



Family Board Meetings: The Keystone to Your Family Business Succession Process

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Sustaining the Family Owned Dealership is a labor of love. It offers the family the unique opportunity of maintaining both a professional and personal relationship not available in any other business enterprise. However, it can create a hostile environment where family members are torn apart and become bitter enemies. The corporate landscape is littered with examples of failed family businesses, with many that end up in legal and public battles. It can be difficult for any family-owned business to successfully pass from generation to generation. Why?

The Family Owned Dealership compiles complex family and business relationships that are interdependent with one another, but may lack a formally guided process of succession.

The Family Board is a tool which can foster a cooperative, harmonious and growth-oriented environment for the family business, which many manufacturers support. With a Family Board, no one family member has to have majority voting control. Benefits of the Board can include the following:

- Creating a forum where all members (active or inactive) have a voice in the company's future.
- Utilizing a formal agenda to discuss business and family issues.
- Beginning a formal process to train successors.
- Addressing management and compensation issues for all family members.
- Using a Family Charter to establish rules through which future generations may be invited to work in the business.
- Creating an Emergency Action Plan to address important issues in the event the Dealer Principal passes away.

Managing the different domains of family, business and ownership can be a challenge. They each have their own set of roles and relationships and often demand a level of interdependence that can seem impossible at times to achieve. With each domain demanding different measures of success, it can be hard to determine which takes priority over another. Separating the board room from the family Thanksgiving dinner table becomes a constant challenge.

Creating a **Family Board** can improve the chances of survival for a business passing from one generation to the next. It allows multiple heirs to work in a professional business environment, foster strong communication and an openness to share ideas. Many manufacturing companies have used Family Boards in seeking to minimize family conflict and promote strong leadership skills within the organization. A Family Board helps provide key strategies for the family, the business and the manufacturers. ♦

Both Roy Dixon and Gregory Armstrong co-founded Armstrong Dixon in 2013. Armstrong Dixon specializes in the areas of advanced Succession Planning, Estate Planning, and Risk and Wealth Management Planning. Greg and Roy have a combined experience of 40 years in the financial industry and have both been featured speakers and presenters for National Automobile Dealers Association (NADA). Roy began his career in 1986 but previously had a distinguished career in the United States Army and was asked to teach at the United States Military Academy at West Point. Greg serves on the Maryvale Preparatory School Board of Directors and recently chaired the annual golf outing for Mt. Washington Pediatric Hospital and started his career in 2004. Both Greg and Roy live in Baltimore area suburbs and proudly work in Mt. Washington community of Baltimore City. Contact Roy Dixon at 443-563-1112 or rdixon@armstrongdixon.com. Contact Gregory Armstrong at 443-563-1113 or garmstrong@armstrongdixon.com. www.armstrongdixon.com

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