

FBA Conversation Series 2012 - Case Study Outline - K & C Manufacturing Pty. Ltd. *(Please refer to the attached Family Genogram and Company Organisation Chart)*

Current situation

Generation 1 (Founders)

Keith (88) and **Candace (87)** (K & C) started K & C Manufacturing Pty. Ltd. many years ago, but are no longer owners or directors.

Generation 2 (Incumbents)

Keith and Candace's two sons, Arnie & Ben, are now the majority shareholders and directors of the company. Arnie is CEO and Ben is GM-Finance & Marketing. Arnie and Ben are also sole members of their Self Managed Superannuation Fund. **Arnie is 68** (owns 45%), has been divorced. He and his second wife, **Brynne, (45)** have 2 young daughters Paris (10) and Pru (8). **Ben is 65** (owns 45%); he is married to **Bianca (62)**.

Generation 3 ("NxG")

- Arnie has 2 sons, **Arnie Jr. (45)** (owns 5%) and **Adam (43)** and a daughter **Aimee (40)** (owns 5%). Arnie Jr. and Aimee work in the business as Product Development Manager and Marketing & Sales Manager respectively.
- Ben and Bianca have a daughter **Beatrice (42)** who is not involved in the business, and a son, **Barry (38)** who works in the business as Finance and Administration Manager. Barry is married to **Christina (40)**.

Generation 4

- Arnie Jr. is married and has a 24-year old son.
- Aimee is married and has three daughters aged 17, 15, and 12 respectively.
- Adam is in a de-facto relationship and is not involved in the business.
- Barry & Christina have two sons aged 19 & 14 respectively, and a daughter aged 10.

Outside Assistance: Advisory "Board"

The business has an **Advisory "Board"**, mainly Arnie's & Ben's friends and business associates who used as a sounding board rather than a "proper" Board. The Advisory "Board" meets quarterly. There are no formal agendas or board packs.

Ongoing professionalisation of the business and ownership succession

Generation 3 would like to focus on making the family business' strategy more explicit and putting in proper authority matrices for Management and the Board. After spending many years helping the incumbent generation build the business's size and market share, Arnie Jr. & Aimee would like to increase their equity and make the transition from managers with a minority shareholding to substantial owners. They have broached a proposal to that effect to Arnie and Ben. There isn't a shareholders' (buy-sell) agreement or agreed methodology to value the business. There is no succession plan. To date, attempts to agree a family protocol or charter have not been successful. There are no formal rules of entry, exit, and performance for family members. Over the years there have been several tension-filled discussions regarding the compensation levels for family and non-family managers and the introduction of incentive schemes.

Gen 2' reaction to Generation 3's proposals

Gen 2 sees Gen 3's proposal as complicating a tried and proven business model and adding unnecessary costs. Further, Arnie suspects that it is the beginning of the NxG, particularly Arnie Jr. and Aimee trying to "get rid" of him, and he is not ready to let go.

Background

Keith (88) started the business when he was 28 (60 years ago) after working for several years in a large manufacturing business. The business grew fairly rapidly and enabled Keith and his wife **Candace** (87) to create wealth and improve their lifestyle. Being frugal and good money managers, Keith and Candace invested most of their accumulated earnings in the acquisition of a growing portfolio of properties including the factory where K&C Manufacturing operated.

Arnie (68) did his apprenticeship as a fitter and turner in a large manufacturing business and in recognition of his skills, initiative and dedication was quickly appointed foreman by the time he was 24. However, at age 45 Keith had a major accident at work that incapacitated him and he was no longer able to work full time. As a result, the business situation had deteriorated substantially and K&C Manufacturing was heading for bankruptcy unless something was done to rescue the business.

Keith asked Arnie to join the business as a foreman and, as an incentive, promised him equity participation at an early date. Seeing the potential to re-invigorate K&C Manufacturing Arnie joined the business and applied himself energetically and creatively not only to rescue the existing business but also to diversify it and grow it substantially. In every sense of the word, K&C Manufacturing became Arnie's business.

Ben (65), in the meantime, had studied at University for a degree in finance before joining a marketing firm where he eventually became GM Finance and Marketing at the age of 35. He was happy in his position and had no intention or desire to join the family business that he knew was now Arnie's domain.

Under Arnie's leadership, K&C Manufacturing had grown substantially. As a result, he decided to professionalize the business by adding a number of non-family managers.

Keith suggested to Arnie that he consider inviting Ben to join the business as GM Finance and Marketing and offered to accelerate the transfer of his half share in the business to Arnie (as to 30%) and Ben (as to 20%) as an incentive for them to work together. Arnie had always had a high regard for Ben's abilities and the two brothers had always been close. He agreed to invite Ben to join the business and the two brothers teamed up to grow the business substantially over the years.

Several years later, Candace decided to transfer her half share in the business to her two sons equally. As a result Arnie ended up with 55% of the equity and Ben with 45% of the equity. However, one of the terms of Arnie's later divorce settlement was that he transfers 10% of his equity in the business to **Arnie Jr** (45) (5%) and **Aimee** (40) (5%) in recognition of their substantial contribution to the business.

Arnie Jr and Aimee joined the family business immediately after finishing secondary school and over the years obtained several qualifications studying part time. Barry, on the other hand, completed a university degree in management and worked for other firms for five years before joining the family business. To anticipate and avoid conflict, all three third

generation family managers have received the same level of remuneration that includes a certain amount of 'family compensation'*.

** "Family compensation" = money paid in the form of compensation just because a person is part of the family that owns the business.*

Gen 2 sees Gen 3's proposal as complicating a tried and proven business model and adding unnecessary costs. Further, Arnie suspects that it is the beginning of the NxG, particularly Arnie Jnr and Aimee trying to "get rid" of him.

Additional information

Currently Living

Direct Descendants: $2 + 2/7/7 = 18$

Spouses of direct descendants: 8 (one divorced; one de facto) = 25/26

Gen 1 - 2 members - husband and wife

Gen 2 - 2/5 members - 2 men (3 spouses; one divorced)

Gen 3 - 7/14 members - 3 men and 4 women (and spouses)

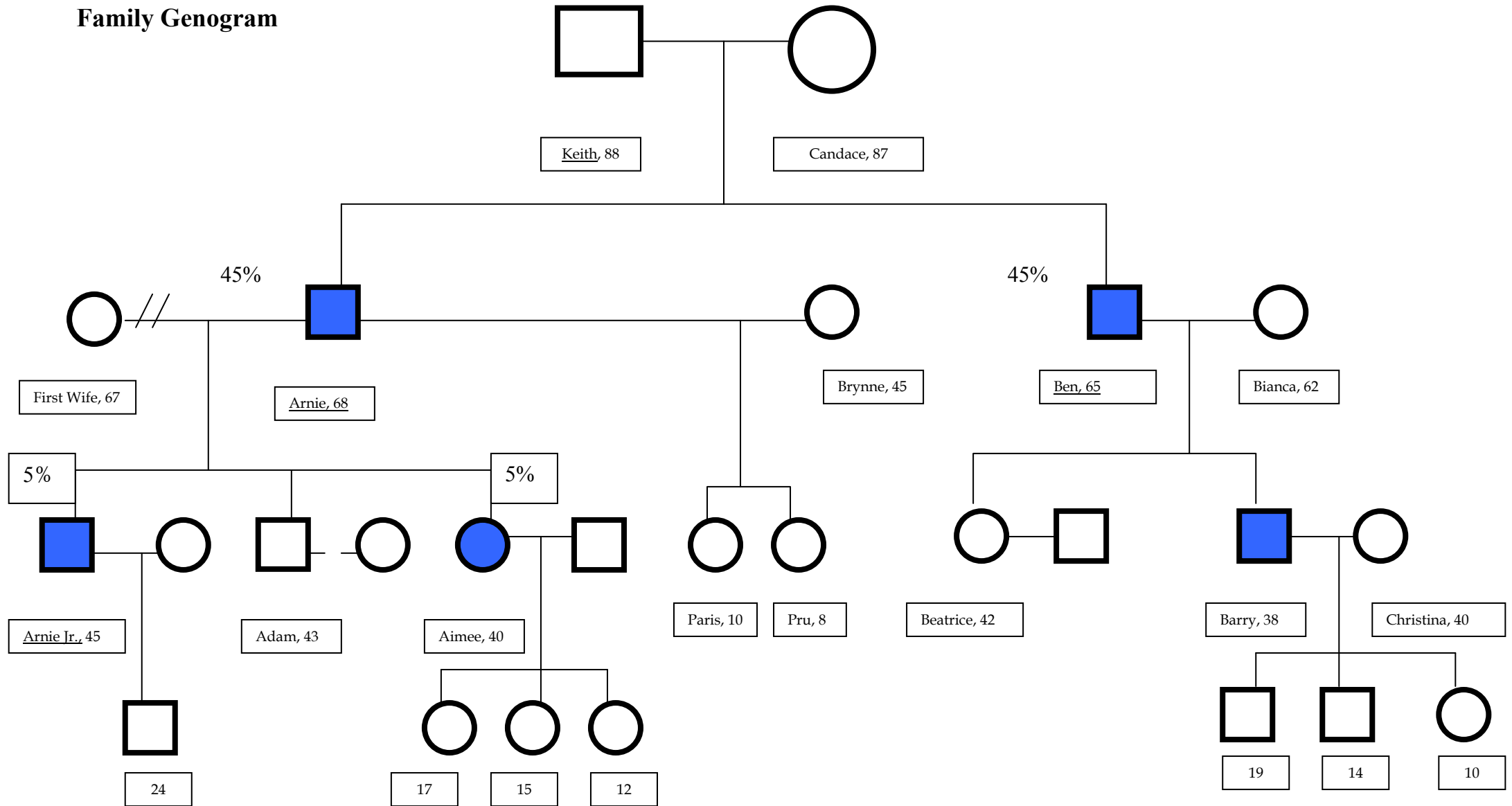
Gen 4 - 7/14 members at present - 1 man and six women (with potential spouses)



