

A road map

Designing an effective **family meeting**¹



Families often meet about financial matters. Many hold quarterly or annual meetings with advisors to go over investment performance. The agenda for such meetings is usually driven by the advisors, who may bring in subject matter experts as needed. Some families also meet to address family wealth holistically, including their human, intellectual, social and foundational capitals.² Such meetings cover intangible matters such as values, wishes, concerns, even conflicts.

Overview

This whitepaper aims to give you a road map for an effective family meeting. For the purposes of this paper, we will use “family meeting” to cover everything from a half-day gathering to multiday retreats. What matters here is the purpose—not duration—of the meeting. It’s also a meeting for and by the family, not driven by someone else’s agenda. And it’s about complete family wealth, not just financial capital.

The key to a successful family meeting is preparation.

Families can use the time to:

- Interview family members to identify shared goals and topics for the agenda.
- Craft and disseminate the agenda in advance.
- Prepare materials needed to support the agenda, such as financial statements, investment reports, foundation grant reports and recommended readings.

The more effort a family invests before a meeting clarifying what to cover, the more productive the meeting will be. Also, participants will enter the meeting with clear expectations.

Families therefore must take the time beforehand to answer key questions. Think of these questions as the Why, What, Who, When, How and Where of family meetings.

Why do it now?

Most families don’t have “family meetings” per se. So why do it?

Every family that succeeds over multiple generations makes some use of family meetings³—an important tool families can use to advance and grow.

Well-run family meetings can be used for at least three purposes:

1. Remaining connected
2. Helping family members learn from each other
3. Making important decisions together

Regular family meetings provide a forum for sharing news, concerns, opportunities and challenges in an open forum, in a way social media cannot. Family leaders can deliberate and make decisions collaboratively. Meetings help younger family members learn the basics of family finances and traditions.

Exercises for determining family values

Clarifying values: Have family members answer the questions, “What matters most to me and why?” and “What does a life well-spent look like?” Older family members develop their answers and rising generation family members imagine what their answers would be if they were, say, 50 years old and reflecting back on their lives. Both groups then meet and share their thoughts.

Founding values: In this exercise the family defines its “founding values.” Older family members and rising generation members meet in separate groups and define the family’s founding values as well as present values. The two groups then make a Family Value Statement based on their findings. Over time, this statement may change as the family’s values change.

The “hat”: In this fun exercise, the family has a collection of hats available. Each family member puts on a hat based on whether they are a parent, child, trust creator, trust beneficiary, director in a business, manager or employee or other relevant roles. Some family members may find they have four or five hats perched on their heads.

Intergenerational dialogue: Conceived by our partners at Wise Counsel Research, each generation in the family meets in its own group and answers two questions: “What would I like to share with the other generation?” and “What would I like to learn from the other generation?” The groups reconvene and share their answers.

What to do in a family meeting?

Without a clear agenda, meetings can get bogged down in details. Members may become frustrated or leave feeling that important business was left undone. The activities at a family meeting can commonly include:

- Having individual families share updates on their lives, personal goals and plans.
- Conducting values-clarification exercises. For more on these exercises, see the sidebar on previous page.
- Telling stories, such as how individual members made their start in business or philanthropy.
- Learning about each other's styles of communicating. Such exercises can be quite fun as well as eye-opening. It can be especially fun to ask spouses or other family members to guess each other's communication styles.
- Learning about each other's preferred ways of learning, desired work, personalities and preferred ways of relating to trustees.
- Reviewing the family's business operations or the family's wealth structures and their current performance.
- Visiting recipients of the family's charity together.
- Learning about each other's roles within the family enterprise.

Who to have at a family meeting?

The participant list should reflect the goals of the meeting:

If a primary goal is resolving conflicts or building a team, it may be important to limit the attendance to family members and a few facilitators. If the meeting will cover various technical issues, experts may be present for some portions of the event and not for others. Examples of such experts include lawyers, accountants, investment advisors, and even family business or human resources consultants.

If the goal is to encourage connections across the generations, engage in family philanthropy or to develop future leadership, then having adolescents and young adults present makes a great deal of sense. Elders may also be present to provide wisdom, continuity and guidance as well as a voice for the family's heritage and legacy.

