

# **When Family Businesses are Best**

*This page intentionally left blank*

# **When Family Businesses are Best**

The Parallel Planning Process for  
Family Harmony and Business  
Success

**Randel S. Carlock**

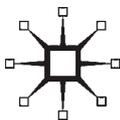
Berghmans Lhoist Chaired Professor in  
Entrepreneurial Leadership  
and Founding Director of the Wendel International  
Centre for Family Enterprise, INSEAD

and

**John L. Ward**

Clinical Professor and Co-Director, Center for Family  
Enterprises, Kellogg School of Management,  
Northwestern University

palgrave  
macmillan



© Randel S. Carlock and John L. Ward 2010

Softcover reprint of the hardcover 1st edition 2010 978-0-230-22262-5

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No portion of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, Saffron House, 6–10 Kirby Street, London EC1N 8TS.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 2010 by  
PALGRAVE MACMILLAN

Palgrave Macmillan in the UK is an imprint of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries.

ISBN 978-1-349-30818-7 ISBN 978-0-230-29451-6 (eBook)

DOI 10.1057/9780230294516

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental regulations of the country of origin.

A catalogue record for this book is available from the British Library.

A catalog record for this book is available from the Library of Congress.

10 9 8 7 6 5 4 3 2 1  
19 18 17 16 15 14 13 12 11 10

This book is dedicated to all the students, executives, and business families from around the world that have studied and shared ideas with us over the past years.

Your energy and enthusiasm support our efforts.

*This page intentionally left blank*

# Contents

<i>List of figures</i>	<i>xi</i>
<i>List of tables</i>	<i>xiii</i>
<i>Acknowledgments</i>	<i>xv</i>
<i>Preface</i>	<i>xvii</i>

## **PART I**

### **Why Global Business Families Need Planning 1**

#### **1 Why Family Businesses Struggle 3**

FARVIEW ELECTRONICS TO BE SOLD? 4

THE FAMILY BUSINESS CHALLENGE 6

THE COMPETITIVE ADVANTAGE OF A COMMITTED BUSINESS FAMILY 20

THE LACK OF A *PARALLEL PLANNING PROCESS*: THE BANCROFT FAMILY STORY 24

WHEN FAMILY BUSINESSES ARE BEST 27

#### **2 Making the Parallel Family and Business Planning Process Work 28**

CARGILL: FROM CONFLICT TO COMPETITIVE ADVANTAGE 30

THE BENEFITS OF PARALLEL FAMILY AND BUSINESS PLANNING 32

THE *PARALLEL PLANNING PROCESS* 34

A *PARALLEL PLANNING PROCESS* USER GUIDE 46

## **PART II**

### **Creating Human Meaning 51**

#### **3 Family Values and Business Culture 53**

FAMILY VALUES AND BUSINESS PERFORMANCE 55

FAMILY VALUES IN PRACTICE	56
FAMILY BUSINESS RESPONSIBILITY AND FAIRNESS	67
IDENTIFYING YOUR FAMILY VALUES	76
FAMILY BUSINESS CULTURE	79
WHEN FAMILY BUSINESSES ARE BEST	82
<b>4 Family and Business Vision: Exploring Family Commitment</b>	<b>83</b>
THE FAMILY VISION AND BUILDING FAMILY COMMITMENT	85
LEGACY-FOCUSED VISION	87
BUSINESS-FOCUSED VISION	88
FAMILY-FOCUSED VISION	89
DRAFTING A FAMILY BUSINESS VISION	90
CARGILL: BALANCING FAMILY VALUES, EXPECTATIONS, INVESTMENT, AND BUSINESS POTENTIAL	95
SUSTAINING FAMILY COMMITMENT	97
AN ASIAN FAMILY'S STRUGGLE TO RENEW COMMITMENT	100
WHEN FAMILY BUSINESSES ARE BEST	101
<b>PART III</b>	
<b>Strategies for the Family and Business</b>	<b>103</b>
<b>5 Family Strategy: Planning the Family's Participation</b>	<b>105</b>
THE SINATRA "FAMILY BUSINESS"	106
THE ADVANTAGES OF FAMILY PARTICIPATION	107
MANAGING GENERATIONAL TRANSITIONS	108
FAMILY OWNERSHIP ROLES	118
FAMILY LEADERSHIP ROLES	127
THE WATES GROUP: DEVELOPING A NEXT-GENERATION LEADERSHIP STRATEGY	128
FAMILY PARTICIPATION AS A COMPETITIVE ADVANTAGE	130
WHEN FAMILY BUSINESSES ARE BEST	130
<b>6 Business Strategy: Planning for the Firm's Future</b>	<b>131</b>
UNDERSTANDING BUSINESS PLANNING	132
THE NEED FOR FAMILY BUSINESS PLANNING	134
DEVELOPING STRATEGIC PLANS FOR FAMILY BUSINESSES	139
WHEN FAMILY BUSINESSES ARE BEST	156

