USC Marshall Family Business Program
2016 – 2017 Program Guide

*Mission of the USC Marshall Family Business Program: To Create and Preserve Wealth by Increasing the Professionalism of the Business and the Effectiveness of the Family*

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Welcome to the 2016 – 2017 USC Marshall Family Business Program!

Building a successful business is hard work. Creating an effective family is also very hard work. Doing both in the context of a successful multi-generational family business can be overwhelmingly challenging. This is why the USC Marshall School of Business created this unique, specialized program -- the USC Marshall Family Business Program.

Our mission is to help our members ‘Create and Preserve Wealth by Increasing the Professionalism of the Business and the Effectiveness of the Family’. We accomplish this in a safe and nurturing environment drawing on the best of the USC Marshall resources combined with leading subject matter experts.

The USC Marshall Family Business Program is designed for participation by all the relevant family stakeholders; those actively involved in the business as well as those with passive ownership interests. It’s not just for those sitting in the corner office or at the head of the family table – it’s for the entire family. Our offering includes content for those deeply involved in the business as well as for those who have never studied a P&L. There are programs for the seasoned family member as well as for the youth. Case studies and affinity groups, where you will have an opportunity to share your personal experiences and learn from others, are an important part of this program.

Because we feel it is important for the building of long-term relationships between the members in order to openly share and learn from each other, the Program will operate on a membership model with an annual commitment from our family business members. We protect an exclusive and safe environment for open discussions by not allowing sponsors or service providers to be a regular part of our programs.

We believe this will be the beginning of a long and mutually beneficial relationship and we welcome you and your family to join us on the journey to create your successful family business legacy.

Ken Ude
Director, USC Marshall Family Business Program
Mission of the USC Marshall Family Business Program

To Create and Preserve Wealth by Increasing the Professionalism of the Business and the Effectiveness of the Family

Our Guiding Principles

- Deliver world-class and practical education with a focus on ‘best practices’ using USC Faculty, subject matter experts and peer group experiential learning
- Create a safe environment for members for open discussions between peers and to protect confidentiality

The Core Model for the Program

The Program’s educational framework is built around the Six Transitions Model from the book ‘Hats Off To You ~ 2’, by Lee Hausner and Ernie Doud. The model spotlights the key issues that a successful multi-generational family-owned business must learn to navigate in order to create a lasting legacy.

Key Areas of Focus for Creating a Successful Multi-Generational Family Business

- **Founder** transition issues bridge over all of the other key transitions. The Founder must transition from being the ‘builder’ to the ‘manager’ to the ‘mentor’ and then into a fulfilling retirement.
- **Family** issues also span all of the other key transitions as the business and the family grows. Complications can arise as the current leaders age, the next gen prepares, and spouses, in-laws, children, and grandchildren enter the picture.
- **Business** issues are important to understand to make sure that the core business can thrive and successfully grow for multiple generations.
- **Management & Governance** issues are important to plan for in the business and in the family, as the current generation prepares to phase out and the ‘Next Gen’ prepares to take the reins.
- **Ownership** issues to make sure that the proper and appropriate ownership structure is in place that is balanced for the situation.
- **Wealth Management & Legacy** issues as the family defines their personal legacy and assures that wealth efficiently transfers to the family, meets philanthropic goals, and is managed professionally to achieve growth and opportunity for future generations.
Calendar of Events:
The Program Calendar includes special events, member meetings and individual workshops that will be held in both Los Angeles and in Orange County. You’ll note that there are 2 kick-off events planned for October. We are conducting Chapter Meetings every other month and are conducting open Workshops between the Chapter Meetings. The topics for the Chapter Meetings will be offered in both Los Angeles and Orange County. The Workshops will only be offered once, rotating between Los Angeles and Orange County.

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Dates and times are being finalized and are subject to change.
**Events:**
The USC Marshall Family Business Program will launch with two special events in October, as described below. The Program is also in the planning stages for a weekend retreat later in the spring to make it easier for those who do not live in Southern California or who have a schedule that makes it harder for them to participate in Chapter Meetings on a regular basis.

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**USC Marshall Family Business Forum**
Thursday, October 6, 2016
Town & Gown, USC Campus
9:00am – 1:30pm

The Lloyd Grief Center for Entrepreneurial Studies and the USC Marshall Family Business Program are co-sponsoring this forum to spotlight the key issues facing multi-generational family enterprises and, more importantly, how they are navigating through them. PWC will report on the findings of their recent research on the key issues facing family-owned businesses. Professors from the Lloyd Grief Center for Entrepreneurial Studies and Marshall School of Business will address some of these key issues and the Family Business Program will give an overview of the Keys to Building a Successful Multi-Generational Family Business. Finally, a number of successful Trojan Family businesses will share their approach to creating a successful, multi-generational family enterprise.

