Eleven Best Practices of Successful Family Businesses

The Family Business Alliance has been proudly serving family businesses in Northeastern Pennsylvania for over eighteen years. The FBA holds a rich history that consistently monitors trends and research of family enterprise. We have compiled a list of the eleven best practices of successful family and privately held businesses. These best practices are easily recognized, however, they may become challenging to implement successfully.

1. Foster a family culture of healthy communication and conflict resolution that builds trust and harmony for all family members.

2. Articulate a clear written family business philosophy, resulting in a family charter that outlines policies concerning employment, ownership, compensation, management, conflict resolution, and personal and corporate responsibility.

3. Develop, regularly update, and communicate a business strategic plan, with continuous measurement of the strategy including results that can be used to successfully monitor the business on an ongoing basis.

4. Cultivate and execute an employee performance management system including accurate, up-to-date job descriptions, agreed upon goals, and timely, truthful feedback for both employees and family members.

5. Identify and prepare next generation leaders by implementing training and leadership development plans for key positions and possible successors.

6. Establish either a board of advisors or board of directors that includes non-family members.

7. Construct contingency and estate plans that address the organization’s response in the event of disability, death or voluntary resignation of owners and key officers.

8. Create retirement plans of owners that address lifetime security of owners, including a continual challenge for retired owners.

9. Experience continuous financial success over time in terms of sales and profit growth.

10. Craft an active and functioning family council that serves the purpose of communicating company and family issues.

11. Embrace, encourage, and celebrate family, company, and individual community service.