Balancing Your Interests in a Family Business



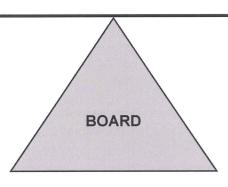
Every family business has a balance point—a place where the owners' values, needs and goals are effectively integrated with management's values, needs and goals. Knowing where your business's balance point is located is key to running a successful business and transitioning it successfully.

One fundamental aspect of understanding your business's balance point is to know what your roles in the business are in relation to others' roles (graphic and text from *The Balance Point* by Cary J. Tutelman and Larry D. Hause):

OWNERS

MANAGEMENT

- · Developing an owners' manual
- · Developing an owners' plan
- · Electing directors
- Evaluating the board
- Staying informed
- Understanding the difference between power and control



- Developing a strategic (long-term) plan for the company
- Developing an annual plan for the company
- Managing the company in a manner that is consistent with these plans
- Ask for, evaluate and accept an annual owners' plan from the owners
- Ask for, evaluate and approve management's strategic plan, along with any updates to it, and annual plans, along with budget updates
- Help resolve differences between the owners' plan and management's plan
- · Make sure owners and managers adhere to the planning schedule
- Hire, evaluate, determine compensation for and fire senior management as defined by the owners
- · Decide whether to pay dividends
- Decide special matters such as approving acquisitions, mergers, sale
 of assets, actions outside the ordinary course of business and other
 decisions as requested by applicable law or the owners

To better understand how to balance your business, give us a call:



John Erhart Attorney jerhart@fredlaw.com 612.492.7035



Jessica Manivasager Attorney jmanivasager@fredlaw.com 612.492.7020



Larry Hause Attorney lhause@fredlaw.com 612.492.7071