KPMG Resources:

[2011 FBA/KPMG Survey – "Stewards: Moving Forward, Moving Onward"](#)

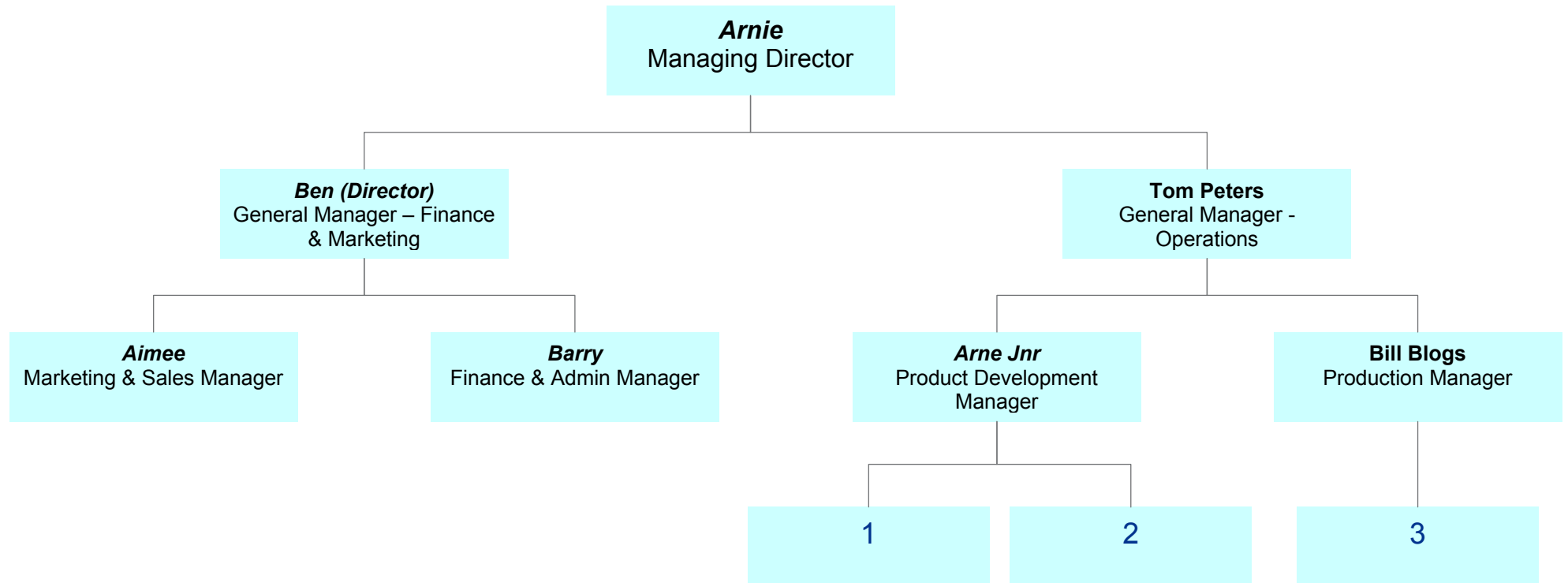
[2010 FBA/KPMG Survey – Next Generation Survey](#)

Family Genogram





 = Family members *active* in the business

FBA 2012 Conversation Series
Organisational Chart: **K & C Manufacturing Pty Ltd**





Family Business
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2012 FBA 5-Part Conversation Series

SESSION 1

*Navigating the family business journey
Meeting the many family business challenges*


2012 Conversation Series

Session 1

**Navigating a family business journey
via a realistic family business case study
that can be followed through each of
the 5 sessions in the series.**

K & C Manufacturing Pty. Ltd.

(Refer to handout)

A decorative wave graphic at the top of the slide, composed of two parallel lines. The upper line is dark blue and the lower line is gold, both curving from left to right.

***"Tell me and I'll forget.
Show me and I may not remember.
Involve me and I'll understand."***

(Chinese Proverb)

Proposed workshop process

Using the case study as the basis for the exploration of typical family business issues & challenges - the What, Why, When and, when appropriate, How.

We propose that the sharing of perspectives
be the basis of this series of workshops.

Future topics will include:

- 2 - Managing and resolving conflict - May 2
- 3 - Governing the family-business interface/overlap - June 20
- 4 - Keeping the family culture alive - August 1
- 5 - Preparing the business for transition or sale - October 3

Case Study Discussion Facilitators

Lucio Dana - *Family Business Dynamics*

Dom Pelligana - *KPMG*

Proposed workshop process

Using the case study as the basis for the exploration of typical family business issues & challenges

Format: a sharing of perspectives

Future topics will include:

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&

Lucio Dana - *Family Business Dynamics*

KPMG & FBA's Family Business Survey 2011

Executive Summary - 7 Key topics:

- 1. Meeting the many family business challenges***
- 2. Managing and resolving conflict**
- 3. Governing the family business**
- 4. Grapping with compensation issues**
- 5. Gaining an innovation edge**
- 6. Preparing to sell the business**
- 7. Letting go of the business**

KPMG & FBA's Family Business Survey 2011

Key findings:

- **Retaining control of the business (primarily its values & culture)**
- **Balancing family and business concerns**
- **Preparing/training successors before succession occurs**
- **Maintaining a role for the existing senior family member**
- **Selecting a successor**
- **Informing family of business issues**
- **Compensating family members involved in the business**
- **Resolving conflict among family members.**



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The MGI Australian Family & Private Business Survey 2010

From the dining room to the board room

Key Findings

The most critical issues/challenges confronting family businesses are:

- communication between family members**
- letting go of leadership/ownership control**



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The MGI Australian Family & Private Business Survey 2010

From the dining room to the board room

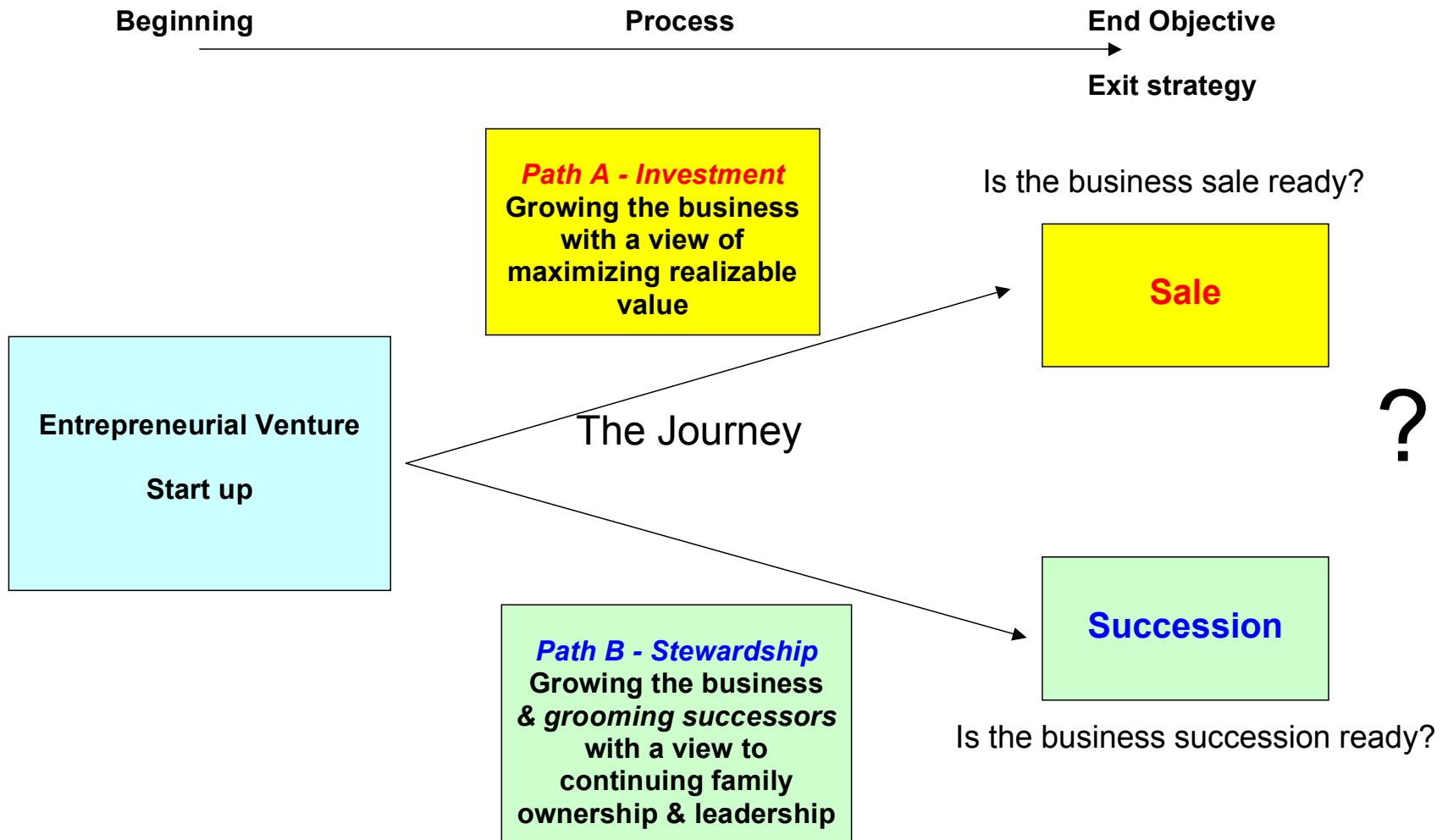
41% of family business owner-managers believe that family-based issues are more critical than business-based issues

46% believe that when family-based issues are resolved, business issues can also be resolved.

