

# Transition Planning

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## From Family Business to Financial Family

Bashaw Group, Inc.

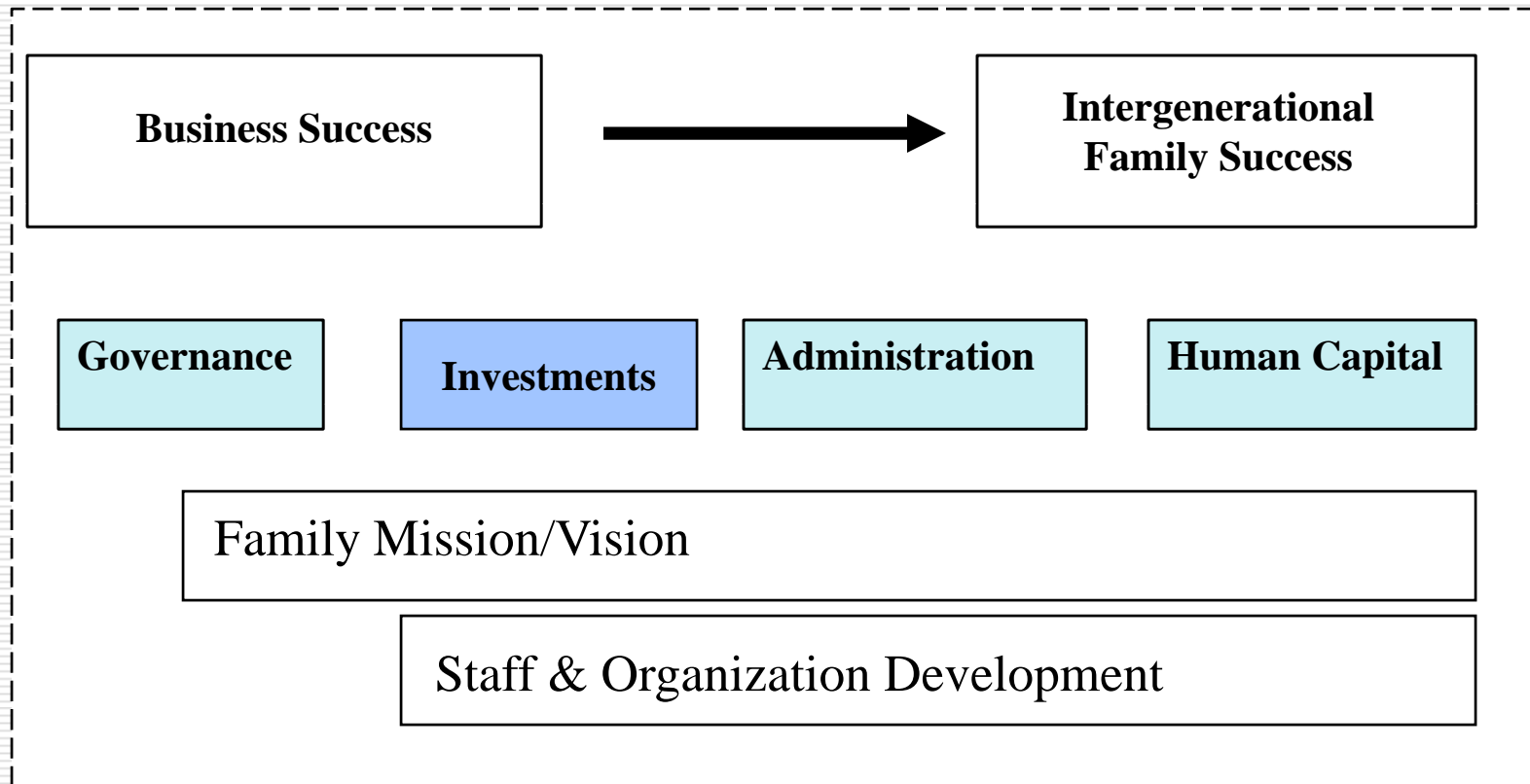
# Bashaw Group, Inc.

