



CEO & FAMILY

ENTERPRISE CENTER

Advising family businesses and developing leaders



University of New Hampshire
Peter T. Paul College of Business and Economics



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THE CENTER FOR FAMILY ENTERPRISE

CEO SPEAKER SERIES

CEO PEER GROUPS

EMERGING LEADERS PROGRAM

THE CENTER FOR
FAMILY
ENTERPRISE

- FAMILY BUSINESSES ONLY
- MISSION: SUPPORTING GENERATIONAL OWNERSHIP TRANSFER
- MONTHLY HALF DAY PROGRAMMING WITH BREAKOUTS
- TOPICS BASED ON BUSINESS ISSUES UNIQUE TO FAMILY BUSINESSES
- FOCUS ON PEER TO PEER

FAMILY BUSINESSES AND THE ECONOMY

80-90% of Businesses in the United States

57% of the GDP annually

78% of new job creation

60% of the working population





NOT MAKING A DECISION IS
IN ITSELF...MAKING A DECISION



BUILD YOUR BENCH
BOARD, ADVISORS & FAMILY

BOARD OF DIRECTORS

“Only 30% of family businesses have a Board; yet businesses that do have boards are at least 3X more likely to make it to the next generation...”



ADVISORS



Bank/Lender

CPA

Outsourced CFO

Corporate Attorney

Tax Attorney

Insurance Broker

Valuation Firm

Wealth Advisor

Even.....

Executive Coach

Family Business Consultants

FAMILY COUNCILS

“Culture, relationships, bonds and communication...all in one bucket.”

Multi-generational

Represents different branches of the family

Educational in purpose

Decision making entity for family matters

Can create family bonding events

Great breeding ground for future management leaders



“YOU NEVER REALLY OWN A PATEK
PHILLIPPE, YOU MERELY TAKE CARE OF
IT FOR THE NEXT GENERATION.”

PATEK PHILIPPE
GENEVE
Begin your own tradition.

You never actually
own a Patek Philippe.
You merely take

The legendary 1970's Patek Philippe
porthole-inspired design has
evolved. A new, large-size case locks in
the self-winding movement with
power reserve, date and moon-phase

The advertisement features a black and white photograph of a man and a young child on a boat. The man, wearing sunglasses and a Patek Philippe watch, is smiling and pointing towards the camera. The child is sitting in the boat, also smiling. The background shows a city skyline across the water. In the bottom right corner, there is a close-up of a Patek Philippe watch with a metal bracelet and a dial featuring a moon phase sub-dial. The watch is set against a dark background.

LEADERSHIP

Running the
Business
as a.....
Business



[illegible]

THE WONDERFUL
COLLISION OF
OWNERSHIP, FAMILY
AND RUNNING A
BUSINESS



ROLE OF SHAREHOLDERS, BOARD AND MANAGEMENT

DAVID KAROFSKY, FAMILY BUSINESS CONSULTING GROUP

P = Primary responsibility **C** = Contributing responsibility

Role	Shareholder	Board	Management
Ownership succession	P	C	
Board Composition, election, comp	P	C	
Company values/mission/vision	P	C	C
Family policy on employment	P	C	C
Senior management succession	C	P	C
Dividends/distributions	C	P	
Business strategy	C	P	C
CEO appointment/management		P	
Business performance	C	P	C
Company culture	C	C	P
Day to day operations			P

FAMILY...WORKING
FOR THE BUSINESS



WHAT MAKES
SENSE
FOR THE BUSINESS

ALIGNMENT
POLICY





- 23% have a formal succession plan in place
- 40% of family-owned firms have the CEO retire, or exit, in the next ten years
- 30% of family businesses survive to the next generation
- 3-5% make it to the 4th generation





IT'S A
MARATHON,
NOT A
SPRINT

- **Early Stage/Career** – Control the process, focus on growth and protect against the unexpected
- **Mid-Stage/Mid-Career** – Move through the complexities of growth
 - Maintain and modify early-stage arrangements
 - Adjust strategies to optimize growth
 - Concentrate on leadership development of potential successor managers
 - Consider structures to protect current owners while positioning to reduce future estate tax and other taxes
 - Make decisions on next stage ownership and leadership
- **Mature/Retirement** - Execute the plan (Hand over the baton!)
- Attributed: Brad Melson, Orr & Reno



MANAGING RISK

Buy & Sell Agreements

- Sets the value, sets the clock, prepares for the 'what if's', which are inevitable
- Dictates control over tough decisions when emotions are running high, as they usually are when a change is happening.

Key Man Insurance

- Based on the individual who provides the ideas, drive, initiative and skills which, in turn, generate the profits needed for the survival and growth of the business.

Contingency Plan

Estate Plan



*THE MOST SUCCESSFUL FAMILY BUSINESSES ARE
THOSE THAT TREAT THE BUSINESS AS AN ASSET.”*

ESTATE PLANNING



FAMILY BUSINESS BOOKS

“So You’re in the Family Business.....A Guide to Sustainability”

- Paul & David Karofsky, The Transition Consulting Group

“Every Family’s Business: 12 Common Sense Questions to Preserve Your Wealth”

- Thomas Williams Dean Ph.d.

“Crucial Conversations: Tools for Talking When Stakes Are High.”

- Kerry Patterson, Joseph Grenny, Ron McMillian, Al Switzer

“L.L. Bean; The Making of an American Icon”

- Leon Gorham, Chairman, former President, and Grandson of L.L. Bean.”

[HTTPS://PAULCOLLEGE.UNH.EDU/CEO-FAMILY-
ENTERPRISE-CENTER](https://paulcollege.unh.edu/ceo-family-enterprise-center)

QUESTIONS?

MICHELLE.DUFORT@UNH.EDU