



Money and Meaning

By David Lansky

Family Meetings: Some Guidelines

The man sitting across the table from me was a financial planner who had agreed to the request of a valued client to meet with his children who were feuding over the family business. My colleague was seeking advice on how best to facilitate the meeting. "Well," he said, "I've reviewed the company financials, as well as the financials of all four children and their spouses, and it just doesn't make sense for them even to contemplate breaking this business apart. So I have a meeting scheduled in two days with all ten family members." "So, what's your plan?" I asked. "Well, we're going to meet." "And then what?" I persisted. "We'll discuss the situation, iron out the conflicts, and get on with things. It shouldn't take too long. They're all rational people."

If only all family meetings could proceed in the way that my colleague anticipated!

Family meetings can serve as a valuable tool in the financial advisor's toolbox: as an opportunity to create a unifying mission statement regarding a family's wealth; as a vehicle for communicating an estate plan to family members; to create investment strategy for a family foundation; to explore, share and teach values; to convey expectations; or to resolve family conflict.

As any tool, family meetings can be productive when implemented properly or they can be risky—even destructive—when improperly employed. One advisor told me that he once called a family meeting in order to convey his clients' estate plans to their children; in the middle of the meeting, their oldest son stood up and announced to the family that he had no interest in the parents' money and that he was moving to New York to get a sex change operation! Needless to say, this meeting did not conclude as intended.

Every meeting can be viewed as having two communication components: content and process. The

content of a meeting refers to the "what," the subject matter that is discussed: the estate plan, the investment strategy or the family conflict issues. The *process* of the meeting refers to the "how" of the meeting: how people are communicating, how they treat each other or how they listen. An effective facilitator needs to attend to both, the content and the process. Attending to the content ensures that you will stick to your agenda. Attending to the process ensures that you will be tuned into underlying factors that may enhance or detract from the meeting's success: Is Dad angry with son? Are the siblings cooperating?

Family meetings differ from other business or advisory meetings in two fundamental ways: First, families evolve their own world view based on a uniquely experienced history which can easily be misinterpreted or misunderstood by third parties. Families have a language of their own—there are certain "code words" or stories that will elicit a reaction from family members that may seem incomprehensible to a third party. Therefore, a substantial period of each meeting should be invested in "joining" with the family—observing the process, what the family mood is—and helping family members to feel comfortable with you and with each other. The second unique quality of family meetings is that because of their history with each other; family members' emotions are easily triggered in the family milieu. As a result, successfully conducting such meetings requires a level of interpersonal facilitation skill that is acquired through a great deal of experience and training. The facilitator should be able to help others stay calm and

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focused to the extent possible. If tension does arise, the facilitator should understand that merely getting emotions out is not a successful strategy for dealing with conflict. Emotions need to be expressed, but the facilitator must be skilled enough to assist some individuals to clearly express their emotions while helping others to listen.

With these caveats in mind, for advisors or family members who are inclined to facilitate a family meeting, I recommend adhering to a set of guidelines to maximize success:

- I call my first guideline “David Lansky Rule Number 1”: *Never have a family meeting if you don’t know what the outcome will be.* Of course, this is a little tongue in cheek, because you can never know what the future actually holds, but you *should* do everything you can to guard against surprises. For me, this means conducting individual meetings with all key parties prior to the group meeting to determine their agendas, key issues and possible underlying emotions or conflicts.
- The organizer should be clear about the purpose of the meeting. Take some time to think about the end that you would like to see accomplished. I use the “Miracle Question” for that purpose: “If the meeting accomplished everything you could possibly hope for, what would that look like?”
- Family meetings usually constitute a step in an ongoing process—don’t look at your first family meeting as having to accomplish all possible goals. Set small attainable goals for your first meeting, and explore meeting again in order to pursue other goals.
- Always schedule the meeting for a fixed period of time, use an agenda and *stick to your agenda*. The

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meetings should be held in a comfortable, neutral location, away from work and everyday demands.

- Appoint someone to take notes.
 - Use a formal set of ground rules to guide the interaction. You can distribute the ground rules during the meeting. (A complete set of ground rules is available from *Family Business Innovations*.) These ground rules should include an agreement to listen well to each other, to not interrupt, and to demonstrate respect toward people even though you may not agree with them.
 - Understand the difference between *consensus* and *agreement*. I have seen many misunderstandings and much conflict develop from the incorrect idea that “we must all agree in order to pursue a course of action.” To the contrary, we don’t have to see things the same way (agreement) in order to concur on a course of action (consensus).
 - In order for the meeting to be valuable, there must be considerable trust and positive intentions among people who are in attendance. One way to establish trust is to make the first meeting an opportunity for everyone’s voice to be heard. If attendees can leave your first meeting feeling listened to, you are on the way to building trust.
- These guidelines for structuring a meeting are simple and straightforward, but *do not underestimate the value that structure brings*. While the *initiative* for having a family meeting should come from members of the group, the *structure* must come from the organizer—it takes discipline to stick to your guidelines, but straying from them will reduce the likelihood of accomplishing the goals that you set for yourself. And by the way, good luck!