



BEST SUCCESSION MANAGEMENT PRACTICES (BSMPS)

Business Communication

Best Succession Management Practices (BSMPs)

AREA OF CONCERN: BUSINESS COMMUNICATION	BEST SUCCESSION MANAGEMENT PRACTICES
<p>Our family has not developed a Code of Conduct for the family business.</p>	<p>One tool that can help improve business communications is written policies.</p> <p>These include documents such as: a constitution or bylaws, powers of attorney, standard operating procedures, and an employee handbook.</p>
<p>Our family has established some informal business policies, but they are not documented.</p>	<p>A Code of Conduct can establish the rules and policies that help guide family members in their personal, business, and family relationships.</p> <p>A Code of Conduct may include details such as:</p> <ul style="list-style-type: none"> • Employment criteria • Compensation guidelines • Exit strategies • Conflict resolution process • Distribution of profit policies • Vacation/Leave policies • Loan policies
<p>Our family has established a formal written Code of Conduct for the business.</p>	



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We do not conduct meetings with family members who are involved with the business.	Lack of effective communication among family members is the root cause of most family business failures. Family members need to know and understand their family attributes, values, and expectations as they relate to the current and future management and ownership of the business.
We have conducted some meetings with family members involved in the business, but not on a regular basis.	Family business meetings are held monthly or as otherwise appropriate to discuss: <ul style="list-style-type: none"> • Roles and responsibilities of family members • Interactions between family and the business • Ownership of the family farm • Business issues that affect the family and family issues that affect the business
We conduct regular meetings with family members involved in the business.	Used as a forum for open and honest discussion by family members involved in the business.



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We do not conduct meetings to communicate with the extended family about the business.	<p>Family Council meetings are held annually or as otherwise appropriate to allow all family members an opportunity to learn about the family business</p> <p>Used to inform all family members of family business-related issues.</p>
We have conducted meetings to communicate with the extended family about the business, but not on a regular basis.	<p>Address family issues that impact the business and business issues that impact the family.</p>
We conduct regular meetings to communicate with the extended family about the business on a regular basis.	<p>Include spouses, in-laws, children, grandparents, grandchildren, etc., as appropriate.</p> <p>Used as a forum for open and honest discussion by all family members.</p>