Family Business

Laird Norton Wealth Management was founded to serve as wealth advisors and trust managers for the Laird and Norton families, family business owners for seven generations, and now works with numerous entrepreneurial families in the Pacific Northwest.

Understanding your personal financial needs is as important as understanding the balance sheet of your business. We believe you need a financial plan for your life beyond your family business, and we're here to help you put that plan in place. We offer financial planning consulting for family business owners who are not current Laird Norton Wealth Management customers.

If you are a member of a business-owning family, the team at Laird Norton can help you create a financial plan for life beyond your family business.

Trends in family business

As a follow up to our 2007 national survey for family businesses, we then reached out to family businesses in the Northwest region to get a better understanding of their unique needs and challenges as northwest family business owners. The result is a survey called *2008 Laird Norton Tyee Northwest Family Business Survey*.

At Laird Norton Tyee, we admire the tenacity and ingenuity of America's family businesses. We realize they are both the backbone of our economy and an important source of wealth and security for families across the country. Our history is deeply rooted in serving business-owning families. Their challenges and successes are the inspiration for continued research in this area. With the *2008 Laird Norton Tyee Northwest Family Business Survey*, we hope to spark conversations around this topic and bring greater understanding of the unique demands and opportunities that family business leaders face every day.

Dear Reader,

Family businesses are in good company. They are economic drivers and community leaders. They represent a cross-section of all industries and play a tremendous role in commerce large and small. Some represent history, others the future. Together, they are proof that no opportunity is outside the grasp of those with the vision, dedication and hard work that only a family can produce.

We are pleased to present the *2008 Laird Norton Tyee Northwest Family Business Survey*. The project looks at family-owned and family-operated businesses across Washington, Oregon and Idaho, providing a regional perspective on the promises and challenges that leaders of these firms face every day.

This is not our first foray into family businesses, nor will it be our last. At Laird Norton Tyee, we are fascinated by family businesses. We were founded more than 40 years ago to serve members of the Laird and Norton families, owners of the Laird Norton Company, a family business now in its seventh generation. We understand family business because our history is family business. To this day, the majority of our clients remain tied to family businesses of their own. We admire the tenacity and ingenuity of these business leaders and families and the commitment they have made to create their own futures.

In 2005, family business leaders across the Pacific Northwest heard the results of the first survey of area family businesses. What was most surprising about the survey was not the results but the reaction of the entrepreneurs and families who had committed their lives to building these businesses. They recognized that they were not alone in the challenges they faced, and that the sharing of critical insights with their peers would help them all to grow.

From this grew Laird Norton Tyee's commitment to family businesses that continues to this day. We have conducted one of the largest national family business surveys of its kind, the *Laird Norton Tyee Family Business Survey: Family to Family 2007*, and are currently planning a second national survey for 2009. Our Family Business Thought Forums™ bring the top minds in family business best practices to our clients in a setting designed to inspire knowledge sharing. And the relationships we've established with the academic community have helped us provide insights into succession and strategic planning, wealth generation and income diversification, and multigenerational family harmony.

We are tremendously honored to learn from the businesses that we consider the lifeblood of the American economy. With the values they instill through the generations and the leadership and philanthropy they provide to their communities, their impact cannot be measured in dollars alone. We are committed to helping family businesses continue to thrive by expanding our research and intellectual capital, developing innovative and collaborative programming, and engaging in earnest and authentic dialogue with everyone who serves or is served by a family business.

We hope this survey can spark a new discussion among family businesses, one that helps them focus on the visions and values they hold dear, and one that can help them continue for generations to come.

Laird Norton Tyee

Methodology

Data for the *2008 Laird Norton Tyee Northwest Family Business Survey* was collected by conducting 200 phone interviews with family businesses in the states of Washington, Oregon and Idaho.

The companies were identified as family businesses based on set criteria and a number of questions asked of the person surveyed once they were contacted. The primary identifier for selecting businesses to participate was having at least two people in the top management team who had the same last name. Once these businesses were contacted, the person responding for the business was asked a series of questions to make sure they were indeed a family business. From those questions, we identified businesses that were at least partially owned by the family, but more important, heavily controlled by members of the same family.

The largest portion of businesses surveyed (69 percent) were in the retail and service sector. There were also businesses surveyed in the agricultural, manufacturing and construction sectors (a total of 18 percent for those sectors) and some businesses (13 percent) that would fall into the category of professional services.

For the purpose of our report, we analyzed our survey data in two ways. In order to gain insight and benchmarks about the trends of more established family businesses, we used information from the largest 25 family businesses measured by revenue that we surveyed. Looking at these 25 businesses informed us of the practices and needs of firms which face the full range of family business issues.

The second analysis was of the data provided by all 200 businesses. This larger sample statistically allowed us to draw correlations between the profitability of a business and its willingness to receive input from management, ownership and the controlling family. The data from all 200 families was used in the stakeholder correlation section of the report, while all other areas were informed by the 25 largest survey respondents.

Within the group of the largest 25 businesses, we surveyed 13 people who were identified as the founder or owner of their respective business, two who were identified as the co-founder, seven people who were identified as children, grandchildren or great-grandchildren of the business founder, a spouse of the owner of the business and two people who fell into the “other” category.

Within this group, the family owned an average of 95 percent of the company and the business had an average of 37 full-time employees. On average, 3.52 family members were employed as full-time employees by the family business.

