The SuccessCare® PROGRAM

The Principles Behind Effective Shareholder Agreements

With each generation, the governance of the family business entity becomes increasingly complex. Differing perspectives among shareholders at sibling or cousin levels can negatively impact the success of the business and the strength of the family unity. While formalizing the governance process with an effective shareholder agreement is essential for the preservation of both the wealth and the family relationships, many families struggle to find an agreement that meets the needs of all shareholders.

In this session, you will discover how to draft a shareholder agreement that everyone will sign! You will:

- Review the key components of an effective agreement.
- Learn how to craft one from the principles and philosophy that are unique to each family.
- Explore ways to structure a fair entrance and exit process.
- See how it becomes a communication tool for many of the twelve questions in Tom Dean's best-selling book ***Every Family's Business***.

Compensation

Shareholders need to feel they are receiving market value for the role they play separate from their return on investment.

Entrance

Incoming shareholders need to know the purchase price is fair and be able to link it to their return on investment and eventual sale of shares.

Governance
Decision-Making

Exit

Outgoing shareholders need to receive a fair value while ensuring that the payments are affordable to the remaining shareholders.

Return on Investment

The ROI should be measurable against the value of the investment and shareholders should realize a reasonable return on equity.

For more information, please contact:

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