**Growing Your Family Business Into a Family Office**
Thursday, October 13, 2016
Tutor Hall, USC Campus
1:30pm – 5:00pm

The USC Marshall Family Business Program and the Los Angeles Chapter of the Association for Corporate Growth are co-sponsoring a high-end program that will examine how to grow a family business into a family office, what the key transitional issues are for the family, and how to select the right team of professional service providers to protect and grow the wealth and legacy of the family.
Member Programs:
This year’s programs are designed to help our members achieve our mission statement: To Create and Preserve Wealth by Increasing the Professionalism of the Business and the Effectiveness of the Family. Chapter Meetings will typically start at 8:00am and conclude by 2:00pm. In Los Angeles, most meetings will be at the University Club on the USC campus. In Orange County, meetings will rotate between the USC Irvine campus and the Pacific Club.

October: Los Angeles & Orange County
Creating Your Toolkit for Addressing the “Family” in a Successful Family Business

*Family Constitution, Policy Manual and Strategic Plan*
Most businesses have business plans and employee manuals to guide the direction of the enterprise. Most families don’t. Having a family constitution, policy manual and strategic plan is one of the best ways to assure that the family has the structure and a well-defined path to shape the family’s legacy.

**Learning Objectives:**
- Create a Family Constitution: Mission, Vision and Values for the family
- Define a Policy Manual for family members to enter the business
  - Employment guidelines, compensation and reviews
- Create a Family Strategic Plan that creates a path on how to get from where the family is today to where it wants to be in the future
- In the context of the above, create a communications structure and transparency in the family so that everyone is aligned
- Define the governance structure for the family and for the business

December: Los Angeles & Orange County
Preparation the Business and the Founder for a Transition

A transition in management and leadership of the business will happen .... it will! When it happens it will either be planned or random. A random transition can put the business and the family at risk. A planned transition can assure the creation of sustainable value and family harmony. This program will set a practical foundation for preparing both the Founder and the Business for a transition.

**Learning Objectives:**
- Understand the key issues for getting the business ready for a transition:
  - Build your transition team
  - Understand the Founder’s current and future role in the business
  - Map out the leadership transition and knowing when they’re ready to take over
  - Communicate the transition to the business and to the other key stakeholders
- Prepare the founder for their transition
  - Prepare the founder for life after business
  - Assure the financial security of the founder
  - Understand the family’s role in helping the Founder’s transition
- Create and utilize an advisory board to assure a smooth transition
February: Los Angeles & Orange County

**Communications in the Family Business and Strategies for Resolving Conflicts**

Effective communications is at the foundation of a successful, multi-generational family business. This workshop will provide a foundational understanding on how to better communicate and resolve conflicts inherent in family businesses. This Program will use the resources of the USC Marshall Experiential Learning Lab to highlight the learning objectives.

**Learning Objectives:**
- Understand how ‘headsets and filters’ can impact how people hear and understand messages
- Practice effective communications tactics
- Set a framework for addressing differences and respectfully resolving conflicts.

April: Los Angeles & Orange County

**Optimizing Your Business and Safeguarding Your Wealth**

The operating business is typically at the core of the family’s wealth generation engine. This program will address how to optimize your business model and reduce your overall operational business risk. Then, learn from a panel of seasoned CEO’s who have ‘been there and done that’.

**Learning Objectives:**
- **Optimize Your Business Model**
  - Think innovatively about the family business
  - Utilize strategic marketing
  - Employ practical management tools, metrics and dashboards
  - Examine hiring, mentoring and coaching techniques
  - Apply effective leadership skills
- **Business Structure Checklist ...Safeguarding Your Wealth by understanding the roles of each of the key professional service providers**
  - Legal, accounting, insurance issues
  - Compliance issues
  - Wealth management issues
  - Governance issues
**Preparation of the Family for Wealth**

*Understanding the impact of wealth, how to manage it and how to deal with it*

The creation, realization and preservation of wealth can have a huge impact on the dynamics of the family. Developing plans and preparing the family properly is critical to creating a positive family legacy. Most people tend to take time to prepare the wealth for the family, but they do not prepare the family for the wealth. In an environment of wealth, how do you train the next generation to stay hungry and become a generation of wealth creators and not just inheritors? This program will dive into the financial and emotional realities of dealing with wealth.

**Learning Objectives:**

- Understand how wealth can impact the family and how to make it a positive experience
- Learn tools and techniques to keep the next generation ‘hungry’, becoming ‘creators’ of wealth not just ‘inheritors’ of wealth
- Develop your Pre and Post liquidity event planning checklist
- Learn to avoid the wealth evaporation trap by getting assets out of the core operating business and into other investment vehicles
- Learn alternative investment strategies and the role of private equity in your investment mix
- Understand the importance of early and sophisticated estate planning and various estate planning techniques
**Workshops**
The USC Marshall Family Business Workshops will be held, typically, on Saturday mornings for a couple of hours on campus or in Orange County at the Pacific Club in Newport Beach. Workshops will not be repeated in both Los Angeles and Orange county like our core Programs. Workshops are for the benefit of members and are open to invited guests.