<b>7</b>	<b>Investing for Family Business Success</b>	<b>157</b>
	HOW DOW JONES WAS STARVED OF INVESTMENT	159
	THE INVESTMENT DILEMMA	161
	BUSINESS CAPITAL NEEDS	163
	FAMILY BUSINESS COMMITMENT AND OWNERSHIP	164
	WHEN FAMILY BUSINESSES ARE BEST	171
<b>PART IV</b>		
	<b>Family and Business Governance</b>	<b>173</b>
<b>8</b>	<b>Family Business Governance and the Role of the Board of Directors</b>	<b>175</b>
	THE CHALLENGES OF FAMILY BUSINESS GOVERNANCE	177
	THE EVOLUTION OF FAMILY BUSINESS OWNERSHIP	178
	PARALLEL FAMILY AND BUSINESS GOVERNANCE ACTIVITIES	182
	EFFECTIVE BOARDS OF DIRECTORS	189
	THE BOARD AND THE <i>PARALLEL PLANNING PROCESS</i>	190
	WHEN FAMILY BUSINESSES ARE BEST	195
<b>9</b>	<b>Family Governance: Family Meetings and Agreements</b>	<b>197</b>
	COURT ORDERS LIQUIDATION FOR CITY WAREHOUSE FIRM	197
	THE VALUE OF FAMILY GOVERNANCE	200
	UNDERSTANDING FAMILY CONFLICT	200
	FAMILY GOVERNANCE AS A TOOL FOR CONFLICT PREVENTION AND RESOLUTION	203
	FAMILY MEETINGS AS A TOOL FOR PARTICIPATION AND BUILDING TRUST	205
	FAMILY AGREEMENTS FOR CLARIFYING RIGHTS AND RESPONSIBILITIES	211
	THE FAMILY COUNCIL – PROFESSIONALIZING FAMILY GOVERNANCE	215
	FAMILY SHAREHOLDER AGREEMENTS	218
	FROM FAMILY BUSINESSES TO FAMILY OFFICES AND FOUNDATIONS	221
	WHEN FAMILY BUSINESSES ARE BEST	222

<b>PART V</b>	
<b>Family Enterprise Stewardship</b>	<b>223</b>
<b>10 The Men and Women Who Plant Trees</b>	<b>225</b>
FROM PLANTING TO PLANNING	226
STEWARDSHIP AS THE REAL MEASURE OF FAMILY BUSINESS	
PERFORMANCE	229
THE COMPETITIVE ADVANTAGE OF STEWARDSHIP	231
FAMILIES CREATE SHARED SUCCESS	233
<i>Notes</i>	235
<i>Index</i>	240

# List of Figures

1.1	The five steps of the parallel planning process	6
1.2	Globally five factors demand planning and governance to balance business demands and family expectations	9
1.3	Hierarchy of family business goals	13
1.4	The human life cycle and biological imperative	15
1.5	Family ownership is influenced by individual, family, and business life cycle transitions	17
1.6	The separation of management and ownership roles	18
2.1	The family and business planning action steps	34
2.2	Family values and business culture	35
2.3	Family and business vision	38
2.4	Family and business strategy	40
2.5	Investing human and financial capital	42
2.6	Business and family governance	44
3.1	Murugappa family values and stewardship	58
3.2	Family values and organization culture	60
3.3	Family values and family conduct	61
3.4	Family values for business strategy	63
3.5	Family values for next-generation leadership	64
3.6	Family values as social responsibility	65
3.7	Comparing family business responsibilities	75
3.8	Statements on family business values	78
3.9	Description of the 7S organization factors	80
3.10	The 7S model of organizational alignment for performance	80
4.1	Family vision as the North Star	86
4.2	Legacy-focused vision	88
4.3	Family-focused vision	90
4.4	The factors influencing family business vision	91
4.5	Family expectations	93
4.6	Family business investment strategies	95

