

# FEISC Newsletter

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The Kim S. Miller  
**Family Enterprise Institute  
of South Carolina**  
at ANDERSON UNIVERSITY

October 2024



## On the Calendar

- October 17, 2024: Breakfast Briefing (Greenville, SC)
- November 7, 2024: Annual Conference (Greenville, SC)
- November 13, 2024: Succession Planning Luncheon (Columbia, SC)

2024

## Annual Conference

Navigating Change:

Mastering Transitions in Family Enterprise

Speakers Include:

- Bill Stranberg & Jim Stranberg, Stranberg Resource Group
- Hagen Rogers, Watermark Advisors
- Don Harper, Harper & Harper

There will also be a moderated multi-generational panel discussion on succession planning.

Keynote: Lisa Cooper  
President, Mast General Store

November 7, 2024

The University Center of Greenville

8:30am-2:30pm



**Silver Sponsors:**

- Pendleton Street Advisors
- Watermark Advisors

Sponsorship  
Opportunities Still  
Available.



A family business constitution is a foundational document that outlines the principles, policies, and procedures governing the relationship between a family and its business. This constitution serves as a critical tool in ensuring the long-term success and sustainability of the business, while also preserving family harmony.

#### Key Benefits of a Family Business Constitution

- **Clarity and Transparency:** One of the most significant advantages of having a family business constitution is the clarity it provides. By clearly defining roles, responsibilities, and expectations, it helps prevent misunderstandings and conflicts. This transparency fosters trust among family members and employees, contributing to a more cohesive and productive working environment.
- **Conflict Resolution:** Family businesses often face unique challenges, including disputes that can arise from overlapping family and business roles. A well-crafted constitution includes mechanisms for conflict resolution, offering structured processes for addressing disagreements. This proactive approach helps to resolve issues before they escalate, maintaining family unity and business stability.
- **Succession Planning:** Succession is a critical issue for family businesses. A family business constitution outlines the succession plan, detailing how leadership transitions will occur. This ensures a smooth and orderly transfer of power, reducing uncertainty and preserving the business's continuity.
- **Alignment of Vision and Values:** A constitution helps align the family's vision and values with the business's strategic goals. By articulating a shared mission, it ensures that all family members are working towards common objectives. This alignment strengthens the business's identity and culture, enhancing its reputation and long-term viability.
- **Legal Protection:** In addition to fostering internal harmony, a family business constitution can provide legal protection. It formalizes agreements on key issues, reducing the risk of legal disputes. This legal clarity can be particularly beneficial when dealing with external stakeholders, such as investors or regulatory bodies.

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## Announcing Our Newest Members:

- Stuckey's
- Mast General Store
- Super Duper Publications
- All About Flooring
- Rhodes Companies
- Ditch Witch of the Carolinas
- Kenneth Rhodes and Associates Inc



### Member Spotlight



**Henry Philpot of Philpot Law Firm** was recently awarded the 2024 Founders' Awards by the South Carolina Association for Justice. According to the SCAJ, this award is "In recognition of his strong record as a trial advocate of great skill, his reputation for ethics and honesty, and exemplary history of contributing to education and professional development."

## Key Features of a Family Business Constitution

1. **Mission and Vision Statements:** These statements articulate the core purpose and long-term aspirations of the business, providing a clear direction for future growth and development.
2. **Governance Structure:** This section outlines the governance framework, including the roles and responsibilities of family members, boards, and management teams. It also details how decisions are made and who has the authority to make them.
3. **Succession Planning:** A detailed plan for leadership transitions, including criteria for selecting successors, timelines for transitions, and processes for training and development.
4. **Conflict Resolution Mechanisms:** Clearly defined processes for resolving disputes, including mediation and arbitration procedures. This helps ensure that conflicts are managed constructively and do not disrupt the business.
5. **Ownership Policies:** Guidelines for ownership, including policies on the transfer of shares, entry and exit of family members, and dividend distribution. This section helps manage expectations and prevent conflicts related to ownership rights.
6. **Family Involvement Policies:** Criteria for family members' involvement in the business, including qualifications, roles, and compensation. This ensures that family members contribute meaningfully to the business and are rewarded fairly.

## Getting Started with an Advisor

Creating a family business constitution can be a complex process, requiring a deep understanding of both family dynamics and business operations. Engaging an experienced advisor can be invaluable in this process. Here's how to get started:

1. **Identify Your Needs:** Before seeking an advisor, clearly identify the specific needs and goals of your family business. Understanding your unique challenges and objectives will help you select the right advisor.
2. **Research Advisors:** Look for advisors with experience in family business governance. Consider their track record, expertise, and approach to ensure they align with your family's values and business goals.
3. **Initial Consultation:** Arrange an initial consultation to discuss your needs and expectations. This meeting will help you assess the advisor's suitability and establish a rapport.
4. **Collaborative Process:** Work closely with the advisor to develop your family business constitution. This process should involve input from all key family members to ensure that the document reflects the collective vision and values of the family.
5. **Implementation and Review:** Once the constitution is drafted, implement it formally within the business. Regularly review and update the document to ensure it remains relevant and effective as the business evolves.

In conclusion, a family business constitution is a powerful tool for ensuring the longevity and harmony of a family business. By providing clear guidelines and fostering alignment, it helps navigate the complexities of family and business dynamics, setting the stage for sustained success.

Brad Bechtold, Ed.D.

Executive Director, The Kim S. Miller Family Enterprise Institute of SC and Associate Professor of Business

# Meet the Member

## Ayers Leather Shop



Thank you to Deb and Payton at Ayers Leather Shop for hosting our first Meet the Member event.

We also thank GOS for supplying coffee and chicken minis for those who attended.



# Swanson's Warehouse Social Hour



Thank you to the membership recruitment and engagement committee for hosting a time for gathering at Swanson's Warehouse.

We especially thank David Stone (Stone Property Management) for sharing this fun, unique venue with us. Also, thank you to Pinnacle Financial Partners for sponsoring. We had some guests and new members attend and had a chance to get to know each other a little better.