Nearly two thirds of family business owner managers agree that:

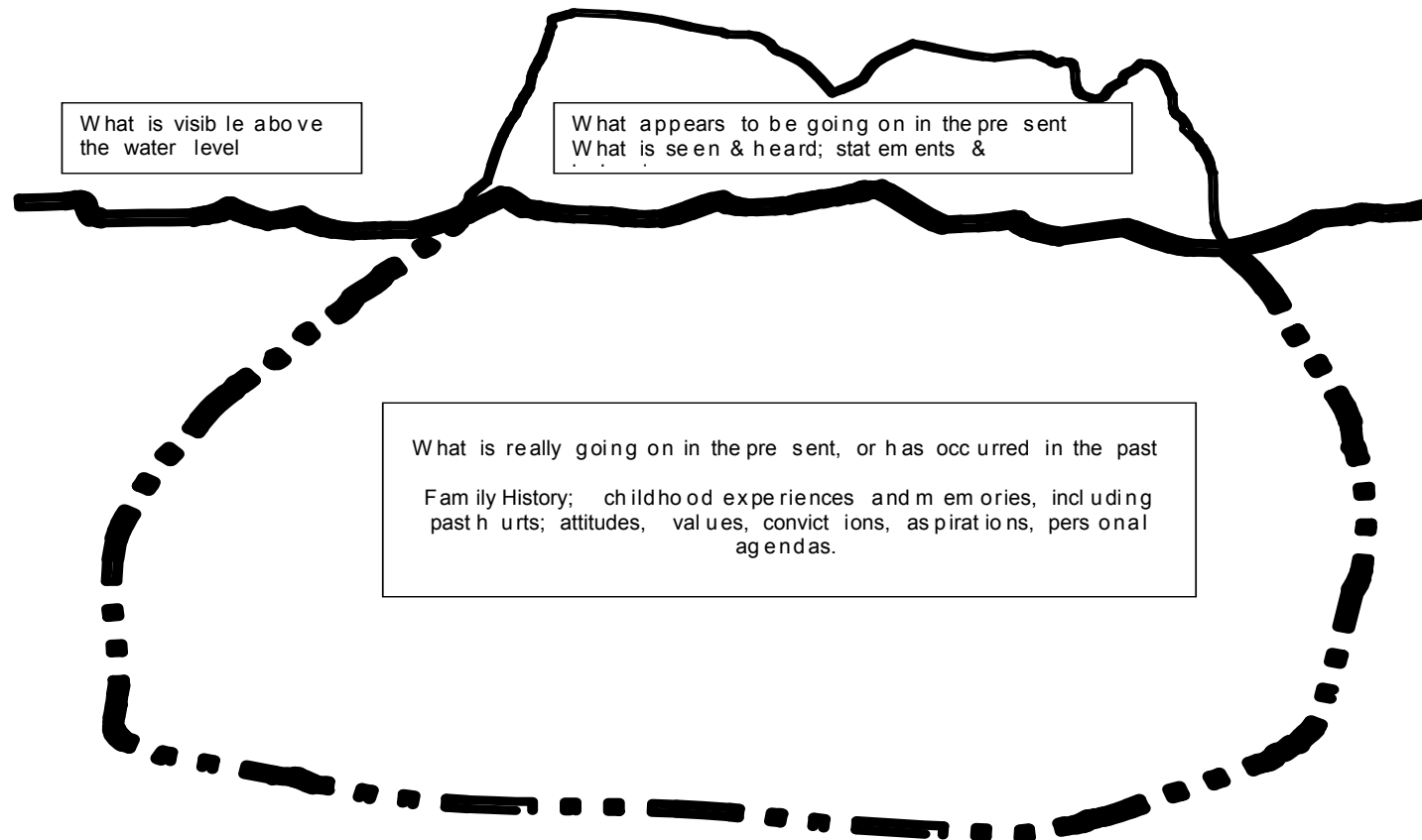
“the ultimate challenge in family businesses is dealing with the addition of work/business-based relationships on top of pre-existing family-based relationships”

Undertake the journey with the end in mind

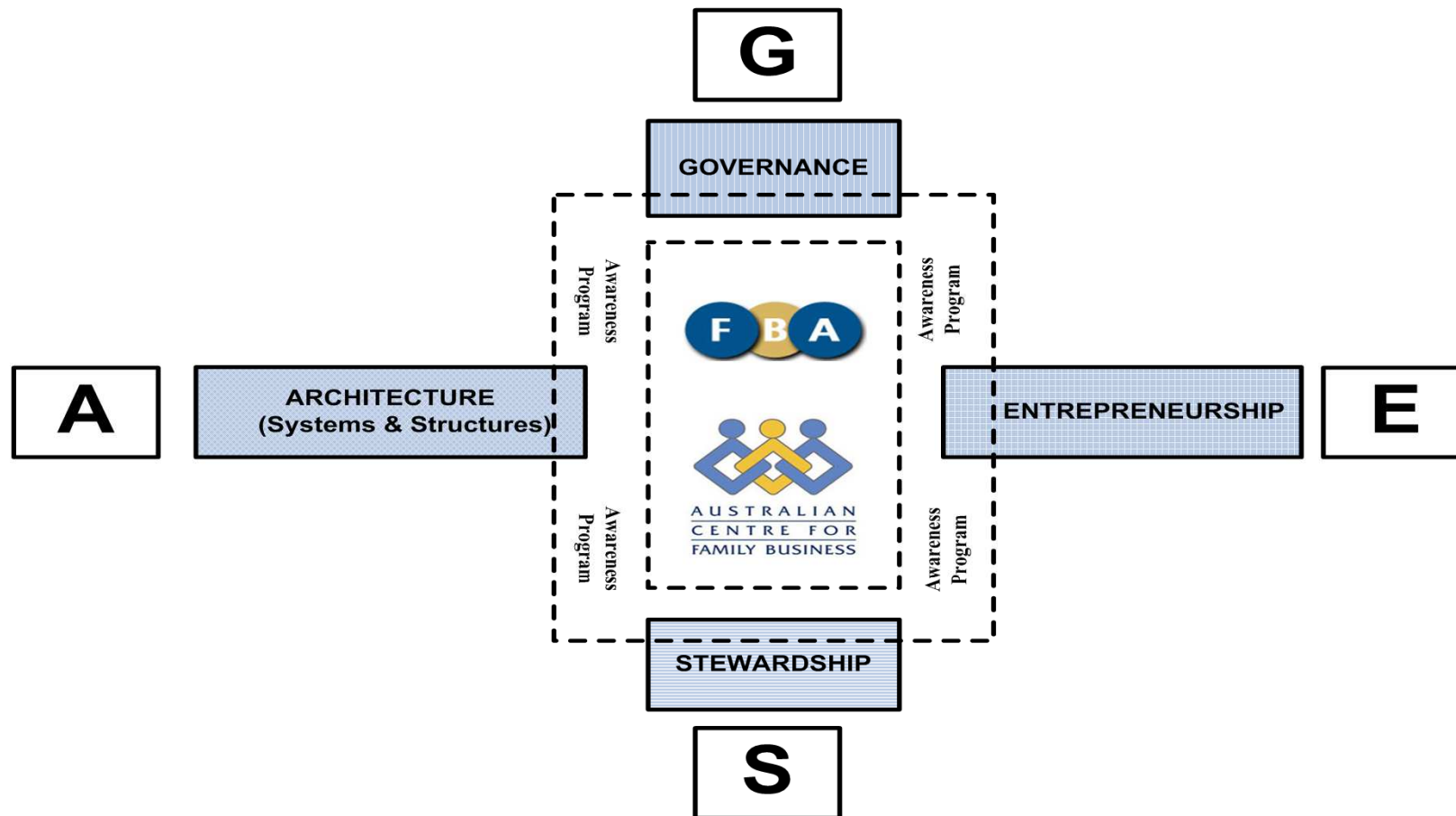


The Iceberg Principle; getting to know the family behind the business

What is the iceberg principle in family business? Always look below the surface!



