

Perpetuating the Family Business: A 50-Point Health Check

Why do some family businesses thrive for generations while others struggle? The difference often lies not in business strategy, but in how the family itself navigates ownership, leadership, and succession.

In *Perpetuating the Family Business: 50 Lessons Learned from Long-Lasting, Successful Families in Business*, our co-founder John L. Ward shares insights from multi-generational enterprises that have successfully balanced business success with family harmony. His research confirms that the most critical issues facing business-owning families are family-based issues more than they are business-based issues.

This checklist distills 50 best practices that define enduring family businesses. Use it to assess your strengths, identify areas for improvement, and take intentional steps toward long-term success. Your goal should be to answer “yes” to these questions — each one representing a lesson for sustaining both a thriving business and a united family.

	Yes	No	Discuss
1. Are the business's leaders committed to long-term continuity for societal and philosophic reasons?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Does the business have an independent, outside board of directors?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Is there a mandatory retirement age for all executives, directors and especially owners?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Does the family get together regularly for fun, not just for business reasons?	<input type="checkbox"/>	<input type="checkbox"/>	
5. Are family owners actively learning about the field of family business?	<input type="checkbox"/>	<input type="checkbox"/>	
6. Do family members live modestly, beneath their financial means?	<input type="checkbox"/>	<input type="checkbox"/>	
7. Is the owning family comfortable with its position of wealth – neither letting wealth define the family nor fearing the consequences of wealth on the family?	<input type="checkbox"/>	<input type="checkbox"/>	
8. Are promotions and compensation of family members clearly based on merit?	<input type="checkbox"/>	<input type="checkbox"/>	
9. Is the business attracting the most business-competent children in the next generation?	<input type="checkbox"/>	<input type="checkbox"/>	
10. Does the business rely upon an important cadre of non-family executives?	<input type="checkbox"/>	<input type="checkbox"/>	

	Yes	No	Discuss
11. Are the non-family executives provided with opportunities to gain personal wealth – beyond compensation?	<input type="checkbox"/>	<input type="checkbox"/>	
12. Does the family openly share information about family member compensation and benefits? Do family members share information with one another about estate plans and gifts?	<input type="checkbox"/>	<input type="checkbox"/>	
13. Are owners aggressively gifting or distributing shares to the youngest generations?	<input type="checkbox"/>	<input type="checkbox"/>	
14. Are there easy, graceful ways for family members to redeem their ownership if they wish to do so, thereby facilitating pruning of the ownership tree?	<input type="checkbox"/>	<input type="checkbox"/>	
15. Is the business strategy enhanced with special competitive advantages from being a private, family-owned company – such as long-term orientation, trusted relationships, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	
16. Does the family generously "give back" to the community to build social goodwill?	<input type="checkbox"/>	<input type="checkbox"/>	
17. Does the family accept that the business must be run as an excellent business?	<input type="checkbox"/>	<input type="checkbox"/>	
18. Is the family selective about which family members are qualified to work in the business?	<input type="checkbox"/>	<input type="checkbox"/>	
19. Is the family providing business education and exposure to the youngest members of the family?	<input type="checkbox"/>	<input type="checkbox"/>	
20. Does the family have a "Code of Conduct" to strengthen interpersonal relations and expectations?	<input type="checkbox"/>	<input type="checkbox"/>	
21. Does the family study and practice communication skills?	<input type="checkbox"/>	<input type="checkbox"/>	
22. Do family members have independent security beyond their ownership shares in the family business?	<input type="checkbox"/>	<input type="checkbox"/>	
23. Do family members share information about investment opportunities outside the business?	<input type="checkbox"/>	<input type="checkbox"/>	
24. Does the family have a process to welcome and acculturate new in-laws to the family?	<input type="checkbox"/>	<input type="checkbox"/>	
25. Does the family have a statement of family values that it hopes to perpetuate?	<input type="checkbox"/>	<input type="checkbox"/>	
26. Does the family have identified family leadership?	<input type="checkbox"/>	<input type="checkbox"/>	

	Yes	No	Discuss
27. Are succession plans in place for executive, governance and family leadership continuity?	<input type="checkbox"/>	<input type="checkbox"/>	
28. Does the business's culture encourage quick responsiveness and change?	<input type="checkbox"/>	<input type="checkbox"/>	
29. Is the family committed to being in the best businesses for the future – even if that means leaving its business of origin?	<input type="checkbox"/>	<input type="checkbox"/>	
30. Do family members feel heard, respected, and that decision-making processes are fair?	<input type="checkbox"/>	<input type="checkbox"/>	
31. Does the company have a formal dividend policy that pays out according to profitability?	<input type="checkbox"/>	<input type="checkbox"/>	
32. Do the family owners have a commitment to each other for the long term?	<input type="checkbox"/>	<input type="checkbox"/>	
33. Do family members have opportunities to serve as cultural ambassadors on behalf of the business?	<input type="checkbox"/>	<input type="checkbox"/>	
34. Do the family owners feel they hold their stock for the purpose of passing it on to future generations?	<input type="checkbox"/>	<input type="checkbox"/>	
35. Does the owning family have regular family meetings?	<input type="checkbox"/>	<input type="checkbox"/>	
36. Does the owning family provide education to the next generation on the privileges and responsibilities of ownership?	<input type="checkbox"/>	<input type="checkbox"/>	
37. Are the family owners closely monitoring the business's strategy, culture, and board of directors?	<input type="checkbox"/>	<input type="checkbox"/>	
38. Do non-employed family owners avoid meddling in management's operating responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>	
39. Does the owning family have respect for managers and the challenges of managing?	<input type="checkbox"/>	<input type="checkbox"/>	
40. Is the owning family active in educational programs on such topics as interpersonal relations and understanding business?	<input type="checkbox"/>	<input type="checkbox"/>	
41. Is the owning family committed to helping all family members in their professional development, regardless of their interests?	<input type="checkbox"/>	<input type="checkbox"/>	
42. Does the family have a policy on how best to address family members who may be in financial need?	<input type="checkbox"/>	<input type="checkbox"/>	
43. Are there many different roles family owners can play in the family council or other family interests?	<input type="checkbox"/>	<input type="checkbox"/>	
44. Does the family have a Family Constitution?	<input type="checkbox"/>	<input type="checkbox"/>	

	Yes	No	Discuss
45. Are family branch politics and representation avoided in favor of everyone seeing themselves as members of one extended family?	<input type="checkbox"/>	<input type="checkbox"/>	
46. Has the owning family articulated a mission and purpose for the family?	<input type="checkbox"/>	<input type="checkbox"/>	
47. Has the family articulated how its values are important to the family's business?	<input type="checkbox"/>	<input type="checkbox"/>	
48. Does the owning family feel that the family business has a social purpose?	<input type="checkbox"/>	<input type="checkbox"/>	
49. Does the owning family feel enthused and motivated by the family continuity planning process?	<input type="checkbox"/>	<input type="checkbox"/>	
50. Is the family active in promoting and supporting the concept of family business in its community?	<input type="checkbox"/>	<input type="checkbox"/>	
Of these 50 questions, which three or four do you feel are most important for discussion?			

We always seek the greatest good for the family and the business as a whole.

Our team appreciates that every family has unique needs and comes to us at different life stages and family business cycles. That's why our solutions are intentionally flexible, fully integrated, and comprehensively interwoven.

Since 1994, we've worked with over 3,300 enterprising families around the world to achieve one common goal: protect the integrity of the family and the enterprise for future generations.

Contact us today to learn more about our firm and how we serve families like yours.

