



Family Business Initiative

NACD has in its membership one of the largest assemblies of family business executives and directors in the country. Our mission is simply to better serve this constituency with (1) an information flow about governance and family business and (2) opportunities for family business owners, executives and directors to learn from each other in guided discussions.

The NACD Family Business Initiative started with a sell-out workshop at the 2003 Annual Conference, which led to speaking at a Seattle chapter meeting and at conferences in New York and Chicago. In July 2004, we surveyed the membership to identify members affiliated with family business, published [The Board of Directors in a Family-Owned Business](#) and offered a post-conference program in October. In 2005, we held a seminar in San Francisco, chapter meetings in Atlanta and Minnesota, workshop at the Family Firm Institute annual meeting, and a track of work-shops and reception at the NACD annual meeting. For this upcoming year, we will continue to offer programs and publications on governance issues that are unique to family businesses. At the 2006 Annual Conference, we plan to again offer a track of workshops and social activities.

Success of this initiative will depend on member interest and participation, and this begins with members identifying their affiliation with family business by clicking on [Family Business Survey](#). General information is available on our [Family Business page](#).

What Makes Family Business So Different?

As compared to professionally managed and more widely-held businesses, family owners so strongly identify with their enterprises that their businesses are notable for:

- Product quality and branded reputation
- Long-term financial and succession planning horizons
- Loyalty to their workforce and community
- Charitable and philanthropic activities

Family businesses are also characteristically reluctant to share information, invite outside capital, and bring in non-family management. As they grow in scale and complexity, advance from the founder to 2nd- and 3rd-generation leadership -- yet remain a single-stock asset base for the family -- their need for governance also grows.

How Can Boards Help?

Well crafted boards create value for family owners through bringing outside business and leadership experience to such issues as:

- Ensuring that the business runs first as a business and second as a lifestyle enterprise
- Resolving divisive issues by offering an objective and professional perspective
- Developing and transitioning leadership from one generation to the next or guiding owners in the move toward employing a non-family CEO
- Introducing high standards of business discipline into strategic planning, operational yearly planning, performance appraisal and executive compensation.

As a developmental process, family business owners are challenged to establish standards of executive accountability, accept business guidance from outsiders, solve ownership issues outside the boardroom, and let go of their fears over losing control. Even when going public, family-controlled public businesses are still challenged to establish superior governance practices.

For more information about the Initiative, please contact Jack Moore at moore3@erols.com. Jack is a 4th generation family member and former director of Benjamin Moore & Co. He is also Faculty Chair for a June 19-22, 2007 governance program hosted by the [University of Southern Maine](#).