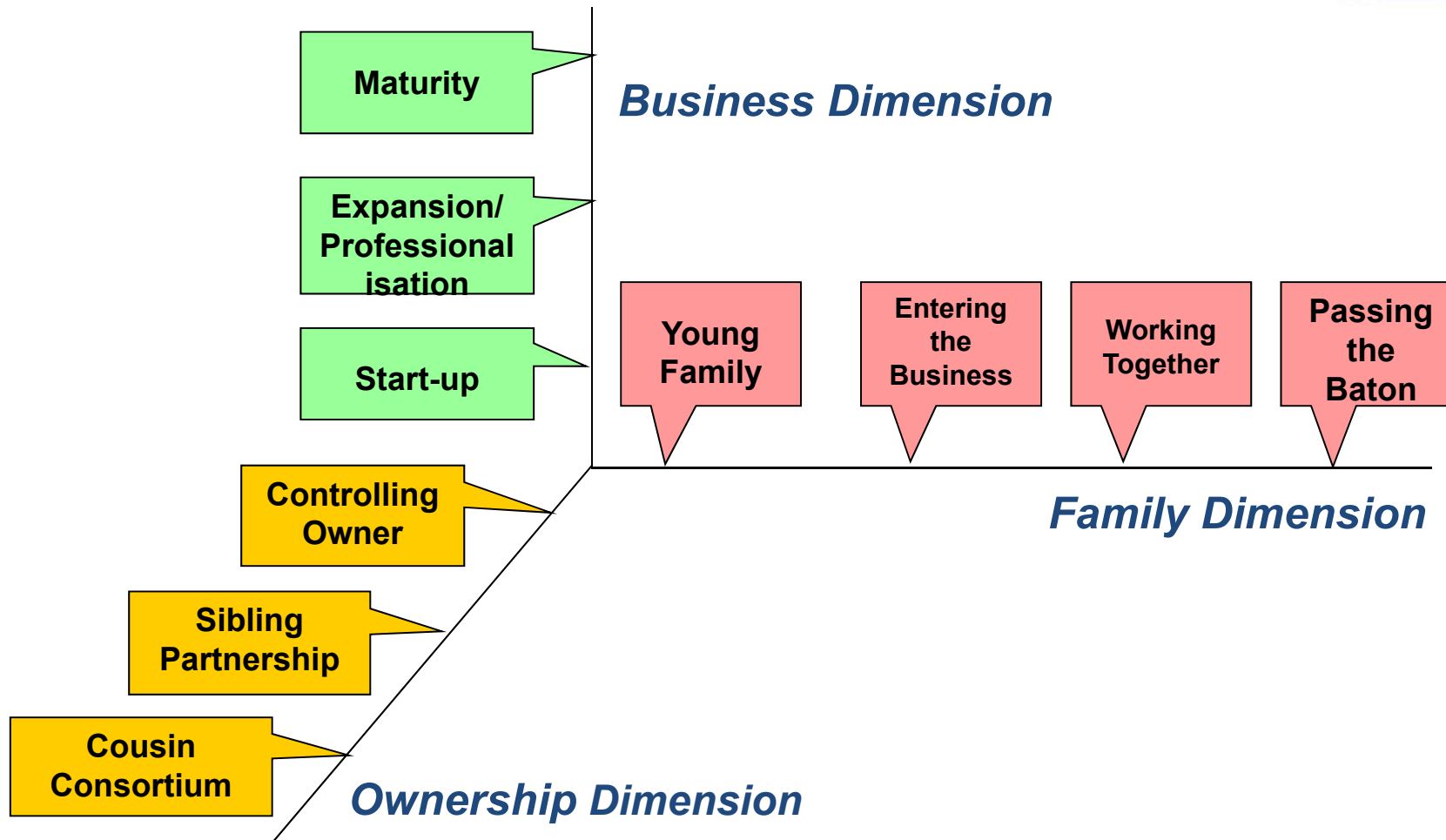
FBA's **AGES** family business awareness program



FBA's **AGES** family business awareness program

Family Businesses build competitive advantage by:

- ❖ **Architecture:** *Designing* appropriate architecture (structures and systems) to facilitate strategy implementation and communication
- ❖ **Governance:** *Understanding* the unique (business and family) governance dynamics of family business; governing the family-business interface.
- ❖ **Entrepreneurship:** *Building* transgenerational leadership capabilities
- ❖ **Stewardship:** *Nurturing* a stewardship orientation



Developmental Model of Family Business

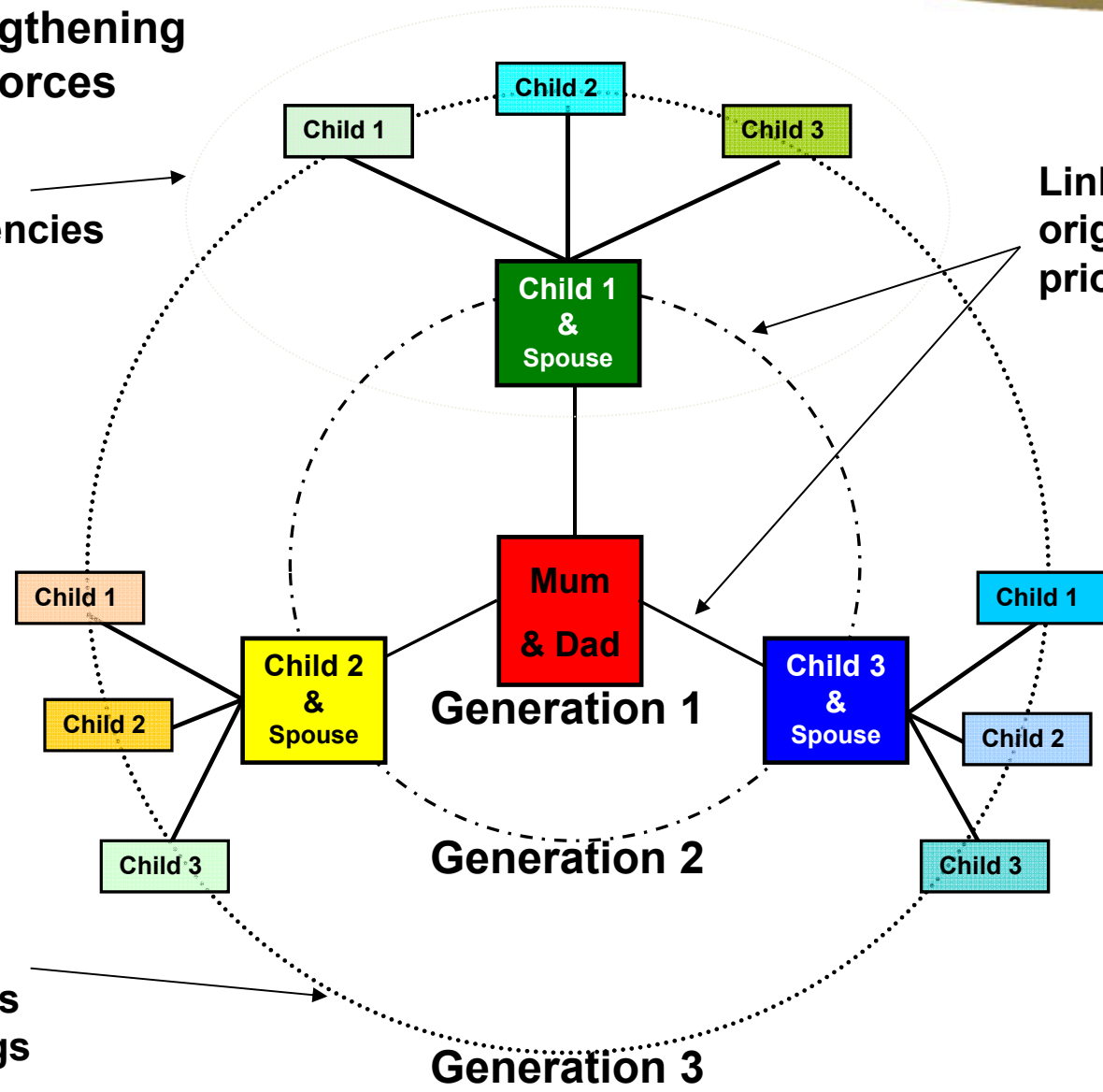
(Source: Gersick, et. al. 1997 *Generation to Generation*, HBS Press)

Weakening Centripetal forces; Strengthening Centrifugal Forces

New families = Strong Dependencies

Links to family of origin weakened as priorities change

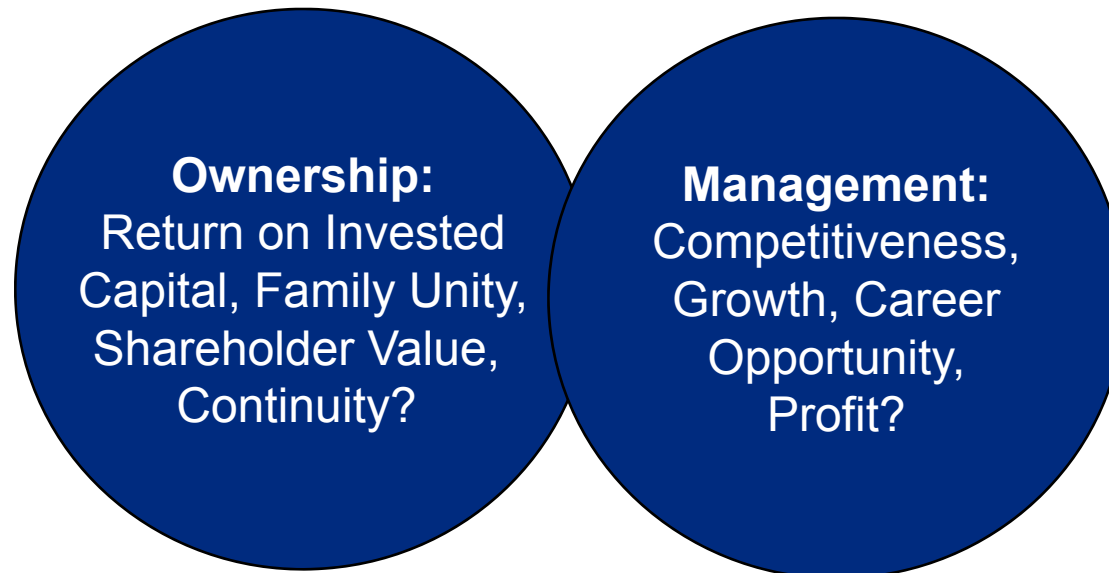
Ties between cousins are weaker than ties between siblings



Two missions: some alignment > governance

Governing the family-business interface

Balancing owners' & managers' interests



Governance changes as a family business evolves

Three main stages family business evolution:

- Owner-manager or entrepreneurial stage
- Sibling partnership stage
- The cousin collaboration stage

Governance functions stay much the same but **forms** evolve ...