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- Advisor to Family Businesses/Family Offices
- Ben Oehler, founder of Bashaw Group
  - Retired President of Waycrosse, Inc
    - Family Office for the Owners of Cargill
    - Cargill - largest U.S. Family Owned Business
    - Family owned business for over six generations
  - Expertise
    - Corporate Finance
    - Corporate Governance
    - Investment Management
    - Counseling/Group Facilitation
    - Adult Education

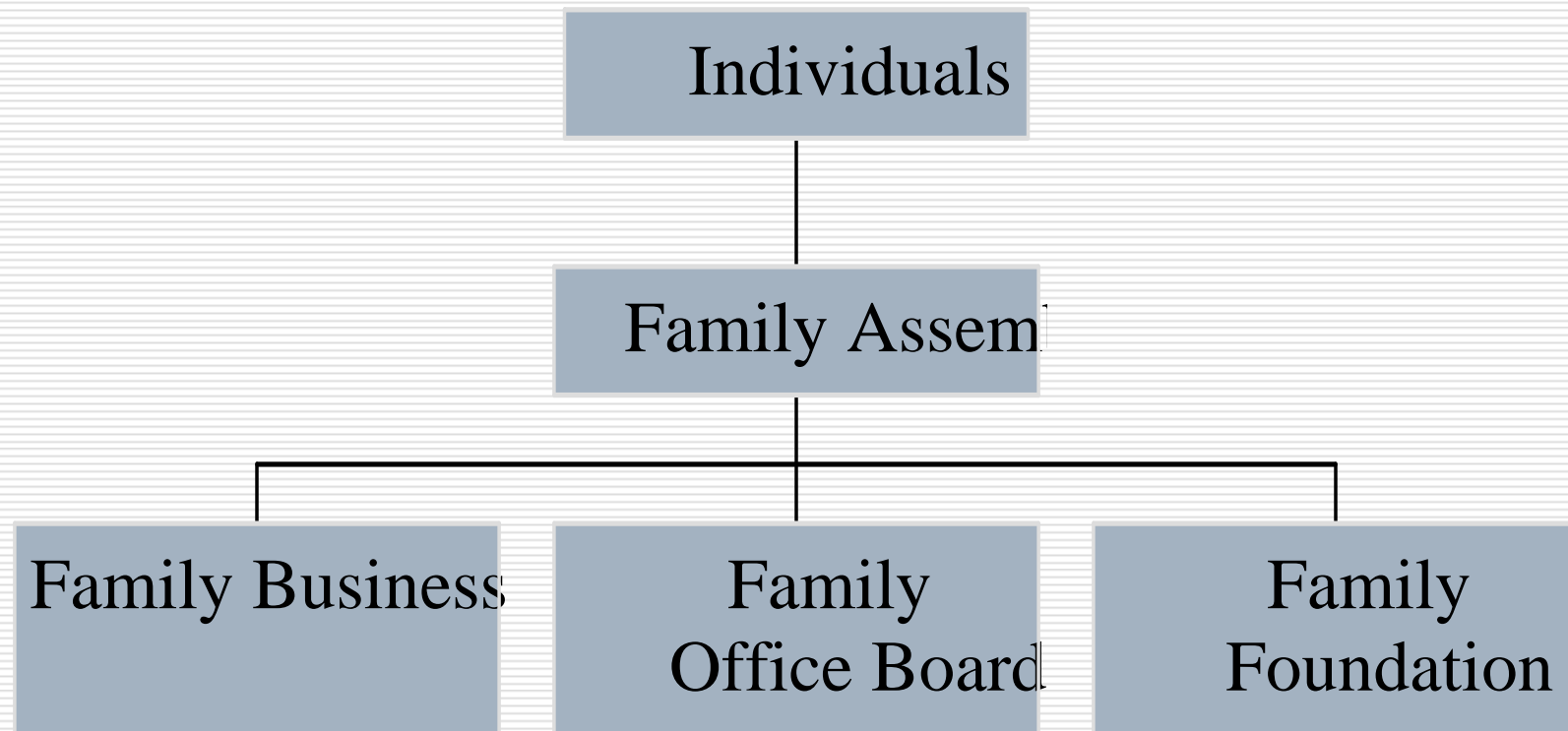
# The Challenge Ahead

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# Long-Term Vision of Family Structure

