wealth. However, there is a dark side as well that can ultimately cause the dissipation of a fortune and the ruination of family members. Intentional steps should be taken to stave off the risks associated with having too much money and not enough preparation for managing the wealth.

Cooperation, education, training and collaboration are essential ingredients to maintaining a family's wealth. Without these elements, factions emerge, disagreement produces divisiveness, and the family tends to break apart... its wealth often dissipating in the process. In other words, family union is important to wealth preservation – union gives strength. This concept is not new. Aesop's fable, "*The Bundle of Sticks*," tells us why "staying together" makes us stronger:

*An old man on the point of death summoned his sons around him to give them some parting advice. He ordered his servants to bring in a bundle of sticks, and said to his eldest son: "Break it." The son strained and strained, but with all his efforts was unable to break the bundle. The other sons also tried, but none of them was successful. "Untie the bundle," said the father, "and each of you take a stick." When they had done so, he called out to them: "Now, break," and each stick was easily broken. "You see my meaning," said their father.*

The concept of family union is not to be confused with family unity or unanimity. Not every family will be united on every subject or feel that they have unanimity on all matters. We are all different and bring different attitudes, experiences, passions, talents and desires to a family, which suggests that agreement on every issue is highly unlikely. However, the fact that we are unique individuals does not mean that we cannot come together for a common purpose and collaborate and cooperate to maintain the family's union.

One of the keys to keeping the family together is fostering cooperation and collaboration through good communication. Communication is important in any relationship, but in our culture of dispersion, where families are scattered around the country and perhaps even around the world, it is not easy to have meaningful conversation. More and more individuals in our technology-based culture are texting or emailing to communicate. But meaningful conversation, either by phone or in person, happens less and less. Ineffective communication threatens relationships and increases the potential for greater misunderstanding that can derail a family's ability to work together. Why is this important? Because families of wealth must have healthy relationships in order to cooperate and collaborate to effectively manage the family's wealth across multiple generations.

Given the shrinking of face-to-face communication, how do we create opportunities to build relationships that will strengthen the family bond so that the "bundle of sticks" remains intact?

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Most successful families of wealth regularly hold meetings – Family Meetings – offering members of multiple generations a forum to discuss business and financial issues, including family business succession and difficult transitions, while also commemorating and celebrating family milestones. The family meeting in essence creates a safe space to share, preserve and perpetuate family lore and legacy, practice family philanthropy and establish governance structures which allow members to have a voice in the family's business and/or wealth management. Conversations around the values of the family, collaboration in creating a family mission statement, teaching and preparing the next generation to step into family leadership positions or to join the family business – these take place at the family meeting and help build and preserve family union.

## CREATING A SUCCESSFUL FAMILY MEETING

Now that you know “why” family meetings are important to maintaining family wealth, how do you go about having one? The most important ingredient is planning. Planning a clear agenda with specific goals well in advance of the meeting assures thoughtful identification of issues that need to be addressed, lessons to be taught, business to be discussed, philanthropic decisions to be made and, last but not least, fun events to be enjoyed. Yes, including fun activities during a family meeting time allows family members to relax and become closer, which can greatly enhance the family dynamic when “getting down to business.”

The planning function should be delegated to family members on a rotating basis in order to build leadership skills and to create more buy-in from each family member. The planning leader should also solicit input from the other family members so that each person feels that what is important to him or her is recognized by others. By seeking input, the family meeting planner is communicating to each person that he or she is important to the family, thus fostering greater cohesion within the family.

In order to effect the best possible results over the long term, family meetings should be held at least annually. The meeting date needs to be on the calendar of all family members well in advance, and attendance at the meeting should be strongly encouraged. Consistency in the time of year helps to make the meeting a priority while also making it easier for busy families to save the date and attend. Many families hold their meeting around holidays when they might already be together

and, if more time is needed, it is easier to extend the time without having to plan multiple trips. Some families have their meetings in the summer when the children are out of school and there is more time availability. The time of year is not important, consistency is!

