

Family Code of Conduct

A Family Code of Conduct is a written set of guidelines, rules or expectations that govern the behaviour of family members, usually during [Family Meetings](#). Codes commonly focus on explicit rules for harmonious communication; however, guidelines can extend into operational actions: “Make decisions together without drawing in third parties.” Variations include Sibling Code of Conduct.

Family Constitution

A Family Constitution (or family charter) is a written statement that serves as a record of the family’s heritage, culture, hopes and ambitions for future success, as well as a plan for how to achieve them. The constitution sets out the rights, values, responsibilities and rules that apply to stakeholders in a family enterprise.

Family Council

A Family Council is the body that represents family members related to an enterprise. The council functions as an official forum for communicating important issues with family members, such as training, remuneration or challenges related to the coexistence of the family and the business, among others.

Family Purpose

A family purpose represents an enduring and stable commitment, shared by multiple family members, to actively engage in making a meaningful difference in some aspect of the world beyond the family.

Family Business Vision

A family vision refers to the mental image of where an enterprising family expects its business to be at some point in the future, based on common goals and aspirations of family members. It may take form of a documented description of what the family intends to accomplish long term.

Owners’ Council

An owners’ council is a body that represents a group of owners with a focus on understanding the impact of shared ownership on shareholders, family and the family business itself. Owners’ councils do not substitute for corporate boards or [family councils](#). Owners’ councils represent shareholders, especially when the definitions of “family” and “shareholders” are somewhat different from one another.

Family Shareholders' Agreement

A shareholders' agreement is a document for the shareholders in a business (and the underlying business itself) to prevent disputes in the event that the number of shareholders increases as the next generation becomes involved in the business. The agreement is a contract between shareholders and provides protection around ownership and sets out procedures to be taken in relation to certain decisions, for example provisions relating to the composition of a board of directors.

Disruption

In a family enterprise, disruption is any disturbance that interrupts an event, activity or process. This can often apply to family members (i.e. decline in health, injury or sudden death) just as well as to market disruptions, where markets cease to function normally, for example a stock market crash. Also, innovative technologies (ride-sharing apps, etc.) disrupt by altering the way consumers and industries operate.

Family Learning Strategy

A family learning strategy refers to the conscious implementation of formal measures and resources (both financial and emotional) by the family to pursue learning practices that promote intergenerational business longevity and familial harmony.

Family Learning Champion

A family learning champion is a family member who vigorously encourages various forms of family learning so as to equip all family members with skills that promote enterprise growth, family harmony and family ownership. In a sophisticated, family-owned enterprise, a learning champion is synonymous with a chief learning officer (CLO) who is usually a senior executive. A CLO ensures that a company's corporate learning program and strategy supports its overall business goals.

Learning Initiative

As a precursor to a learning path (a self-motivated and voluntary sequence of education initiatives), a learning initiative refers to any course, workshop, organized learning experience or activity a family member undertakes towards improving oneself in a family business context.

Family Employment Policy

A family employment policy is designed to help family members understand their relationship to the business. The purpose is to define the criteria and procedures governing how Family Members enter the company as career employees. The plan should provide transparency and contribute to the long-term success of the family and the company (i.e. family remuneration).

Personal Development Plan

Personal development planning is the process of creating an action plan based on awareness, values, reflection, goal setting and planning for personal development within the context of a career, education, relationship or for self-improvement.

Documented Exit Plan

A documented exit plan is a clearly stated set of business and personal goals that a business owner wishes to achieve in his or her exit. It should be documented in writing and include the tactics and steps required to effectively realize those goals.

Fair Process

Fair process relates to how leaders handle their authority. It asserts that people are happier, more cooperative and productive, and more likely to make positive changes in behavior when those in authority do things with them, rather than to them or for them. The three principles of fair process are (1) Engagement – involving individuals in decisions that affect them by listening to their views and genuinely taking their opinions into account; (2) Explanation – explaining the reasoning behind a decision to everyone who has been involved or who is affected by it; (3) Expectation clarity – ensuring that everyone clearly understands a decision and what is expected of them in the future.

Family Business Basics

There are six generally accepted key principles that most successful enterprising families will develop over time and follow. There are: (1) Governance, (2) Communication, (3) Succession Planning, (4) Transparency, (5) Responsibility and (6) Accountability. These principles form the bedrock of successful family businesses. If you've established similar practices, but have let them lapse, renew your efforts to give your business family the best chance at continued success.

Intrapreneurship

Intrapreneurship refers to a system that allows an employee to act like an entrepreneur within a company or other organization. Intrapreneurs are self-motivated people who take the initiative to develop an innovative product or service. An intrapreneur knows failure does not have a personal cost (as it does for an entrepreneur) since the organization absorbs losses that arise from failure.