

Is a Family Meeting Right for You?

Do your children have the financial knowledge to manage wealth?

Is your family at risk of losing its roots and traditions?

Do members understand the family's wealth plan?

Is your family prepared for inevitable changes?

Knowing that your assets are earning superior returns is important, but it's not everything. Family wealth extends far beyond financial figures to include family values, traditions, and the diverse qualities of each member. The ultimate objective of many wealthy families is to create a cohesive and lasting legacy that survives multiple generations. It's a lofty goal, but it's achievable.

In our experience, successful families have united themselves in a common purpose and vision for the future. An effective means for doing so are family meetings. These gatherings of at least two generations provide a forum for laying the groundwork of an enduring family legacy.

Bessemer Trust has the experience to lead your family through the process of a family meeting. Our Family Wealth Stewardship program has identified three types of family meetings.

Education Meetings. These gatherings focus on preparing the next generation by providing them with the knowledge and tools they will need to manage wealth responsibly. Addressing age-appropriate topics through engaging activities can teach practical skills while building strong bonds between younger and older generations.

Values Meetings. Consciously or not, every family operates within a unique value system that shapes the lives of each member. Many families can directly trace their financial success to a set of values — even

if only in retrospect. Identifying and transferring family values can be one of the most rewarding and constructive aspects of a legacy.

Family Governance Meetings. Families are similar to businesses in that effective governance is essential for managing change and navigating challenges. Good governance includes clarifying the roles, rights, and responsibilities of family members and developing a clear decision-making process. In practice, effective family governance strengthens communication networks and finds workable solutions that advance the family's mission.

For examples of common subjects discussed at the three types of meetings, please see the table on page 3.

Organizing a Family Meeting

Of all the planning and decisions that go into designing a productive family meeting, we would highlight four particularly critical areas:

Setting goals. At the onset, determine what you want to achieve from the meeting. Are you interested in encouraging your children to be financially responsible? Would you like to form open lines of communication about your estate plan to reduce the likelihood of conflict in the future? Do you want to share your family's history with the next generation? The format and agenda for the meeting will flow from the goals you want to accomplish.

Determining the right time, place, and people. Family meetings can take place over the course of a few hours or an entire weekend, depending on what you set out to achieve. It's important to consider the circumstances of each member and find a time that is reasonably convenient for everyone. For example, a weekend retreat during the start of the school year may prove taxing for families with young children, especially if they need to travel a long distance.

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The meeting location helps set the mood for the gathering. A neutral and comfortable place that is free of unnecessary distractions can keep people on task. We tend to recommend that families hold the meeting in a place where no one person appears to have the advantage, as might be the case with a parental home.

There are no rules for who should attend a family meeting. Whether it's appropriate to include spouses and younger children depends on the purpose of the meeting, the type of meeting, and the family dynamics. We can offer an experienced perspective on how to deal with this sensitive issue.

Designing a thoughtful agenda. The chosen topics and activities should all help to advance your goals. The focus should be on activities that will encourage participants to share their thoughts and to contribute ideas. To help family meetings be as enjoyable as they are productive, we advise clients to keep sessions from running too long, and we recommend including recreational activities in meetings that last more than a day.

Establishing clear ground rules — and upholding them. Building your meeting around rules that emphasize mutual respect and honesty can strongly enhance group communication. Family meetings are not the same as a family discussion around the dinner table; they provide a more structured atmosphere to share important information. We encourage families to begin a meeting by introducing a set of agreed-upon rules that reinforce this critical difference. Ensuring that participants adhere to the rules — even in heated discussions — and rectifying situations when the rules have been broken is critical.

How Bessemer Trust Can Help

Organizing a family meeting can be daunting. At Bessemer Trust, we have extensive experience with helping families arrange and run successful gatherings. Your Client Account Manager will orchestrate the

firm's diverse resources based on your needs as well as share with you best practices for meetings.

Through our Family Wealth Stewardship Service, we can assist you with the five steps to a successful family meeting:

First, we can work with you to identify your long-term goals for your family and the personalized family meeting process you would like to follow.

Second, we can help you compile relevant pre-meeting materials, arrange meeting logistics, and, most importantly, develop an effective agenda.

Third, we can perform the pre-meeting interviews. We strongly believe that the interviews help participants feel invested in the meeting, as it's an opportunity for them to share their priorities.

Fourth, our team can support you by facilitating your family meeting, upholding the agreed-upon meeting rules, and helping to educate your family about issues you feel are important.

Fifth, Bessemer Trust can prepare a report that summarizes the key outcomes of the meeting. We can also pinpoint important items to follow up on, as well as recommend the strategic next step in the meeting process.

If you are interested in learning more about family meetings and how Bessemer Trust can help you plan, prepare, and run a productive and enjoyable gathering, please contact your Client Account Manager.

Family Meetings: Common Subjects and Examples

Education Meeting

Finance and Wealth Literacy

Understanding the global capital markets
Learning about trusts and the role of the grantor, trustee, and beneficiary
Decoding credit ratings
Weighing the pros and cons of buying versus renting real estate

Communicating Wealth

Explaining the family's wealth plan
Discussing inheritance

Special Programs

Best practices for raising emotionally healthy children amid wealth
The role of family philanthropy

Leadership Development and Succession Planning

Include the next generation in developing meeting agendas and supporting materials
Invite guest CEO's from the corporate and not-for-profit arenas to speak with the family on management skills
Invite Bessemer Trust Family Business specialists to introduce comparisons between running a family and running a business

Values Meeting

Family History

Telling stories and recalling ancestors
Reflecting on the source of family wealth

A Family Mission Statement/Values Statement

Formally creating a statement of the family's purpose, values, and vision

Long-term Goals

Sharing and fostering individual members' goals for the future

Engaging Children and Grandchildren

Supporting each family member in discussing his or her passion and helping them to succeed in their chosen endeavor

Philanthropy

Expressing values through philanthropic activities
Establishing a family foundation

Family Governance Meeting

Decision Making

Establishing a clear and fair decision-making process

Managing Conflict

Establishing ground rules for disputes
Navigating emotional currents
Developing a system for resolving differences

Family Member Involvement

Deciding how and when to include younger generations in family meetings
Defining the roles, rights, and responsibilities of each member

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