Foreword

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About three years ago, Ritch Sorenson introduced me to the focus of this book, “A Map of the Landscape of Family Business,” and indicated that it was a summary of 12 years of research about important outcomes in family business.* Because of my background, which includes 20 years of family business studies and working in our family-owned company, I was intrigued by the Landscape Map. The map depicts the key elements and processes that I have found at work in our family and business systems, and I was impressed that years of my family’s learning, work, and trial and error were captured on one page.

In the late 1980’s my father became committed to providing an opportunity for education about family business to my five siblings, myself, and our spouses. In 1990 my family enrolled in a family business program at Wharton. For several years we travelled quarterly to Philadelphia to learn from the early advisors in the family business field and to interact with other families enrolled in the program. We continued our learning experience at the newly formed Family Business Center at the University of St. Thomas. In addition, as a family group we spent many days working privately with impactful consultants who had a significant influence on our evolution as a business owning family.

Eventually, all of the education, theory, and trial by fire took hold and we began to develop formal and informal processes that led our business and family to become far more successful than we would have been otherwise.

The number one motivation for my interest in the Landscape Map is that *governance* is its central feature. Our family is focused on multi-generational ownership of the business. What success we’ve had in this regard is largely due to a strong commitment to effective governance. Our respect for strong governance has greatly improved the performance of the business and made the family more disciplined, thorough, and accountable to each other and the business.

More than 20 years ago my father created a very talented, committed, and independent board of directors. The board has had an invaluable impact on our business. A decade ago the board and management developed an Annual Business and Strategic Planning Calendar that is used to regularly examine our business strategy and the impact of social and economic trends, which are significant areas on the Landscape Map. Not unexpectedly, this has substantially improved our family and business performance.

In addition to the board, the family – including shareholders and spouses – has a significant role in the governance functions on the Landscape Map. In our case, family governance is continuing to evolve, and as the ownership has become multi-generational,

* To better understand this discussion of the Landscape Map, it would be useful to first look at “A Map of the Landscape of Family Business” located inside the front cover of this book.

we see the need for more formality and structure to heighten transparency, inclusiveness and participation.

With the goal of becoming a multi-generational entity, *succession* was a paramount task. Succession of ownership and leadership in the business and family are pivotal events. As the Landscape Map illustrates, succession is closely linked to governance, but it is also dependent on the development of *family roles* and the recognition of the importance of *family dynamics*. We had many occasions in seminars and working with experts in the field that were focused on strengthening our familial relationships and developing the qualities of individual family members. Success in these areas is just as essential as success in business.

In addition, I was impressed with another aspect of the Landscape Map's layout: the issues for both the business and family systems that arise with greater frequency are found on the bottom of the map, and those of lesser frequency, but which may have a more significant impact, are found on the top. This reflects what I have learned about family business – family and business skills, and unity are built over time.

After Ritch presented the Landscape Map, I thought it would be interesting to populate the map with our family and business practices. Ritch provided me an electronic copy and, using my own labels, I added our practices to each of the key areas of the map. In essence, this was a summary of 20 years work by the family, board, and management team. Mapping our family business activities was largely an intuitive task, and through creating our family business map, I became more impressed with the practical value and the research behind the Landscape Map.

When I showed my version of the map to Ritch, he invited me to present it to his Family Business class. Since then, I have presented our family business map to family business owners at the University of St. Thomas and the University of Pittsburgh. In addition, I participated in a conference where owners, advisors, and researchers gathered to discuss the Landscape Map. At Ritch's request, I have included my version of the Landscape Map in Appendix A of this book.

After using the map and discussing it with family business stakeholders, its value is clear to me. The Landscape Map provides owners a way to summarize and assess important outcomes within their family businesses; it provides advisors a way to help owners balance and navigate the complexities of family business ownership; and it provides scholars a way to link the research with application. Based on my own experience and application, I endorse "A Map of the Landscape of Family Business" as a helpful tool owners may use to understand their family business.

Paddy McNeely is the Chairman and CEO of Meritex, based in Minneapolis, MN. Paddy's family has been recognized as Family Business of the Year by the State of Minnesota. Paddy serves as the Chair of the Advisory Board for the Family Business Center at the University of St. Thomas, where he frequently speaks about family business.