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# Family Office Services

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- Financial planning & investments
- Tax & estate planning
- Trust & custody services
- Bill paying, accounting, HR services
- Asset protection: insurance & legal
- Education/family meetings/philanthropy
- Family governance
- Assistance with business issues:
  - Corporate Portfolio Strategy
  - Tax Sensitive Distributions/Exit Liquidity
  - Cross Border Tax Considerations
  - Global Estate Planning Opportunities

# Out-sourcing vs. In-House

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## Most Services Can be Outsourced:

- Investments
- Accounting
- Tax Preparation
- Estate & Tax Planning
- Foundation Management
- Strategic Planning Support
- Communication support & facilitation

## Others Can NOT be outsourced:

- Family Vision
- Family Governance
- Family Communication

KEY: Finding the right balance of in-house versus out-sourced to optimize the resources & vision of the family

# Family Vision

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## Value Orientation

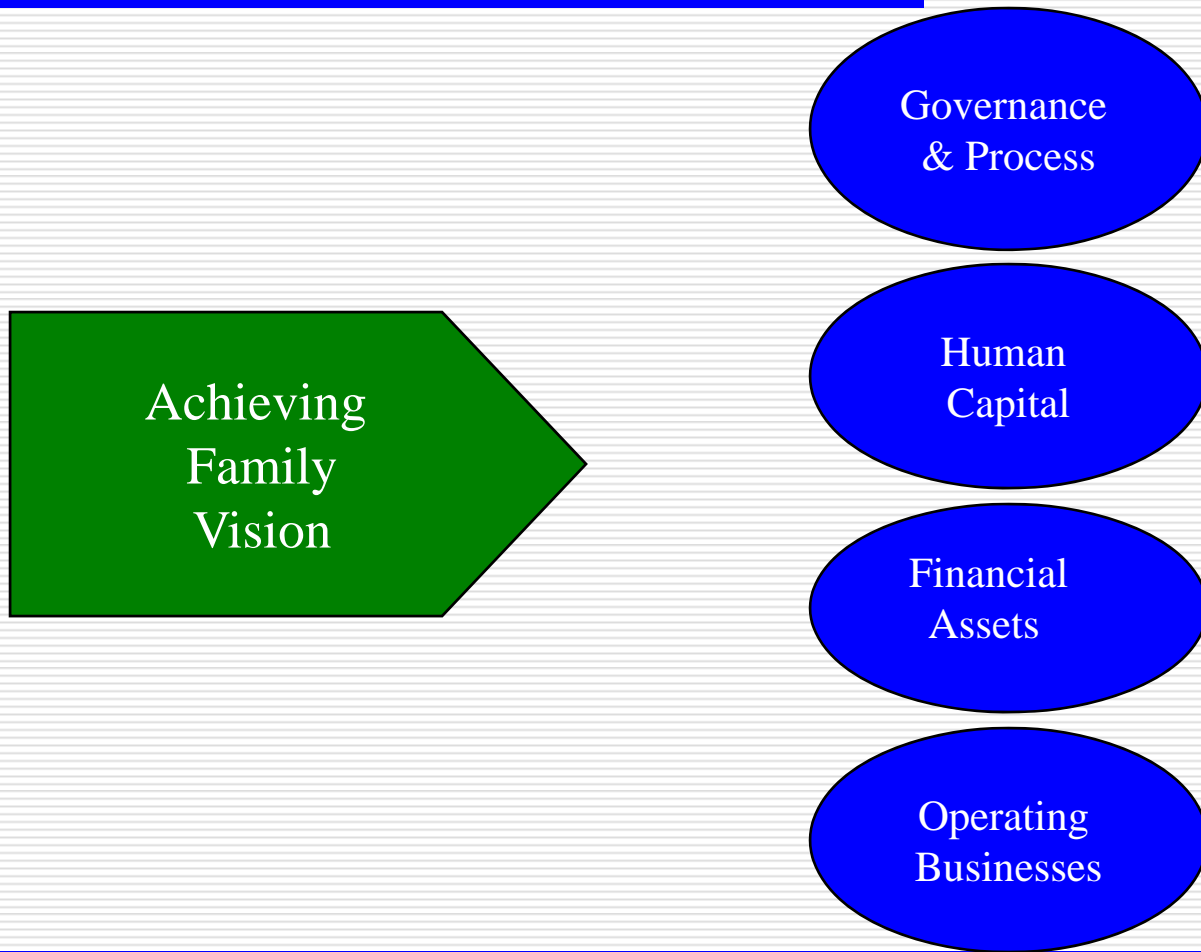
- Problem Solving
- Job Creation
- Community Building
- Creating Legacy
- Spiritual Returns
- Contribution to Society