5.1	The overlapping life cycles of two generations in a family business	108
5.2	Possible combinations of family business roles	114
5.3	Possible family and business participation	116
5.4	Help wanted: family business owners	119
6.1	Business strategy for operating units	141
6.2	The SWOT analysis of the organizational strengths and weaknesses and the environmental opportunities and threats	142
6.3	Strategic potential model of business value creation	144
6.4	Strengthening the firm's strategic position	145
6.5	How Strategic Potential influences Strategic Direction	147
7.1	Aligning the family expectations and business demands to create business and investment strategies	159
7.2	Balancing control, liquidity, and capital needs	162
7.3	Family business ownership strategies in relationship to strategic potential	165
7.4	Family investment: maximizing the overlap for three key variables	168
8.1	The founder model of governance and management	179
8.2	The phases of family ownership and governance activities	180
8.3	Governing the family enterprise: moving beyond the operating business to multiple family activities	181
8.4	Family business governance activities	184
8.5	The fundamental family business governance entities	186
8.6	Family business governance responsibilities and membership criteria	189
9.1	Preparing effective family meetings	207
9.2	Family code of conduct	209
9.3	Family agreements addressing the five generic challenges of business families	212
9.4	Family agreement questions	214
9.5	Family employee code of conduct	216
9.6	Family council responsibilities	217
10.1	Three measures of family business performance	230

# List of Tables

2.1	Business versus family planning	29
3.1	Common business family values	68
3.2	Family business philosophy as a guideline for decision making	71
4.1	Family and business activities to build commitment	99
5.1	Thinking about supporting senior generation transitions to new family roles	112
5.2	Family business career development time line	125
7.1	Family Business Investment Matrix	169

*This page intentionally left blank*

# Acknowledgments

As this book is an interdisciplinary effort, we would like to recognize the support of our teams at INSEAD and Kellogg.

The INSEAD Wendel International Centre for Family Enterprise (of which Professor Carlock is the founding director) is staffed by center coordinators Veronique Sanciaume and Nathalie Bogacz. We are also extremely grateful to the Berghmans, Lhoist, Hoffmann, and Wendel families who early on recognized the importance of our work and provided the financial support that made our research and writing possible. The support of the Berghmans Lhoist Chair in Entrepreneurial Leadership provides a strong focus on the importance of entrepreneurship, family business, and leadership to family firms.

We also appreciate the contribution of Kellogg MBA students and alumni from family businesses around the world for their inspiration and insights over the past ten years. Also, special appreciation to the more than 400 participants in Kellogg's Governing the Family Business program for their stimulation and experience.

Our family business colleagues have shared ideas, and critical insights, and provided encouragement and support; we thank them all warmly for their contributions to this book. The Family Firm Institute and Family Business Network and all the consultants and advisors influence our thinking and are important contributors to the field of family business research and teaching.

We are very fortunate to have the support of Elin Williams, who worked on the final editing of the manuscript and contributed interviews with families, Fergal Byrne who provided early research support on the book, and Professor Lucia Tepla of INSEAD who made excellent comments on the final proof. We are also happy to be working again with Stephen Rutt and his very professional team at Palgrave Macmillan.

Most of all, we would like to thank the INSEAD and Kellogg students and families from around the world who shared their stories and experiences, taking us into their lives and businesses. Our goal was

to highlight how business families successfully address their issues and challenges on both personal and professional levels. The families that attend our classes, programs, and conferences always talk about the importance of learning from other families and we hope that this book contributes to that goal.

RANDEL S. CARLOCK  
JOHN L. WARD

# Preface

Families are about caring and businesses are about money – making family business an unlikely formula for a successful partnership. Yet those are the facts, and family businesses around the world have found that parallel planning for these two often-conflicting systems is the key to family harmony and business success. *When Family Businesses are Best* is based on the parallel planning concepts first introduced five years ago in the book *Strategic Planning for the Family Business*, by the same authors. The new *Parallel Planning Process* is an improved version of a proven tool for aligning the family and business systems by linking values, vision, strategy, investment, and governance actions into a comprehensive family enterprise plan.