From informal talks around dinner table to family assembly guided by a Council. Similarly, business may move from advisory board, to formal board, & then board with majority of independent directors.

Typical governance recommendations for the evolving family business:

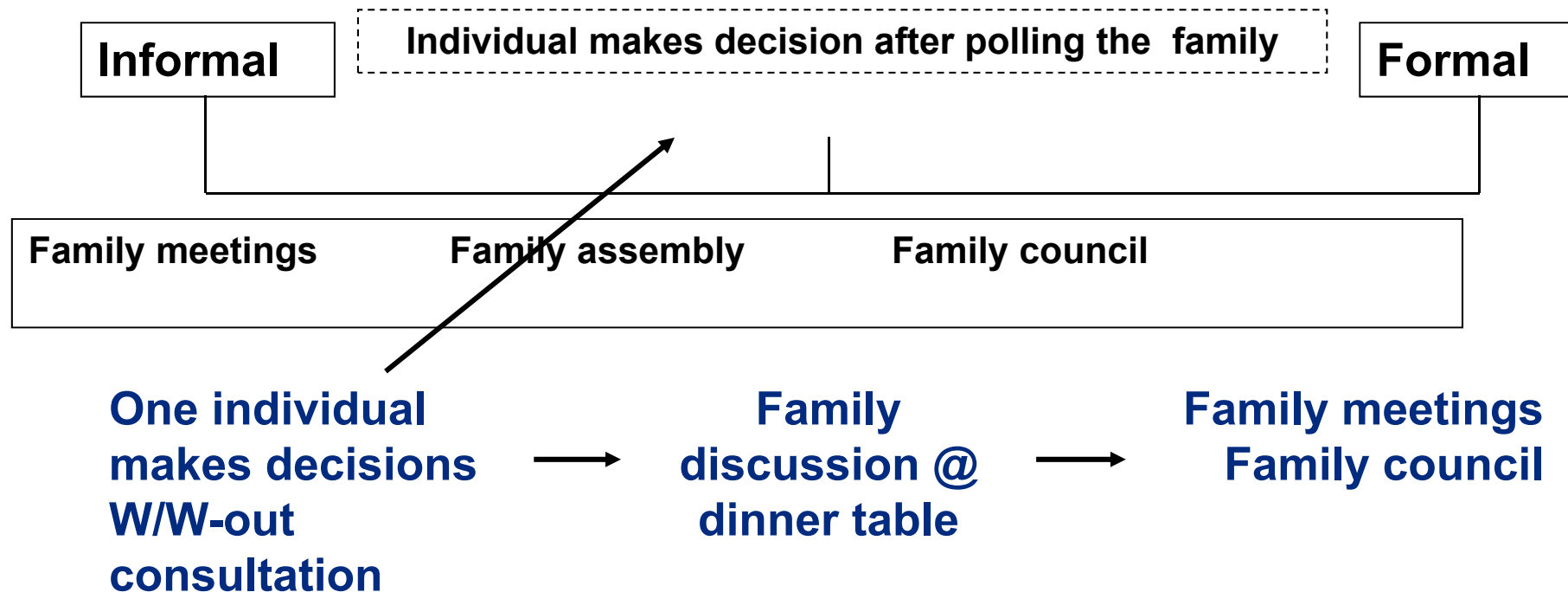
1. **Active & independent** board of directors
2. Family meetings & a family **council**

Each informing strategy through engagement in **strategic planning processes**

Having an independent board is the single most prevalent prescription heard from successful long-lasting business families.

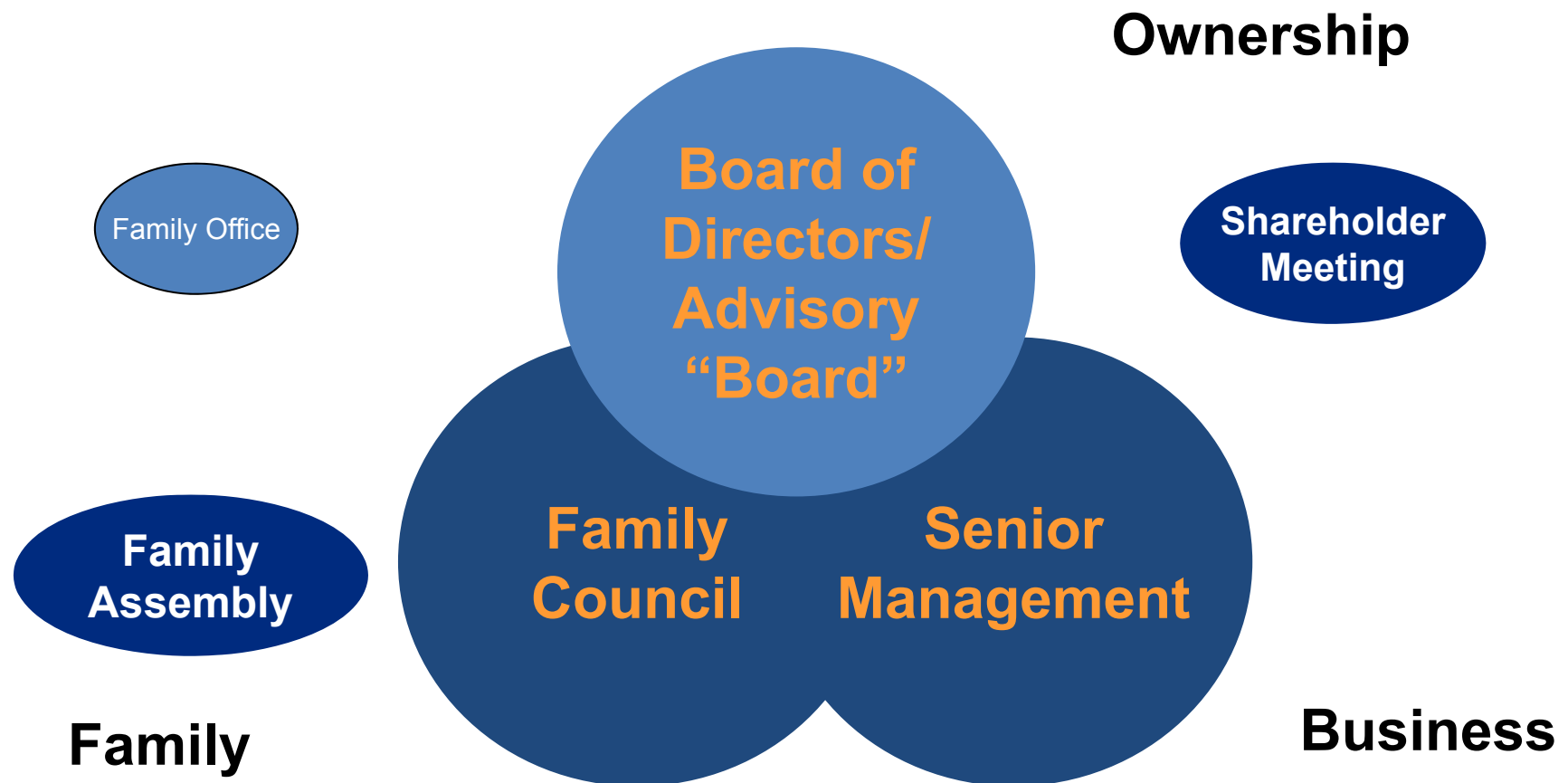
Family business governance options

One size does NOT fit all! Governance changes as a family business evolves



Structures & processes through which shareholders, the board & management can be held accountable for the performance & planning for the family business

Governance structures of family business



Family values, vision & mission

The Developmental Model presents common & predictable patterns in family business.

Policies, practices, structures, & systems that are applicable according to the stage of family/business evolution & development & that should be in place before the need arises.

The family's value system is the fundamental issue in the family business.