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**November: Los Angeles**
**Business & Investing “Boot Camp” for the Youth and the Non-Business Family Member**
It is important for all members of the family to understand the basics of how a business works and the A, B, C's of money and investing. This workshop is designed for those in high school and above to learn the basics of business, money and investing.

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**January: Orange County**
**Managing Your Social Media & Other Life Skills**
Things that happen today can be captured and be immediately “out there”, lasting forever. It is important to understand the lasting impact of the different social media outlets that are available today and what is envisioned for the future. With this understanding, the family can build a social media “contract” within the family to use social media responsibly in order to defend your legacy. In addition, this workshop will cover important life skills such as mastering your personal ‘elevator pitch’, interviewing techniques, networking and the power of the hand written thank you note.

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**March: Los Angeles**
**Win/Win Negotiations in the Family Business**
Getting to “yes” in a respectful and responsible way is critical to family harmony. This workshop will address the basics of effective negotiation before jumping into a videotaped case study in the USC Experiential Learning Lab.

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**May: Orange County**
**Trustee & Beneficiary Training**
The role and responsibility of the Trustee and the Beneficiary is critically important, yet very few are effectively trained to take on this responsibility. This workshop will give attendees the basic overview that they need to become effective Trustees and Beneficiaries.

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**July: Los Angeles**
**Foundations and the Role of Philanthropy in a Legacy Family**
Giving back is an important part of a creating legacy family. This workshop will address ‘why’ and ‘how’ to give back and the role of creating a Foundation, selecting organizations and causes to support and what to expect back from them for your support.
Access to USC Marshall Executive Education Course
Members of the USC Marshall Family Business Program are given the opportunity to participate in up to two Executive Education & Professional Development Courses that are listed in the current catalog, up to a maximum tuition of $2,000. Courses include:

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<td>Driving Strategies for Maximizing Value and Wealth</td>
<td>The Power of Stories Engaging and Inspiring Customers, Partners and Others</td>
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<td>Leadership Essentials</td>
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<td>Power and Influence, Take Your Leadership to the Next Level</td>
<td>Management Development Program</td>
<td>Effectively Negotiation with the Power of Persuasion</td>
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Family Business Check-Up
The USC Marshall Family Business Program created the Family Business Check-Up tool to help provide feedback to the family and where they are in successfully navigating the six critical transitions towards creating a successful, multi-generational family enterprise. Those transitions are of the Founder, Family, Business, Management & Governance, Ownership and Wealth & Legacy planning.

The Check-Up asks family members to rate how strongly they agree or disagree on 6 questions in each of the transition areas. The results are tabulated and given back to the family in a visual format to help the family begin a discussion on where to focus their efforts. The USC Marshall Family Business Program can assist in helping to guide the conversation in the family.

Members are encouraged to take the Family Business Check-Up every 6 months to track their progress.
Membership
The USC Marshall Family Business Program is a membership-based organization. Members are encouraged to involve all of the relevant members of the family and the business for the full program offering so that the maximum benefits can be experienced. The ideal participants of the Program are those family-owned enterprises who have gone through, or are planning on going through, a generational transition in their business. In addition, those family enterprises that have yet to address all of the critical issues around the founder, the family, the business, management & governance of the business and the family, ownership structure or legacy & wealth management and transfer issues will find the program beneficial.

The participation fee for up to 4 members of the family is $10,000 for the year, which covers the family’s participation in all of the events, meetings, workshops and access to the resources of the USC Marshall Family Business Program.

Advisory Board
We are pleased to have the following as members of our Advisory Board

Jeff Armour, President of Armour Co.
Arvind Bhambri, Associate Professor of Management and Organization
Sandra Fritz, Assistant Dean and Director USC Marshall Executive Education
Eric Gustafson, CEO Coast Packing Company
Lee Hausner, Senior Advisor, USC Marshall Family Business Program
George Isaac, Chairman. Founder/CEO of GAI Consulting, former family-business CEO, co-manager of his family office and Deloitte Consulting Partner.
Tim Lappen, Founder, Partner & Chairman of the Family Office Group and Luxury Home Group at Jeffer Mangels Butler & Mitchell
Albert Napoli, Lecturer, Lloyd Grief Center for Entrepreneurial Studies
John Saroyan, President of Saroyan Lumber
Kirk Stewart, Founder and CEO of KTStewart public relations and communications
Ken Ude, Director, USC Marshall Family Business Program

Contact
For more information about the Program, to take the Family Business Check-Up or to apply, please contact: Ken Ude, Director, USC Marshall Family Business Program, 1150 South Olive, suite 2900, Los Angeles, CA 90089. Ken.Ude@marshall.usc.edu. Direct line: 323-365-3787. www.marshall.usc.edu/FamilyBusiness.