*When Family Businesses Are Best* is designed to be both rigorous and practical – explaining complex ideas with business-friendly frameworks and real-world examples. This book is written to help business families, and especially owners and non-executives, appreciate planning and governance concepts. It is about how successful family businesses work together, rather than providing a “how to plan” guide. The authors use interviews, research, and personal consulting experiences to develop case studies from around the world that demonstrate how successful business families turn family commitment into a competitive advantage that builds long-term value for the family, the business, and its stakeholders. The quotes highlighting the ideas and experiences of other family business owners and leaders are designed to help readers see the possibilities that exist for their own family businesses.

There are three universal challenges facing business families in the twenty-first century: first, addressing generational leadership and ownership transitions; second, engaging the family to ensure that its commitment becomes a competitive advantage; and third, aligning the family’s investment of its financial and human capital with the business’ strategy for value creation in an intensely competitive global economy. Complicating these efforts are continuous changes in the family and

business systems caused by individual life cycle events, globalization, emerging and maturing markets and firms, business complexity, changing technology, and intense competition. These forces all threaten to disconnect the family and business systems resulting in conflicts and weak performance.

As the family grows and develops and the business becomes more successful, the family needs to be proactive in its planning and decision-making – if it envisages having a continued influence and contribution. The increased complexity in both the family and the business system demands effective planning tools and models. The *Parallel Planning Process* integrates five interrelated steps: agreeing on the family's shared values; crafting a family business vision; planning for family participation and business strategy; making capital investment – both financial and human; and governing the family and the business to ensure continued successful performance.

We argue that a lack of planning for the family is a serious threat to sustaining its members' commitment – probably the most important competitive advantage of family-controlled firms. The founder-entrepreneur's commitment of talent and money is a key factor that drives all aspects of the business' early success.

Unfortunately this global commitment naturally diminishes with each subsequent generation, as the family expands and a separation of management and ownership roles occurs. It is predictable, but often surprising to a family in the second or third generation, that it should face a new set of challenges: how to share ownership among a growing number of members; how to decide who will lead the business; how to define the rights and responsibilities of family owners. If the family has not planned and made decisions together, then every family or business issue has the potential to become a family conflict. On the other hand, if there are clear agreements and plans, on employment for example, then procedure and consistency, not personalities and power, become the drivers of family interactions.

The family's contribution is fundamental to sustaining the business' competitiveness and performance. If the family wants a growing business it needs to demonstrate commitment through active participation and investment. As the business family grows and matures, its members need to transmit values that support learning in each generation. The founder-entrepreneur demonstrated commitment to the business in

every action, but this innate dedication is no longer possible by the third or fourth generation.

## OUR FAMILY BUSINESS PARADIGM

Too often the mass media and even academic literature portray family business as a flawed model that needs to be improved (economics and management) or a pathology that needs to be healed (psychology and therapy). We believe otherwise. We see the members of business families, who share the same DNA, history, and core values, as having the potential to harness emotional connection to create social, emotional, and financial value. A family's emotional bonds, can, with good communication and careful planning, become a strategic advantage and a powerful tool for building and maintaining a significant social and business enterprise.

*When Family Businesses Are Best* reflects several beliefs about the nature of family business in the twenty-first century, born out of our experience of teaching and advising families around the world. First, families are complex systems facing continuous change and renegotiation of relationships because of life cycle transitions and dynamic business environments. Second, there are three proven tools for improving family functioning and business performance: communication, planning, and governance. Third, business families need to align the family and business in an integrated fashion, as in the *Parallel Planning Process*, in order to protect family harmony and grow the business. Fourth, families who share values, and especially a strong commitment to business ownership, have a powerful advantage over their competition. Fifth, family business is a dynamic system composed of many interrelated parts, so performance can be improved by making small changes in behavior anywhere in the system.

Family business success does not happen by accident but requires a shared vision of the family as important to the business' performance – and of the business as contributing to the family's goals. Business families need not implement every idea in this book. Instead they should take small steps that will create consistent positive changes in areas that they feel are important to them.

