



KEY ELEMENTS OF A FAMILY BUSINESS CONSTITUTION

A family creates and uses a living document, the family constitution, to guide how they work together. It serves as a platform for decision making in their family enterprise. The constitution defines their shared goals, lays the foundation for cooperation, outline roles, help navigate difficult choices, and prevent or resolve conflicts, ultimately preserving the family's core values and ensuring the enterprise's future.

VISION STATEMENT

- What is our ultimate aspiration for the business (Think Big and Long Term)
- What impact do we want to have in our customers, our employees, and community?
- What is the legacy or future that we want to build as a family?
- Combine the above into a clear and inspiring Vision Statement.

MISSION STATEMENT

- What are the products or services that we offer?
- What are our processes and/or approach?
- What is our commitment to community?
- How do we involve and value our family and employees?
- Combine the above into a clear bulleted Mission Statement.

VALUES

What are the non-negotiable principles that have guided are behavior and our decision making? Create a bulleted list of the values that define how you have operated. For each value, provide a description of what it means to the business.

Gather family members to discuss, review, and refine. Share the vision, mission, and values document with employees, customers, and other stakeholders. Refer to these statements to guide decision and actions.

ROLES AND RESPONSIBILITIES

Consider the skills, interest, aspirations of each family member and assign roles based on merit.

- Owner(s)
- Operator(s)
- Shareholder (Voting and Non-Voting)
- Board of Directors
- Committee Members

Your family constitution is designed to grow and change with your family. Use this outline as a basic guide, but remember that the uniqueness of your family will result in a distinct and personalized document.

To run a family business, you gotta be All In.

SUGGESTED POLICIES

- EMPLOYMENT
- NEXTGEN EDUCATION
- COMPENSATION
- BUY-SELL PROCESSES
- INLAW OWNERSHIP
- DISTRUBTIONS
- SUCCESSION PROCESS