

FAMILY BUSINESS ALIGNMENT PROGRAM

DWT's Family Business Practice is pleased to offer a fixed-priced Alignment Program that assesses the current status of a family business' organizational structure and succession planning. The goal of the Program is to develop a detailed plan to ensure that the business and the family are positioned to succeed in the future.

Often, a family business and the number of family members participating in it (or expected to participate in it) outgrows the business' organizational structure and plan for succession. Sometimes, these key components conflict with current goals or no longer reflect economic or practical reality. Sometimes, these components simply do not exist. Almost always, these components are not clearly defined or well-communicated. Any of these scenarios creates unnecessary risk to the business if it were to face a sudden event, such as the death, divorce or disability of a key owner or manager, or a significant economic downturn.

Our Alignment Program analyzes how the various aspects of management and ownership mesh with short- and long-term goals. The Program spurs a larger discussion around succession planning, family member employment, ownership transfer, and other topics critical to the success of a family business.

Succession planning is a continuing process. Our Program involves bringing together all of the pertinent information and discussing the interests, goals and challenges of family and business members. We conclude with a detailed plan for future action.

The Program is individually tailored to the special characteristics of each client. The Program typically includes the following:

Step 1. A preliminary meeting with a small group of key players, typically the major owners and top managers of the business. The goal of this meeting is to gain a basic understanding of the business, the family, and their overall values. This meeting sets expectations and goals for the steps that follow.

Step 2. A high level review of business organization documents, estate planning documents, real estate holdings and other key assets, financial statements and insurance policies by our business and estate planning lawyers. This step helps to understand the present ownership structure and to evaluate the present estate and succession planning efforts. During this stage, we begin to identify key areas for improvement and begin outlining a legal strategy that aligns these family and business goals.

Step 3. A series of one-on-one meetings with key stakeholders. Depending on the circumstances, these meetings could include members from one or more generations, owners, management, and/or spouses of owners and managers. The goal is to develop open communication toward the creation of a shared vision for success. Often times this process identifies areas of conflicting expectations. Prior to these meetings, each stakeholder is asked to complete an assessment questionnaire.

Step 4. DWT lawyers then report back to the family and management the results of our review and discussions, focusing on goals, challenges and expectations, and ways to mesh the present or intended company structure with estate and succession planning efforts. We identify shared and conflicting values and concerns. During this meeting, we discuss the timing, priority and responsibilities for future action. We help develop agreement around short- and long-term initiatives and help establish milestones and responsible persons. We commonly include a high level estate tax assessment of the current plan or situation, showing projected tax and other impacts of the death of one or more owners.

Step 5. As a follow up to the meeting in Step 4, we present a prioritized outline of legal and business actions to further ensure alignment among the various aspects of the family business. This outline helps the family and business develop a two-to-five year roadmap to address the key issues.

To learn more about this Program, please contact Bill Weigand at billweigand@dwt.com or 206-757-8164.