## Investment Orientation

- Numbers Oriented
- Return on Investment
- Dividends
- Personal Financial Needs

# Navigating Key Points of Risk

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# Family Governance

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## Success Starts With:

- A Commitment to a Shared Dream or Vision

## But Must Include:

- Educated Family Members Who Understand Their Role
- A Family Decision Making Process
  - Often a Family Council or Shareholder Council
  - Entry & Exit Policies
- An Effective Board of Directors
- Executives: Who Understand & Respect the Family
- Commitment to Stewardship

*Source: Ivan Lansberg*

# Nurturing Human Capital

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## Goals:

- Building a Communications Structure
- Expanding the Knowledge and Skills of the Next Generation
- The Slow Process of Brewing a Culture of Effective Group Decision Making
- Enabling the next generation to experience and deepen their sense of “Affinity”

# Building a Communications Structure

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## Contact Needs to be:

- Regular
- Interactive
- Fun
- Relevant

## Focused on Building Relationships:

- Individual to Individual
- Individual to Family
- Family to Business
- Building Trust
- True Two-Way Exchange

# Building a Decision Making Process

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Every part of the communication process should Encourage and Model *Good Process*:

- Inclusiveness
- Fair Process
- Mutual Respectfulness
- Trust in Others
- Valuing the Perspective of Each Person

# Shareholders/Beneficiaries:

## Roles & Responsibilities:

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- Have a Reasonable Understanding of:
  - Family History
  - Family Values/Mission/Vision
- Be a Healthy Individual:
  - Good sense of self
  - Empowered to achieve personal goals
  - Finding ways to serve the world
- Use Your Unique Strengths to Contribute to the World:
  - Earning a Living
  - Meaningful Relationships
  - Learning/Growing
  - Leaving a Legacy (Size doesn't matter)

# Family Business Transition

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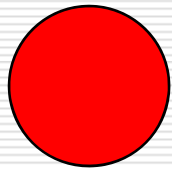
Small/Concentrated  
Group of  
Owner/Managers