Family values > vision & mission > ownership structure > strategy

8 Proactive Practices of Successful Families-in-Business

1. Articulate a clear & powerful **vision**
2. Cultivate **entrepreneurial** strengths
3. **Plan strategically** to mitigate risks & capture opportunities
4. Build **unifying structures** to connect family, assets & environment
5. Clarify family members' **roles & responsibilities**
6. **Communicate**, communicate, communicate
7. Help family members develop **competencies**
8. Provide **independence**, including exit options



**You need a diet, more
exercise, a will, and a
Successor!
Not necessarily in that
order.**

*King Features Syndicate, Inc.,
and Jamieson Press from
"Someday It'll All Be...Who's?" ,
a book of family business cartoons
by Donald J. Jonovic, Ph.D.*

Upcoming events & courses

FBA Conversation Series – Part two

Wednesday 7 May

State Conference – Embracing change – the family business future

Friday 20 April

Family Business Leadership Course

Hunter Valley, 21 & 22 August

Family Business Strategic Planning Course

Brisbane, 5 June | Melbourne, 6 September



Visit **myFBA** at www.fambiz.org.au to register for all your events



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Family Business = Complex Business
The challenge is to understand and accept the complexity
and learn how to manage it

THANK YOU!

QUESTIONS?

Case Study Discussion Facilitators

Dom Pelligana - KPMG &

Lucio Dana - Family Business Dynamics



FBA Notes

Identification of issues from Session 1

Management

- CEO succession
- Entry criteria for NxG
- Reporting lines
- Separate owners / managers – reporting structures in general
- Increase professionalisation
- Balance between family and non-family management (attract, retain, reward)
- Leadership

Income

- Remunerating family in and out of business
- Compensation equity

Planning

- Business, leadership/equity, estate and financials, family continuity

Other

- Family meeting
- Develop a constitution and Shareholder's Agreement
- Implication of unequal ownership percentage between the families
- Influence of Generation 1

Control

- Need for an effective board
- Formal direction
- More formal Governance
- Succession broadly

- Management }
}

- Control
- Equity

- Meetings for family to discuss business and family issues
- Upskilling generations involved in the business
- Estate planning
- Understand the Self Managed Superannuation Fund

Equity

- Unequal ownership
- No Shareholder Agreement
- Plan to issue shares/transfer to NxG
- Manage relationship breakdowns / divorce
- Liquidity / Dividends
- Estate Planning

Courtesy of Dominic Pelligana, KPMG



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2012 FBA 5-Part Conversation Series

SESSION 2

Starting the conversation

Anticipating, managing & resolving conflict

Governing the family business

Navigating a family business journey

via a realistic family business case study

“A SHARING OF PERSPECTIVES”

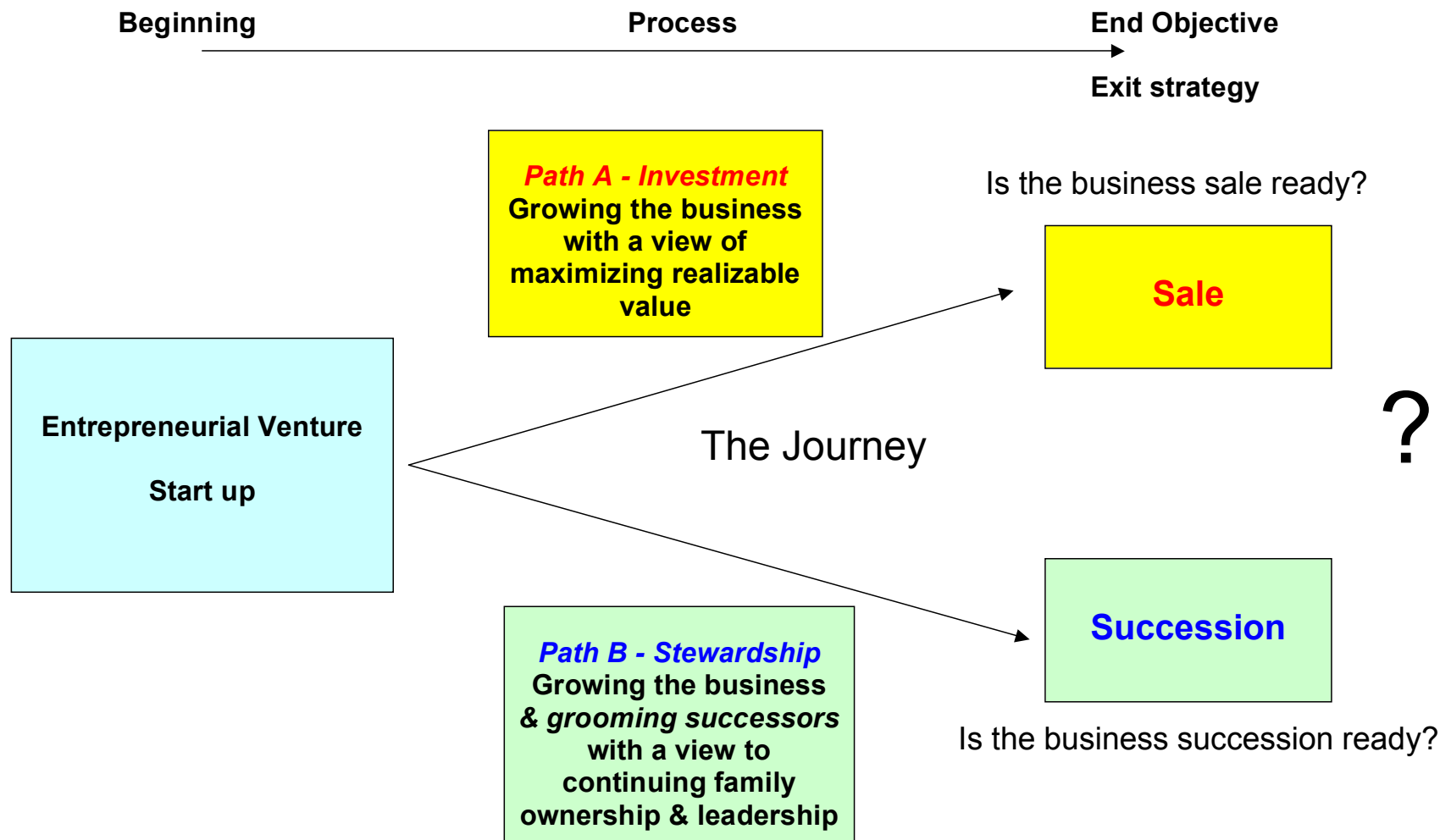
Session 2 - Starting the conversation

Case Study Discussion Facilitators

Dom Pelligana - *KPMG*, &

Lucio Dana - *Family Business Dynamics*

Beginning & continuing a family business with the end in mind



Family in business perspectives

Refer to the case study situation (see handout) with a focus on Starting the Conversation; anticipating, managing and resolving conflict; and governing the family business:

Case Study Situation:

Third (3rd) generation family members **Arnie Jr. (45) & Aimee (40)** who already own 5% each of the family business, would like

- To increase their equity and
- To make the transition from Managers to Owners after spending many years building the business's size & market share.

Family in business perspectives

Case Study Situation:

Third (3rd) generation family members active in the business - Arnie Jr., Aimee, & Barry (38) - would like to focus on:

- Articulating the business's strategy, and
- Putting in proper authority matrices for Management & the Board.

Family in business perspectives

Case Study Situation:

Second (2nd) generation incumbent siblings Arnie (68) & Ben (65) consider Third Generation siblings Arnie Jr & Aimee's proposals as

- Complicating a tried & proven business model, and
- Adding unnecessary costs.

Further, Arnie suspects that it is the beginning of the Next Generation, particularly Arnie Jr. & Aimee, trying to get rid of him.

Family in business perspectives

Case Study Situation:

- There isn't a shareholders' agreement or agreed methodology to value the business.
- The business has an Advisory 'Board' mainly Arnie's & Ben's friends & business associates who used as a sounding board rather than a proper Board.
- Arnie Jr & Aimee are taking a leading or more proactive role in seeking change

Family in business perspectives

Questions:

How would you go about 'starting a conversation' between:

- Second & third generation family members about the future of the family business, particularly leadership & ownership issues?
- Third generation family members (active & passive) about the future of the family business?

What are likely to be the 'hurdles' or 'obstacles' in:

- Starting a meaningful conversation?
- Having a conversation that leads to action?

Family in business perspectives

Questions:

What might the following 3rd generation family members be thinking about the situation? What might be their perspectives?

