

Addressing Multigenerational Success with Family Meetings



Succession planning is crucial for both businesses and families to ensure long-term success. Wealth management should extend beyond financial aspects to include preparing heirs and passing down family values. At The Summa Group, we recognize the growing interest among our clients in expanding the succession planning process to foster individual happiness and family cohesiveness.

Why are family meetings important? A study by the Williams Group revealed that trust and communication breakdowns, rather than high taxes or poor investment advice, are the primary reasons for intergenerational dissipation of wealth. Family meetings provide a structured platform for addressing these issues and promoting open dialogue among family members. By fostering communication, family meetings can:

- Transmit purpose and values
- Educate about financial matters
- Strengthen family bonds
- Hold family members accountable
- Share news, concerns, opportunities, and challenges
- Facilitate collective decision-making
- Demonstrate positive leadership behaviors

Overcoming Obstacles to Family Meetings

While some individuals hesitate to have family meetings due to concerns such as privacy, judgment, or potential conflicts, the benefits of these meetings outweigh the risks. It is essential to define the goals you wish to achieve and maintain a focused approach throughout the process.

The Family Meeting Process

Once you've determined that the benefits of family meetings are worth pursuing, it's time to plan and execute them effectively.

While each family's meetings will be unique, a general structure for success includes:

- 1 | Developing and formalizing values and goals through a meeting with the heads of the family.
- 2 | Calling a large family meeting to communicate and refine those values and goals. This meeting will establish a governance model to organize future meetings and decision-making.
- 3 | Conducting ongoing meetings, which may involve spouses and young family members, to educate and put the values and goals into action.

The First Meeting

Developing Values: Before effective communication can occur, it is crucial to determine the values you wish to convey. Collaborating with experts like family meeting consultants or wealth psychologists can refine your attitudes, beliefs, and messages about money, family, and philanthropy. By establishing values that address common concerns, such as financial responsibility, education, and transparency, you lay the foundation for successful communication across generations.

The Second Meeting

Communication and Governance: The second meeting introduces the concept of family meetings to all attendees and communicates the established values. It is essential to provide context and origin for these values, fostering understanding and buy-in. During this meeting, the family can develop an overarching mission statement and create a governance model to guide ongoing meetings and decision-making. The governance structure may include a family council, family assembly, and family committees.

Ongoing Meetings

Education and Values in Action: Regular family meetings become a tradition and offer an opportunity for disciplined wealth stewardship, education for future generations, and the expression of family values. These meetings require thorough preparation, including addressing financial matters, historical and current family issues, and one-time educational presentations. By involving family members and non-family advisors, you can foster respect, open dialogue, and accountability.

Proper succession planning and open communication play a vital role in preserving the success of businesses and families. Family meetings provide a deliberate framework for multigenerational communication, ensuring a lasting legacy. At The Summa Group, we are dedicated to supporting our clients in navigating the complexities of wealth management and creating a prosperous future for generations to come.

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