Large/Diverse  
Shareholder  
Group

# Developmental Model

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## Ownership



Sole Entrepreneur

Sibling Partnership

Cousin

Consortium

## Business

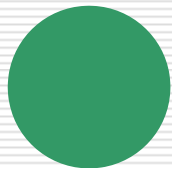


Start-Up

National  
Markets

Global Enterprise

## Family



Single Family

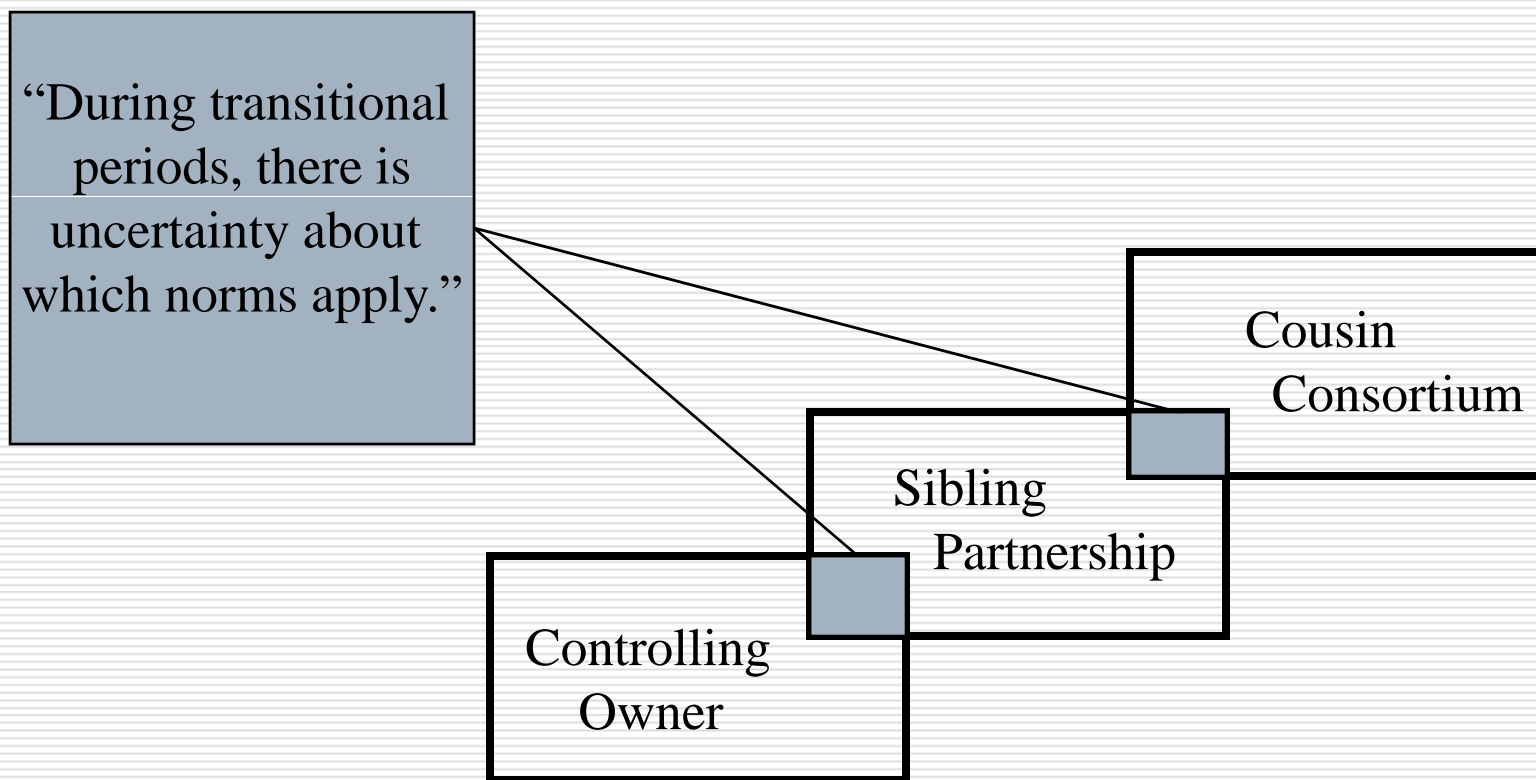
Growing Families

Complex &  
Diverse

Source: Lansberg, Gersick, et al.