- Barry (38) - active family member
- Beatrice (42) - passive family member
- Adam (43) - passive family member

Family in business perspectives

Questions:

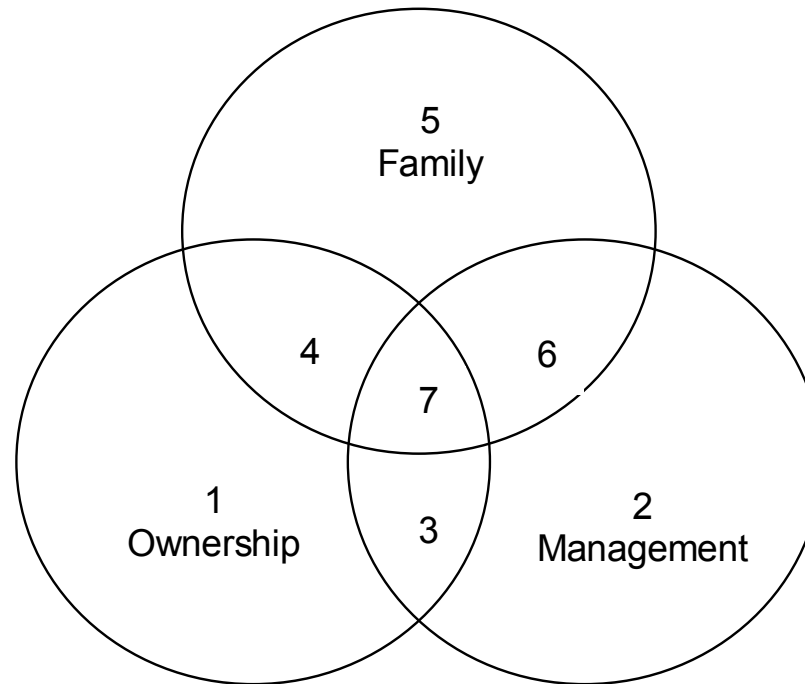
- What is the likely mindset of the second (outgoing) and third (incoming) generation in approaching issues of change and succession?
- Is there likely to be reflection upon and recognition of the needs of the other generation?
- Is it likely that the second generation family members might adopt a communication style based on a parent-child relationship, or one of incumbent (power) and potential successor (pain)?

Family in business perspectives

Questions:

- What is the likely effect of the third or successor generation family members approaching the situation (and second generation incumbents) from the perspective of 'give shares early' and 'let go'?
- Are these two different mindsets likely to be conducive to jointly constructing the future of the family business? If not, what would you suggest as an alternative approach?

The Three (3) Circle Model of Family Business (Tagiuri & Davis 1982)



The Three (3) Circle Model of Family Business. The three-circle model is an elaboration of the two-circle model that makes a critical distinction between the ownership & management sub-systems within the 'business' circle. That is, some individuals are owners but not involved in the operation of the business; others are managers but do not control shares.

(Source: Gersick, K.E. et. al., 1997, Generation to Generation.)



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Questions?

Case Study Discussion Facilitators

Dom Pelligana - *KPMG*, &

Lucio Dana - *Family Business Dynamics*



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Next Sessions

KPMG Federal Budget breakfast debrief

Specifically for the Next Generation



Friday 12 May 7.30am

2012 FBA FIVE PART CONVERSATION SERIES

Venue - Kooyong Lawn Tennis Club, 489 Glenferrie Road Kooyong - 7.30am till 10am

**WED -
June 20**

Legitimate nepotism - Is it enough to share a family name? - Grappling with compensation and the overlap of family business

Join us to explore best practice in employing family. Guidelines for conduct, recruitment, values and culture and what is appropriate financial compensation for a family member. We will discuss who is a family member, who is in and who is out? How does this all work with your other staff? What processes are in place regarding performance expectations and exit strategies. Family members can play a variety of roles in and around the business keeping in mind the long term viability of the business is in everyone's best interest. The need for pre agreed rules around entry exit and performance is paramount.

**WED -
August 1**

Keeping the family culture alive - Employing non family managers/ CEO's & governing the family business and gaining an innovative edge The 2011 FBA/KPMG survey results initially indicated family business owners wanted to maintain control over the business but subsequent focus groups revealed what the really want is to maintain control of the culture and values. Whether by necessity or design you have appointed a non family CEO, How do you keep the family values and principles that have guided your family business until today? Join us as we explore what makes family businesses different and how we can retain that competitive edge even with a non family CEO leading.





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2012 FBA 5-Part Conversation Series

SESSION 3

Starting the conversation

*Legitimate nepotism? Compensation and family overlap
Establishing family business guidelines & policies*

Navigating the family business journey

“A SHARING OF PERSPECTIVES”

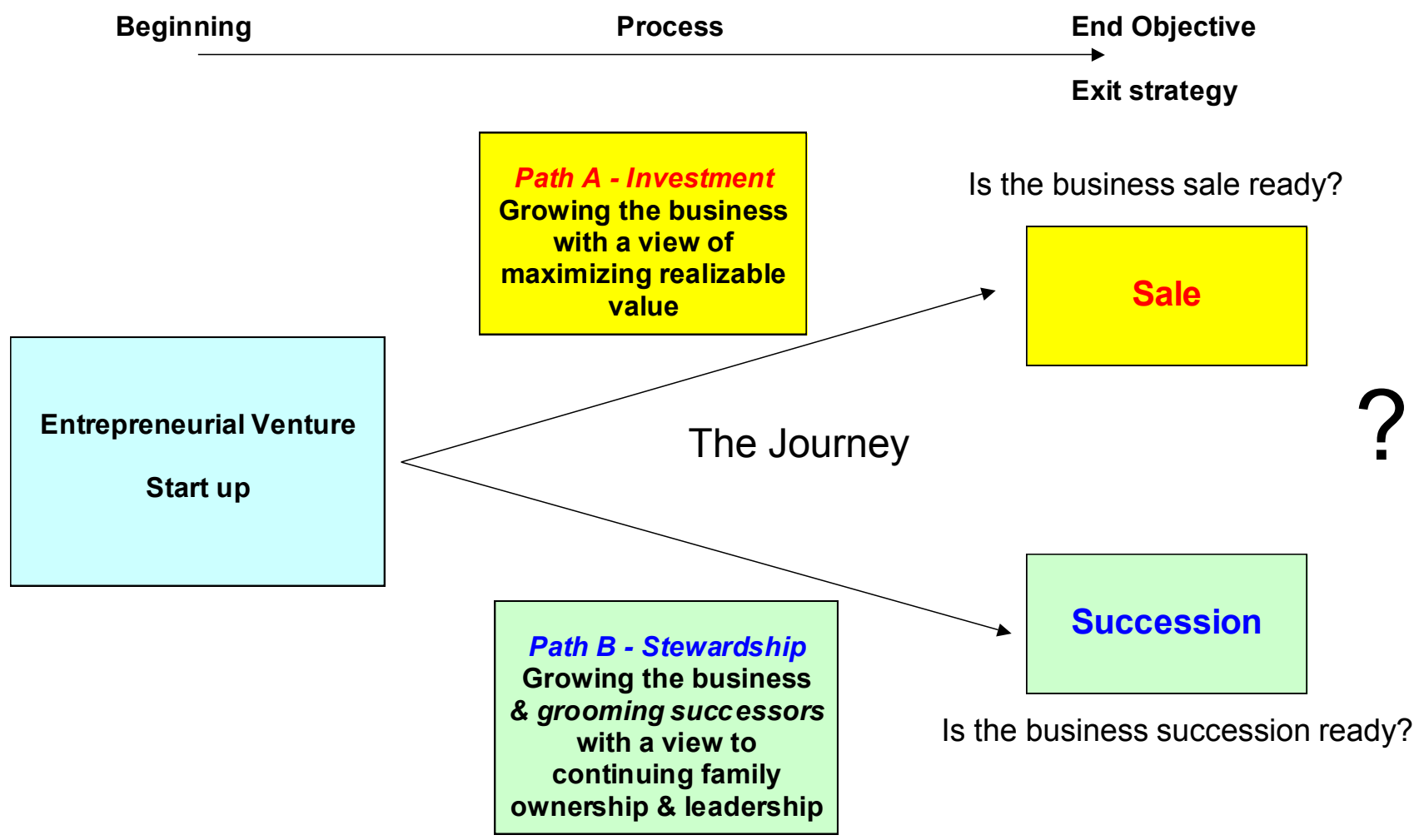
Session 3 - Establishing family business guidelines & policies *before* the need arises

Facilitators

Dom Pelligana - *KPMG*, &

Lucio Dana - *Family Business Dynamics*

Beginning & continuing a family business with the end in mind



Establishing family business guidelines & policies

Family culture - business first or family first?

- Would you allow family interests to outweigh business rationale, or would you focus on efficiency, meritocracy, etc.?
- Will second and third generations be drafted into the business (an obligation) or will they choose to come in voluntarily (an opportunity)?

Suggestions:

- *Establishing clear and fair **rules** of entry, exit, and performance for family members (fair process)*
- *Establishing an **advisory 'board'** to vet applications by family members to join the business (greater objectivity).*

Family business nepotism

Nepotism = favouring family members or friends in economic or employment terms

- Does your business pay ‘family compensation’ (money paid in the form of compensation just because a person is part of the family that owns the business)?
- What is the likely impact of nepotistic practices on non-family employees and managers?
- The family business literature frequently recommends that family members work outside the family business for five years before entering the business. Do you believe that this advice should be applied by all families in business or only the more developed ones?

Family business nepotism - points for and against

	Points in favour	Points against
1	Shorter learning curve	Inept family members become managers
2	Greater loyalty	Inept family members remain managers
3	Lower risk	Encourages inequitable reward systems
4	Better/Higher performance	Makes attracting professional managers difficult
5	Lower turnover; longer term commitment	
6	Fulfilling needs at peak time	
7	Stable relationships with contractors	

Establishing family business guidelines & policies

- What is the likelihood of establishing pre-agreed rules relating to entry, exit and performance of family members?
- What is the likelihood of establishing guidelines for employing family members, conduct, recruitment, values and culture?
- Establishing what is 'appropriate' financial compensation for family members?
- Methodology for establishing appropriate performance expectations for family members?