Each family business has its own unique challenges, of course, but

when a family is committed to using its resources to exploit new opportunities then it can generate not only outstanding economic performance but also stronger bonds between family members. We are not naive enough to think that all family businesses can function at this level, but we equally do not believe that the Gucci model of family business pathology, pain, and desperation, for all its great drama, offers anything to help business families perform better or advances family business research and knowledge – apart from a model of how not to behave.<sup>1</sup> Nor does it reflect reality. We believe that the majority of business families are capable of improving their performance if they are given the thinking and tools to create new options. And our experience of working with families over the last two decades bears this out.

### THE IMPROVED *PARALLEL PLANNING PROCESS*

Sound planning, based on values and vision, leads to an effective business strategy that exploits opportunities as well as to a family guided by thoughtful and fair agreements. The *Parallel Planning Process* coordinates these two often-conflicting strategic activities to align business demands with family expectations. The *Parallel Planning Process* is a platform for family communication and shared understanding between family members and management about critical factors for long-term business growth and family harmony.

Over the last five years we have discussed our planning processes with business audiences, MBA students, executive education participants, family clients, and professional colleagues, who have offered many helpful suggestions on how to improve its effectiveness. Listening to others helped us realize that our planning concepts had to be less academic and more practitioner friendly if we wanted this book to become a part of the business family's tool kit.

A Sudanese family executive on an INSEAD program articulated this challenge when he made the following comment about our previous book, *Strategic Planning for the Family Business*, which introduced the *Parallel Planning Process*: “The ideas are great but I had to read it three times to understand them. Can't you make it more business friendly?” Another frequently heard comment was, “The book is fantastic but too Western.” The new book reflects our interpretations of these – and

many other – suggestions from colleagues and practitioners about style, layout, and cultural breadth. We also decided to focus more on the family dimension because we have observed that most family firms have sound business strategies but do little planning for family issues. While all companies can improve their business thinking, unaddressed family issues – such as fairness, the boundaries between roles, shared decision-making, and protecting relationships – are often an obstacle to business growth and continuity.

## THE AUDIENCE

We want *When Family Businesses are Best* to become a planning handbook for family businesses around the world. It offers business families a practical framework for addressing the major challenges of family businesses. The book also presents a global perspective on family firms in straightforward language, so is of value to readers from all cultures and countries.

As professors we know the challenge that undergraduate and MBA students face in exploring a topic like family business in the classroom setting. This book is multi-disciplinary because family business thinking crosses the functional organization of most business schools. We hope this book and its case studies will help the academic community teach the challenges of business families from many different learning perspectives. The book is also designed to support executive education for business families, because it offers a real perspective on both family and business topics with added academic rigor.

Advisors and consultants to business families are another important audience for this book. Our work with professional organizations such as the Family Firm Institute, which has developed training and certification courses for family and wealth advisors, has reinforced our awareness of this large professional group and of the relevance of our ideas to the very important work that they do.

## A GLOBAL PHENOMENON

Family business is the predominant form of commercial organization around the world. It is a global phenomenon. Family businesses share

very similar challenges and concerns no matter what part of the world they come from. At a recent family business workshop for senior family leaders the participants were asked to identify the “issues that keep them up at night.” The list is below. Can you tell if it was written by business families from Africa, Asia, Asia Pacific, Europe, the Middle East, North America or South America?

- parental interference
- board membership/selection
- fairness in family dealings
- family communication
- dividends versus investment
- gender and cultural values
- inheritance and ownership
- family values and behavior
- business competence
- family participation
- family influence on decisions
- the role of advisors
- non-family executives
- ownership succession
- personal versus business needs.

Business families speak a shared *family business language* based on similar goals and experiences that allow them to consider the menu of ideas available and then select what is workable in their cultural and social context. Very seldom can you put a group of people from around the world in a classroom and, after just a few minutes, watch them share their successes, coach each other on their challenges, and most importantly, learn from each other on both personal and business issues. This insight is reflected in this new book. Moreover, studying business families across cultures provides a rich learning experience that challenges family members to think in different ways. Focusing on business families that are too similar means that many exciting new possibilities remain invisible.

Gender is an example of a topic that demonstrates our cross-cultural approach perfectly. Many of the best discussions we have heard about gender have been in Asia and the Middle East, where the overlap with

business issues can be particularly complex. The West may talk a good game but men usually still dominate its boards and senior management teams. It would therefore be foolish to offer global guidelines. Our solution to culturally based issues is instead to offer globally applicable tools – like *Fair Process* – and examples of business families that have made them work in their own cultural setting.