# Transition Periods

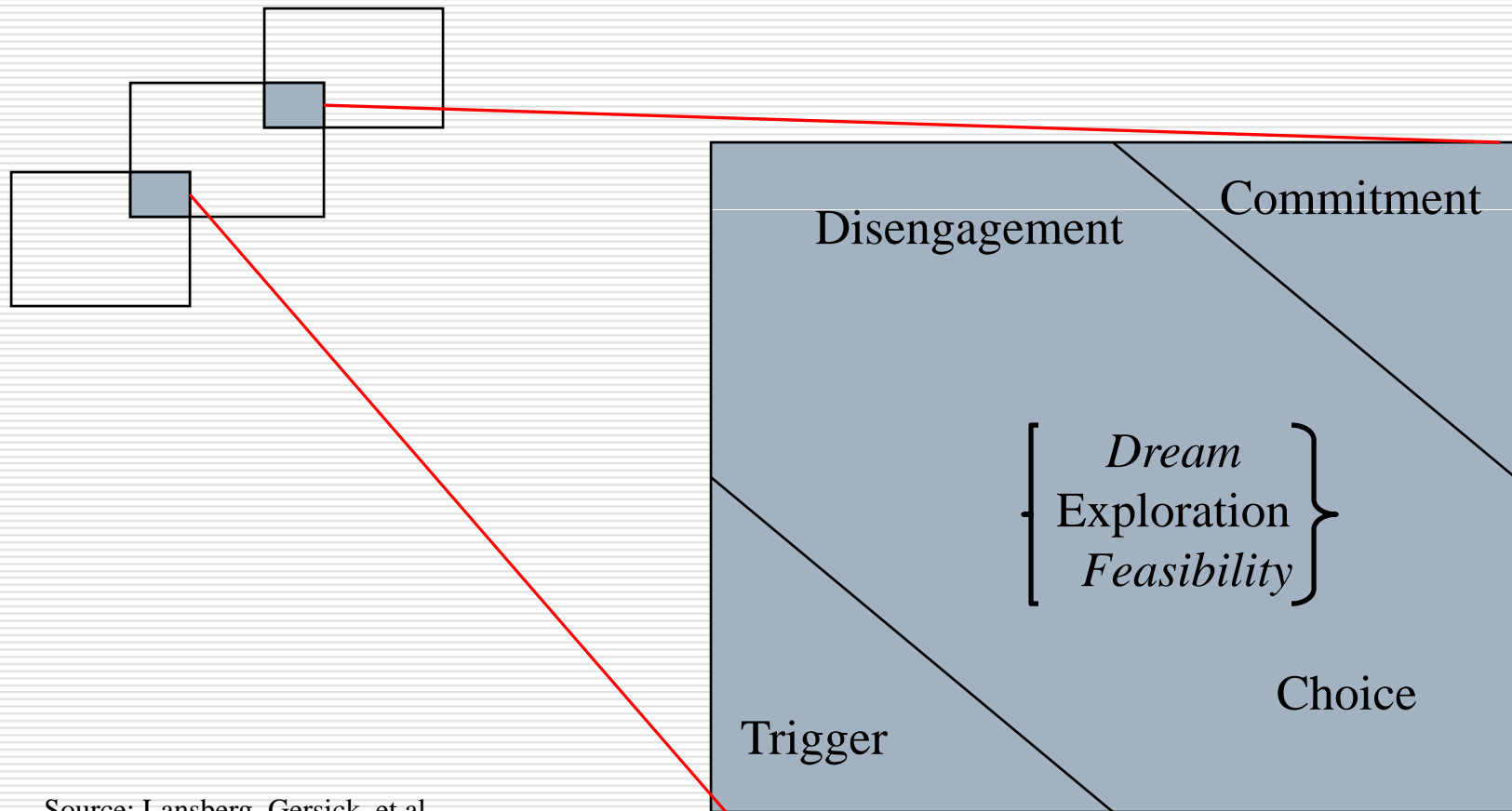
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Source: Lansberg, Gersick, et al.

# Phases in Transition

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Source: Lansberg, Gersick, et al.

# Transition Periods & Triggers

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- Radical Change can be triggered during these transition periods
- The challenge is to arm each generation with the intellectual and emotional tools they will need to navigate critical transition periods

# Long-Term Wealth Preservation

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“Each successive generation must reaffirm its participation in...a system of representative governance through which it actively practices its values.”

- Jay Hughes

# Elements of Integrated Planning

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- Goal Setting
  - For Family Leader personally
  - For the Company/Family Office
  - For the Shareholders/Family Members
- Analysis
  - Steps to achieve goals
  - Role clarity: who does what
  - Timing
- Execution & Review
  - Orchestrate key meetings
  - Involve key stakeholders
  - Identify external experts where appropriate
  - Monitor implementation steps

# Bashaw Group, Inc.

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