Establishing family business guidelines & policies

KPMG Survey 2011 - Stewards: Moving forward, moving onward ... Paying them enough: grappling with compensation and equality issues (16-17).

Key questions:

- How much should the business pay a family member?
- How should this stack up against what other members of the family are receiving?
- How should it compare with the pay of non-family employees?

Family business compensation

- In your family business, are compensation levels set wholly or partly at the owners' discretion?
- Do you have formal salary ranges within established minimums and maximums for various positions?
- Do executives operate by 'feel' rather than established policies and procedures?
- Do you use bonuses as a substitute for equity in compensating key, non-family executives?
- Do you have a formal bonus plan for non-family managers?
- Would you be prepared to share equity with non-family managers?

Nepotism - Mini Case study

John is the manager of the family's wholesale appliance business that is wholly owned by his mother who used to manage it. He has a sister who is not involved in the business. Because of economic and market conditions, business has been relatively slow and he is considering laying off an employee. He is trying various methods of increasing and improving business activity and there are signs that these might be starting to work. His sister calls asking him to hire her 16-year old son, who is having trouble at school. She says that if her son does not have a job, he may end up in serious trouble.

Suggestions?

Buy-Sell Agreement

Arrangement/contract between shareholders/beneficiaries that specifies ownership rights or partnership interests.

Enables them to agree in advance how situations will be handled. Provides mechanism for dealing with potential conflicts and achieving liquidity while keeping demands for funds manageable.

Generally, focuses on rights to transfer shares, circumstances that activate those rights, and transfer procedures. Might provide for shareholders to buy each other out under certain conditions (e.g. terms of payment) and at a certain price (valuation methodology), and to have first right of refusal when someone decides to dispose of shares.

May involved life or disability insurance that covers either the total (death trigger purchase) or the major part (retirement trigger purchase) of the purchase price.

Family Charter or Constitution

A **process** (planning, discussing, & writing a document) designed to make explicit some of principles & guidelines shareholders propose to follow in their relations with each other, other family members, & company managers.

Principal Articles:

- Employment policy and next-generation family-member development
- Ownership, dividends and family benefits policies
- Liquidity policy
- The board of directors or advisory board
- Family meetings and/or a family council
- Shareholder meetings

Current issues being discussed with clients -Governance

- What is the role of a family council in relation to this matter
- What is the role of the Board/Advisory Council
- Objective assessment, developing career plans, outside influence/mentoring
- Part of the overall succession plan
- Who should start the conversation?
- Policy matters
- Extension of company policy? Family interfering in Management/Board matters?
- Sabbaticals – Family & business student
- Employing in-laws
- Compulsory retirement dates
- Should family members working in the business have direct equity by way of bonus? Does it complicate matters?

Current issues being discussed with clients

Management & Income

Economics

- Should there be a loading for family members?
- Sweat equity
- Which role am I paying? Family Ambassador, Manager, Director, Shareholder? Combine or separate?

Model

- Other forms of remuneration – quantify and equalise
- Cars, Credit cards/expense payments Loans, Access to assets

Questions?

Discussion Facilitators

Dom Pelligana - *KPMG*, &

Lucio Dana - *Family Business Dynamics*

Blockers <i>"Role of financial security and liquidity"</i>	Potential solutions <i>"Influence, engaged, signed on"</i>
<p>1 Fair Vs Equitable (Family matter) (Business matter)</p> <p>Support outside of the business via trust distributions, family loans etc)</p>	<p>Pre-defined rules.....before the pain</p> <ul style="list-style-type: none"> - External measures - Explicit vs implicit - Conditioning (responsibility) <p>Does it have to be fair within the business</p>
<p>2 1st Generation/ incumbent Control</p> <ul style="list-style-type: none"> - Family - Business 	<ul style="list-style-type: none"> - Find a role for the senior family member - Practice dying until you get it right - View it from their perspective - Frame it in relation to what is important to them
<p>3 Leadership planning</p> <p>Gaining consensus</p> <p>Prioritise, sense of urgency</p>	<p>How do we start the conversation?</p> <ul style="list-style-type: none"> - Pre-forma documents to make it feel easier - Frameworks and issues being experienced by others. Some of the solutions which have worked. (Share experiences) - Focus a positives, visioning, how do we leverage.
<p>4 Equality</p> <p>Equity vs remuneration</p> <p>Resources (time & money) too busy</p>	



Family Business
Australia

2012 FBA FIVE PART CONVERSATION SERIES

Venue - Kooyong Lawn Tennis Club, 489 Glenferrie Road Kooyong - 7.30am till 10am

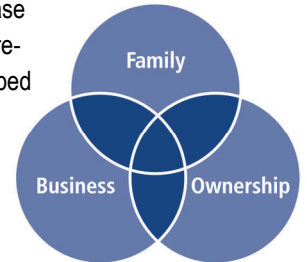
Register online & save
www.fambiz.org.au



A series of short workshop sessions specifically designed for family businesses to share information and address those issues you tell us are most important to you!

The greatest learning comes from sharing of perspectives along with best case practice experience; academic research and expert technical skills. We are responding to your feedback given in our FBA/KPMG survey and have developed an inspiring and effective education series for 2012.

Sessions will refer to a family business case study and real examples, addressing the WHAT, WHY, WHEN of these typical but important family business issues and the HOW to successfully implement change.



**WED -
March 7**

Navigating a family business journey - Meeting the many family business challenges
Families in business combine two major and sometimes competing elements - family and business. The journey can be amazingly great and exciting or fraught with conflict and pitfalls. Ensuring the right processes and structures are in place like 'shared family visions and values' are crucial. Learn about effective structures and frameworks and how they've been utilised by successful family firms. Are you prepared for an amazing experience?
Join us for a two and a half hour workshop where we explore the what, when, why and how to negotiate this minefield.

**WED -
May 2**

Beginning and continuing a family business with the end in mind - Managing and resolving conflict and governing the family business
Follow the natural evolution of a family business from one generation to the next, the need to manage inevitable change and embrace opportunities to revitalise strategy and continually professionalise the business. Share the two preconditions to long term family business success; professional management and commitment to carry on as owners. This workshop will explore the role to strategy, how it relates to pre agreed rules as to how the family participates in the business and the role independent advisers can and should play. It's never too early to plan!

**WED -
June 20**

Legitimate nepotism - Is it enough to share a family name? - Grappling with compensation and the overlap of family business
Join us to explore best practice in employing family. Guidelines for conduct, recruitment, values and culture and what is appropriate financial compensation for a family member. We will discuss who is a family member, who is in and who is out? How does this all work with your other staff? What processes are in place regarding performance expectations and exit strategies. Family members can play a variety of roles in and around the business keeping in mind the long term viability of the business is in everyone's best interest. The need for pre agreed rules around entry exit and performance is paramount.

**WED -
August 1**

Keeping the family culture alive - Employing non family managers/ CEO's & governing the family business and gaining an innovative edge
The 2011 FBA/KPMG survey results initially indicated family business owners wanted to maintain control over the business but subsequent focus groups revealed what the really want is to maintain control of the culture and values. Whether by necessity or design you have appointed a non family CEO, How do you keep the family values and principles that have guided your family business until today? Join us as we explore what makes family businesses different and how we can retain that competitive edge even with a non family CEO leading.

**WED -
October 3**

'One day this will all be yours' - Preparing to sell/transition or letting go of the business
Selecting a successor; family or non family? What are the stages, what are the decision criteria for selling part or all of the business? What's the next stage for the incumbent generation, and the Next Generation are they ready willing and able? Join us as we navigate the murky waters of transition, agreed rules around valuing and funding the business from one generation to the next.

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REGISTRATION FORM

2012 CONVERSATION SERIES

Venue - Kooyong Lawn Tennis Club, 489 Glenferrie Road Kooyong - 7.30am till 10am



Step 1 - Contact details

Full name: _____

Business Name: _____

Postal address: _____

Email address: _____

Contact number: _____

Are you a member of FBA? yes no



FBA member special; book four sessions get one FREE!

Step 2 - Additional guests

Additional guest 1: _____

Additional guest 2: _____

Additional guest 3: _____

Additional guest 4: _____

Step 3 - Sessions attending (please tick)

7 March - Navigating a family business journey

Main contact Guest 1 Guest 2 Guest 3 Guest 4

2 May - Beginning and continuing a family business with the end in mind

20 June - Legitimate nepotism - is it enough to share a family name?

1 August - Keeping the family culture alive

3 October - 'One day this will be yours'

Step 4 - Registration fees (book via myFBA and save \$10 per registration)

Individual FBA member attending _____ sessions @ \$65pp \$ _____

_____ Additional guest attending _____ sessions @ \$55pp \$ _____

_____ Non FBA member attending _____ sessions @ \$85pp \$ _____

_____ FBA members attending the complete series @ \$260.00pp \$ _____

_____ FBA non members attending the complete series @ \$340.00pp \$ _____

Please return registration form to:

Fax: 03 9867 5344

Tel: 03 9867 5322

Book via

and save \$10 per session

simply visit www.fambiz.org.au

Step 5 - Payment

Direct deposit account - Family Business Australia BSB : 083 091 Account 477367651 (please quote your name as a reference)

Credit card - (please circle) MasterCard Visa AMEX (3% surcharge)

Card number: _____

Name on Card: _____

Expiry date: ____/____/____

CVV number: _____

Cardholders signature: _____