## A ROADMAP FOR OUR READERS

This book is separated into five parts that combine to provide a comprehensive approach to thinking about and planning for the future of a family business. The first part of the book starts with a review of the structural issues that challenge family businesses and then explains how the *Parallel Planning Process* addresses these challenges. The remaining four sections cover values and vision, strategy and investment, governance, and stewardship. Our intention is to offer a planning scheme that integrates human concerns, business planning, and investment decisions based on stewardship that supports a successful family enterprise. Success is measured as value creation for the family and all its stakeholders.

## PART I: WHY GLOBAL BUSINESS FAMILIES NEED PLANNING

Chapter 1 explores the unique landscape shaped by the overlap of the family and business systems, family and business life cycle changes, and conflicting goals. The importance of planning in aligning the family and business and in developing strong family commitment is a central theme. We also stress how future generations need to plan in order to develop skills, knowledge, and behaviors that were intuitive to the founder. The Bancroft family and Dow Jones are discussed to show the consequences of avoiding strategic planning and of ineffective family and business governance.

Chapter 2 introduces the new *Parallel Planning Process* with its improved focus on five interrelated action steps: values, vision, strategy, investment, and governance. Cargill, the world's largest private family business, is used to demonstrate how the *Parallel Planning Process* has

helped the Cargill and MacMillan families develop an entrepreneurial commitment that has maintained growth and continuity of family ownership.

## PART II: CREATING HUMAN MEANING

Part II is an exploration of social issues, starting in Chapter 3 with a discussion of how family values and business culture create the basis for a family's planning and actions. The family vision then becomes the roadmap for the family's contribution to becoming a competitive advantage.

Chapter 4 considers how the family's vision is the basis for the family's relationship with the business and its stakeholders. Business families must share a vision that articulates the family willingness to invest the family's human and financial capital – as stewards of the family legacy.

## PART III: STRATEGIES FOR FAMILY AND BUSINESS

Chapters 5 and 6 explore the strategic planning processes required to develop family leadership and ownership – and to craft a sound business plan that exploits the firm's strengths and opportunities.

Chapter 7 describes how the business planning process defines the firm's *Strategic Potential*, which is then matched with the family's commitment as a basis for making investment decisions. The chapter offers a *Family Business Investment Matrix* to help owners consider their investment decisions in a logical and structured manner.

## PART IV: FAMILY AND BUSINESS GOVERNANCE

The two chapters in this section explore governance and the integration of family and business decision-making and accountability. Chapter 8 provides an overview of governance and examines how the board of directors is a partner with management and owners in strategy development, decision making, and accountability. Chapter 9 explores family governance, including family meetings, sound family agreements, and

addressing conflict. Family and business governance are the critical factors in ensuring that the family and business plans are aligned and effectively implemented.

## PART V: FAMILY ENTERPRISE STEWARDSHIP

The final chapter discusses how the family's stewardship of its enterprise supports the family's legacy. We use a French short story, "The man who planted trees," to demonstrate stewardship values and actions. We examine each of the five *Parallel Planning Process* steps and discuss how – when properly implemented – they help a family-owned enterprise to create value across a range of family activities. This short section is inherently about how a capable and entrepreneurial family team, who share values and a vision of where they are going, is the key to family enterprise growth and ownership continuity.

## CONCLUDING THOUGHTS

We believe that the five action steps of the *Parallel Planning Process* offer a logical template for any business family engaged in planning at any stage of business or family development. The twenty-first century is a new era of global opportunity for human creativity – particularly for family businesses. We believe that the best professional practices of successful family enterprises can provide lessons for the entire business community. Business families have a competitive advantage when they align the planning processes for their families and businesses to make both more professional and mutually supportive. We know this advice may appear counter-intuitive but our experience shows that professionalizing the family – not just the business – supports harmony, trust, and stronger personal relationships.

This book reflects our values as teachers and advisors to business families, which include the importance of learning together. Family business is not about statistics and analysis, but rather it is about understanding the motivations and experiences of successful families – whose perspectives and experiences we share in each chapter. We hope that we have captured what business families and our colleagues have taught

us. But most of all, we hope that our insights inspire a whole new set of families to go out and prove that family businesses are best.

RANDEL S. CARLOCK  
PARIS AND SINGAPORE

JOHN L. WARD  
CHICAGO

SEPTEMBER 2010