### **How long should the meeting last?**

The length of a successful family meeting depends on several factors – number of items on the agenda, complexity of the family, size and dynamics of the family, and scope of “fun zone” activities. In one case, the family planned for activities over a full weekend, combining business with education and recreational activities. Some families hold half-day meetings, others full-day, etc. It really is up to the family.

### **Where should family meetings be held?**

There is again no fixed rule regarding location. It is suggested that family meetings be held where individuals are removed from the hustle and bustle of business, family, school commitments and other distractions. Some families hold their family meeting in retreat centers, hotels, resorts or the residence or vacation home of family members. One family we work with holds its family meeting in our offices around a conference table. Some families combine a family vacation with their family meeting and come together at an exotic location. Many will create a “no phone zone,” asking family members to not check their emails or texts during the meeting times to avoid distraction and maintain focus on the family gathering and the agenda at hand.

### **Who should be invited to the family meeting?**

The natural response to this question is “the entire family of course!” However, although the answer seems simple, it is not. Who is family? Does the term “family” include spouses (or as one family named the in-laws – “the Joiners”)? Will it include individuals who are not married but co-habitate? Does it include adults only, and when is someone considered an “adult?” What about stepchildren, foster children, teenagers, etc.? If age is a barrier to full family meeting participation, can teens and younger children come to portions of the meeting for age-appropriate educational or philanthropic sessions? Does family include branches of family (uncles, aunts, cousins)? As you can see, just deciding who comprises “family” has potential for controversy.

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Because there are issues that arise around family businesses, management of the family wealth and, as seen above, even around the term “family,” some families turn to outside facilitators to work with them prior to the “official” first family meeting. Such a neutral third party can help resolve some of these thornier issues and even assist in the planning and facilitation of the first meeting. The facilitator can interview and survey family leaders/members on a confidential basis to “tease out” potential issues and then work to help the family resolve them. Every

family has challenges. Rather than avoid them, a facilitator can help the family identify and develop strategies to address the challenges. Furthermore, when there are sensitive issues to be discussed, a third party can act as a buffer to diffuse some of the tension and emotion that can erupt in families if left on their own.

It may also be appropriate to bring in third parties to identify the family’s current educational needs and present on such topics. The list of potential topics is endless (see agenda on next page), but studies show that families who educate themselves are more likely to be prepared to inherit and effectively steward wealth over multiple generations. One place to provide such education is during the family meeting.

### **What if some family members refuse to participate?**

It is certainly the goal to have every eligible family member participate. In his book, “How to Write a Family Mission Statement,” Steven Covey shared his brother’s simple yet worthy goal for family meetings, “No empty chairs.” Some families, however, may find this nearly impossible to achieve due to long-standing interpersonal issues or past conflicts. In these cases (as discussed above), outside facilitators may play a key role in guiding communication and reaching resolution. Their underlying objective is to make each family meeting an open and safe place for dealing with issues that affect the group as a whole. And while the ideal is to fill every chair, if sincere effort fails to bring everyone to the table, it should not derail the process for the rest of the family.

## CONCLUSION

### What should be on the agenda?

Every family is different, and the topics for discussion vary depending on whether or not a family business is involved, how many generations are involved and what transitions may be imminent (e.g., sale of the business, leadership change, death or disability of key family members). Topics run the gamut and may include any or all of the following: business updates; estate planning review; investments (e.g., structures, planning and review); philanthropy (e.g., planning, implementation and decision-making); skills development (e.g., financial, tax, retirement, insurance); communication and conflict management training; celebrating family milestones (e.g., promotions, new members); telling the family history; and last, but not least, recreation. By rotating the planning among family members and soliciting input for the agenda, it is unlikely that there will ever be a shortage of relevant and meaningful topics to consider.

Family meetings allow families to be together on a regular basis in a place and manner that, when well-planned, fosters communication, cooperation and collaboration that can help sustain the family union. Such family preservation, studies have shown, can greatly impact a family's ability to maintain its wealth through multiple generations. But even if wealth is disbursed among various branches of the family and beyond, the family meeting can still help maintain the family's bond of love and respect. Preserving that bond may ultimately provide the greatest riches of all.



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