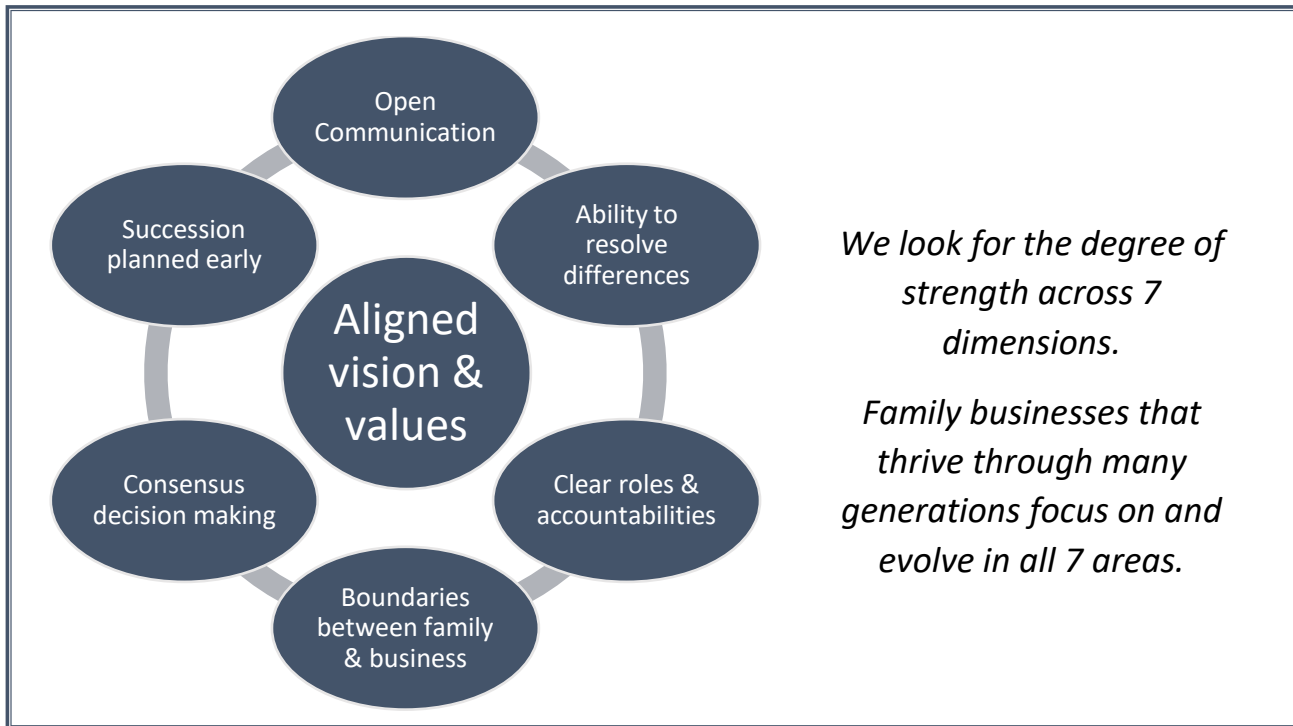


Opportunities & Challenges Checklist

Family businesses are the backbone of the economy that create jobs and drive innovation. And while they outperform* non-family businesses, why do so many fail to survive through the 3rd generation?



Use the checklist to indicate where you see opportunities, issues, or tensions for your family business. Use as a starting point to discuss areas of focus within the family or directly with Kim.

| Review (X) | Opportunity, concern, or brewing tension areas |
|--|---|
| RELATIONSHIPS & COMMUNICATION | |
| | We could be better listeners & communicators. Express our ideas more effectively |
| | We sit in silent disagreement due to fear of conflict. We don't have a safe space to work through differences |
| | Trust between people could be improved |
| | Family tension, unhealthy competition or power struggles are impacting our relationships |
| | Our family bonds are lessening through the generations |
| | Our conflict resolution skills can be improved |
| | In-laws feel left out or may not be onboarded into the family effectively |
| | We are triggering each other and need help in establishing new communication patterns |

| Review (X) | Opportunity, concern, or brewing tension areas |
|---|--|
| VISION, VALUES & STRATEGY | |
| | The business has stopped evolving or growth has stalled |
| | The vision or values from one generation isn't aligning to next generation's ideas |
| | We aren't clear on our competitive advantage |
| | We find we waste energy & time trying to convince each other of different paths |
| | Experience some anxiety over the uncertainty of the future |
| | We are struggling to make and stick with decisions because we don't agree |
| | There are weaknesses we aren't actively addressing |
| | We have resources (tangible and intangible) we could leverage more effectively |
| | There is resistance to change, or we decide and fall backwards |
| | Lack of success measures / not monitoring key performance indicators |
| STRUCTURE & DECISION MAKING | |
| | People feel their voice isn't heard, feel left out or not informed |
| | There is confusion on who makes decisions or why certain decisions were made |
| | We have unclear roles or overlaps in responsibility that create confusion |
| | It's unclear if decisions are to be made by employees, leaders, or owners |
| | Our family and/or family business meeting could be more effective |
| | We struggle to separate business from family topics during our discussions |
| | Decision making is not collaborative and dividing the family |
| | Our family employment policies are unclear (who works in the family business, how one is promoted, development support, how family is compensated) |
| | Family members aren't performing, and it isn't being addressed effectively |
| | We are interested in how adding a board of directors could improve our business |
| | We have an advisory board or board of directors that is currently ineffective |
| SUCCESSION & CONTINUITY PLANNING | |
| | We need a continuity roadmap - plans are stalled, vague or not being addressed (missing details such as timeline, valuation, shift in roles etc). |
| | We want to explore our options, understand what mistakes to avoid and risks to consider |
| | Family members are worried about what is "fair" |
| | Some expect a bigger share - feel they've contributed more to the business (sweat equity) |
| | Confusion on who is the successor(s) or the process to select the successor(s) isn't clear |
| | Worry if key people die, the business or family relationships will struggle |
| | Current leaders are unclear of their future and not wanting to let go of control |
| | Next generation is not prepared to lead. Development & mentoring would be valuable |
| | We are missing key talents to drive the business into the future |
| | How can we better develop an owner's mindset in the next generation |
| | We don't know if the next generation can afford to buy the business. Or we worry about the financial viability for the business to sustain multiple families |
| | The current generation is not sure what they need to retire. Or we aren't sure about the financial viability for the business to sustain multiple families |

*Miller, D & Le Breton-Miller, I (2005). *Managing for the long run*. Boston: Harvard Business School Press