Children below the age of 14 can find it difficult to sit through a lengthy family meeting, so childcare arrangements are important. However, for larger family retreats, it can be a great idea to develop separate activities appropriate to children or teens, such as learning certain monetary skills, doing a group charitable project or even just going on a hike together. Someday these cousins will be the adults running the family meetings themselves.

Many families grapple with the question of inviting spouses to a family meeting. Again, their inclusion should flow from the goals. If the goal is to share specific estate planning information, it may make sense for biological family members to meet first to decide together how to share information more broadly. If the goal concerns educating the rising generation, then spouses should likely be present as key players in that work.

If you're just getting started or for more complex cases, or during crises, a facilitator may be invaluable. Many families also use a facilitator or consultant for their first few meetings and then gradually have family members lead the meetings depending on the content of the meetings. Families who have years of practice with family meetings may run their own quarterly or semiannual conference calls and then ask a facilitator to join an annual or biannual family meeting to help them "tune up" their relationships or learn new skills.



When to hold a family meeting?

It is never too late to hold a family meeting. Also, a meeting may take place for an afternoon, a day, a weekend or several days. The length depends on the meeting agenda, its complexity and the size and dynamics of the family.

Often families try to jam too much into one day. If there's a lot to cover, consider splitting the material into two half-days. You can meet from, say, 10:00 a.m. to 1:00 p.m. each day, with an afternoon and evening break between the two working sessions. This break gives individuals a chance to recharge and connect with each other informally. The break may also lead to insights or questions about the first day's material that then can be addressed in the second day's session.

Family meetings can help families in any stage of development. They are crucial during difficult transitions, which may include the sale of a business, a leadership succession, or the death or disability of key members. Families who meet regularly are better prepared to face such challenges.

Regular family meetings also give families a chance to celebrate positive transitions. An annual meeting can include time to welcome new members of the family or to congratulate new parents. It can be an occasion to celebrate coming-of-age or promotions to leadership positions within the family enterprise. Making time for these celebrations shows everyone that your family pays attention to its key resource: its people.

The family's current needs and state of development determines the frequency of meetings—quarterly, semiannually or annually. Generally, when a family is just starting the process of meetings, it can make sense to meet every six months for a few times. Once things are up and running, an annual meeting may be enough. Frequency may also depend upon how often the family connects in between the meetings on a formal or informal basis.

Finally, timing within the meeting is crucial. Again, people often overestimate how much they can absorb in one sitting.

How to run effective family meetings

A family meeting requires focus to achieve its goals. Families need to take steps to make sure family members are able to meet effectively.

Keep in mind that people learn in different ways:

- Some find it easy to pore over large amounts of text or numbers before the meeting.
- Some may be visual learners and benefit from flip charts or illustrated slides instead of text.

- Most people digest smaller portions of information better than trying to take in large amounts of data in an extended sitting.

A good meeting is as much about listening as about talking. For example, many parents use family meetings to disclose information about their estate plans or holdings to their adult children. But that information comes with emotional weight. Make sure you always give people at a meeting a chance to process what they hear, and to react and respond.

Of all the elements needed for a successful family meeting, solid ground rules may be the most important. (See the "Sample ground rules" section on the last page of this paper.) Use a portion of your first family meeting to discuss ground rules.

Every family should remember that ground rules, once adopted, must be upheld. In the heat of a discussion, members will inevitably start to break the rules. What's crucial is how the family responds. Having to stick to the rules offsets any sense of entitlement. The rules are living testimony that family members act responsibly and respectfully.

Sometimes conflicts arise despite ground rules. It helps to have an outside facilitator to manage the conflict. Whether you have a facilitator or not, there are steps for dealing with conflict in a productive manner:

- Distinguish between healthy disagreements and inappropriate levels of conflict. Ask yourself, "Is this disagreement generating good discussion or getting in the way of the meeting's effectiveness?"
- Seek first to understand and then to be understood. Ask questions that aim to clarify what others are saying before responding.
- Identify the source of the conflict as you see it and ask the group to do the same. For example, conflict may come from miscommunication, different needs or interests, differences in values or beliefs or an ineffective structure. If you can identify the source of the conflict, and others affirm that is the problem, then the group is well on the way to resolving the conflict.
- Refer to the ground rules that are relevant to avoiding or resolving conflict. Examples might include: listen, be respectful or own your own views.
- Look for common ground. Maybe you disagree about how much to give to a certain organization, for example, but you can affirm your shared interest in philanthropy or to a certain charitable sector. Affirming common ground will take some of the sting out of the conflict.
- Remind others (and yourself!) that it is OK to have different values and opinions.
- Take a break. When it seems that the group is getting nowhere, take a short breather with everyone to restore calm.

