SUCCESS BY THE NUMBERS
The Ten Commandments of the Family Business
By Brian Brogan

Here are the ten rules to establish and live by daily in order to find success as a family business:

I. Establish & Follow the Creed, Vision, Family Constitution in order to stay the course
   a. Creating a Family Constitution and implementing Governance is crucial

II. Constantly be Creating the Culture you desire; Culture always beats Strategy
   a. Have open, transparent communication regarding all aspects of the business with family members and employees (you’re only as sick as your secrets) (mold grows in darkness)

III. Always know the value of your business both tangible and intangible
   a. Be prepared to exit every day you’re open; this will ensure being up to date on succession and optimization of your business

IV. Know if you’re Family First or Business First
   a. Employ smart nepotism, have a track program for Nex Gen and required minimum skillsets for each position (work outside the firm to learn)

V. Embrace innovation and be change agents
   a. Leaders of change need high EQ and higher standards
   b. Avoid the endowment effect

VI. Learn to fight fair
   a. Allow members to have a voice and be heard
   b. Conflict is good if resolution leads to unity (establish rules of engagement)
   c. Family Councils and Outside family retreats are key

VII. Everyone must know the balance sheet and understand the jargon
   a. Each company has its own metrics of revenue and debt service members must know
   b. Know what drives income and look to have multiple streams

VIII. Great Companies reflect the values of their owners
   a. This Stewardship perspective of ownership works for the future owner of an asset
   b. Work-Life balance is part of good stewardship

IX. Establish and maintain an independent bias board of directors
   a. Productive BODs act for the optimal alignment of both family continuity and business success
   b. Have a family council which is represented on the BOD

X. Give, Give, Give
   a. Give your employees a path to ownership and the community will benefit as a whole
   b. ESOP, Phantom Stock, employee mobility
   c. Sustainable companies garner greater value both financially and to society in general
ABOUT THE AUTHOR

Brian Brogan, MS, CMT, comes from the financial services industry and has been working in the investment arena for close to 20 years. Before starting his career at Morgan Stanley Dean Witter he received his Master’s in Clinical Psychology with a specialization in addiction. He worked for over seven years in the psychiatric field as a therapist and hospital administrator.