Where to hold the meeting?

Family meetings are special events. Many families look back upon specific meetings as turning points in their development and attach special meaning to where these occurred. Often family retreats become part of the family's collective memory and traditions.

A thoughtfully chosen environment can increase the meeting's productivity. Meeting at parental homes or offices may encourage family members to fall back into old patterns of behavior, plus it may be intimidating to in-laws or to children less familiar with the location.

Gathering family members at a neutral location such as a resort, a rented home or a country club costs money that is well spent. Using the family's resources for a meeting sends an important message to the family. It says, "We are not here just to talk about money but to grow together."

The facilities should allow for recreation in addition to business. People work together most effectively when they feel good about themselves and each other.

Wise families recognize that a family meeting is not just about the content to cover. It is about the process, the place of the meeting and the memories it creates.

Sample ground rules

Be present—demonstrate your respect and commitment by setting aside potential distractions. Turn off electronics. If you need to be reached in case of emergency for your children or business, designate a contact person. Be present at the scheduled start time so the meeting can get the job done. Devote room in your life and your heart to this meeting.

Be respectful in words and action—speak respectfully, pay attention when someone else is talking and avoid jumping in to finish sentences. Avoid negative body language such as eye-rolling, shaking your head or other indications of emotional reaction unless you follow up by talking directly about your reaction. Avoid profanity. If you have a question or point to make, wait for an opening or raise a hand to indicate you have something to bring up. You'll appreciate it when others do that while you are talking.

Listen—listening is a skill that must be practiced, but it pays off tremendously. Be willing to demonstrate you understand what the other person is saying before making your own point. You may find you are reacting to what you believe someone said, not what was really said. When someone else is saying something that you disagree with, make sure you are listening to what is being said.

Be patient—recognize and accept that, with limited time overall, not all comments or questions must be dealt with right away. Be willing to let some things go. Pick the issues you think are most important. Over time, it is likely that the important things will get dealt with.

Own your views—make "I" statements rather than broad, global statements that imply you know the truth or that something "is obvious." Saying "everyone knows that is ridiculous" is unhelpful. Saying, "I really disagree with what you just said" is more honest and may be more accurate. If others do share your views, it will be clear there is a shared perspective on an issue. If it turns out your view is not shared by others, you may then open yourself to new viewpoints or solutions.

Be willing to edit what you say—saying anything and everything you feel under the guise of honesty can simply be a license to attack. Deliver your points with tact and respect. Appropriate editing of your message will make you more likely to be heard. It will also reduce the chances that other people will get defensive.



Planning your family meeting

If you were to have a family meeting with your family...

Why

Reasons I may want to have a family meeting are...

What

Goals for my family meeting include...

Some of the potential agenda topics I would like to explore are...

Who

People I want to be present are...

When

A time when I may want to hold a family meeting is...

Where

A place where I may want to have a family meeting is...

¹ Based on material previously published by the authors in *Complete Family Wealth* (Bloomberg, 2017). Used with permission; all rights reserved.

² For definitions of human, intellectual, social and foundational capitals and a tool for assessing them in your family, see [FAMILY BALANCE SHEET WHITE PAPER].

³ This is one of the findings of Wise Counsel Research's study of successful multigenerational family enterprises around the world. For more on this point, see *Good Fortune: Building a 100-Year Family Enterprise* (Wise Counsel Research, 2013).

Wise Counsel Research is not affiliated with UBS Financial Services Inc.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review the **client relationship summary** provided at ubs.com/relationshipssummary, or ask your UBS Financial Advisor for a copy.

© UBS 2022. All rights reserved. The key symbol and UBS are among the registered and unregistered trademarks of UBS. UBS Financial Services Inc. is a subsidiary of UBS AG. Member FINRA/SIPC. 2022-925950. IS2205667 10/31/2023.

UBS Financial Services Inc.
ubs.com/fs