Executive Summary

Family businesses played a vital role in our nation's early history and they remain important today, providing the path to financial freedom for many individuals and their families. In many ways, the creativity, drive and commitment required to launch an entrepreneur's idea into a thriving business still represents the pioneering spirit of our nation's past. But the steps along the way – from new idea, to new business, to retirement and a new generation of owners – are not always a clear-cut path. Family businesses face a unique set of challenges on their road to success. The *2008 Laird Norton Tyee Northwest Family Business Survey* takes aim at some of those challenges, and provides a snapshot of family businesses in the states of Washington, Oregon and Idaho.

The challenges facing these businesses are quite different from the challenges of nonfamily firms. Families often want a successor, either from within or outside the family, who will not only effectively run the business, but also continue to represent the family's values and their community legacy. Senior generation family members may also find a challenge in diversifying their income to make sure an entire generation's wealth is not solely tied to their business. And unlike publicly held firms who answer only to management and shareholders, a family business must also consider the needs and desires of family members as well. Many of these family members may not own or work in the business, but still have considerable influence on the business's actions.

The survey shows how family business leaders in the region feel about their future prospects, where they may benefit from planning for the future, and what their different stakeholder groups – including management, ownership, and the family itself – value the most when making decisions concerning the business. Among our findings, we discovered:

Incorporating the needs and desires of each different stakeholder leads to greater success for family businesses. Family business leaders answer to a unique mix of stakeholders. Just like with a nonfamily business, they must try and meet the different needs of management and ownership, but family business leaders must also answer to a third stakeholder – the family members themselves. Not every family member will have ownership in the firm, but they can still hold sway in decisions about the family business. Whether business leaders should listen to that third stakeholder group is a subject of great debate. The *2008 Laird Norton Tyee Northwest Family Business Survey* found that understanding and satisfying the needs and wishes of the family members can improve profitability. Family firms dedicated to reaching their highest potential would do well to listen to all three groups, the study shows.

Succession planning is still needed for many family businesses. While 88 percent of those surveyed said they strongly believe their business will still be controlled by the family in five years, a quarter of all survey respondents said they have spent little or no time on succession planning. Only half said that the senior generation shareholders of the family business have written and signed estate plans.

Family businesses lack income diversification. Survey respondents said that excluding real estate, an average of half of their personal net worth is the family business. The pressure of having so many eggs in one basket can often cause business owners to delay retirement and delay transitioning the business to the next generation. Having so much wealth tied up in the family business can also put the senior generation family members at considerable risk – if for some reason the business declines, so does the family's biggest asset.

Family business boards add significant value to the firm. Creating a board of directors can help a family business identify and articulate a long-term vision. When family businesses in our study were asked to rate how well their boards were contributing to the direction of their business on a 0 -10 scale, the average rating was 8.9, where 0 meant they strongly disagreed that their legal board of directors were making a valuable contribution to the direction of the business, and 10 meant they strongly agreed the board was making a valuable contribution.

More findings from the survey are discussed in the following sections. We hope this information sheds more light on best practices for family businesses and sparks conversations that promote their future success. It is a topic of great interest which we eagerly continue to explore.

Questions & Answers

What is the state of family business today?

Family businesses remain the lifeblood of the U.S. economy, accounting for more than half of the U.S. gross domestic product and generating nearly 60 percent of the country's employment. Family businesses have historically been optimistic about their futures and our survey demonstrates the same. While the economy is shaken, family businesses are often in a better position than publicly held companies to survive and thrive during difficult times.

Why is Laird Norton Tyee, a wealth management firm, talking about family businesses?

We want to spark a new conversation among family businesses by constantly providing the best information available, encouraging family businesses to share best practices and committing to their ongoing success. We've worked with family members of family businesses for more than 40 years and hope to work with them for many more.

What are the top challenges that family businesses face today?

As our survey shows, family business leaders generally have a strong desire to keep the business within the family, but they have done little to prepare for transitioning that business to the next generation. We also found that many business-owning families have a significant portion of their personal net worth tied to the family business, potentially causing family members to delay retirement and posing a significant threat to retirement savings if the business were to suffer. These personal financial pressures can burden business decisions.

Why is succession planning so important?

Succession planning goes far beyond choosing the next company leader. It includes identifying those with the skills and capabilities to lead a business, training them to lead early so they are prepared from their first day in the top role, and developing trust throughout the entire company that the business will continue to prosper when changes happen. In addition to the succession plan, it is critical for senior generation leaders to prepare themselves for the next chapter in their lives by diversifying their income sources, planning where they will focus the energy previously put into the business and establishing estate plans that help support future generations.

What are the critical elements in developing a succession plan in a family business?

Succession planning is complex. A good way to start the process is to begin with a family conversation. Setting agreed-upon goals and clearly defining the vision for the future is often the hardest, but most important, part. The elements of a succession plan are individual to each family business. One common aspect of a sound succession plan includes clearly outlining the roles of ownership, management and family. They can also detail the education, knowledge and professional experience required of a family member to enter and rise up through the business, or can describe how family members can exit the business and how the next generation can buy ownership stakes in the firm.

How do family goals and wishes affect a family's business?

In running a family business, the leader must consider the needs of several stakeholders including ownership, management and his or her family. The desires of these groups are often not aligned and a common belief is that the interests of a family are generally in conflict with that of a business. Subsequently, it's thought that the business leader should not let family influence interfere with business decisions. However, our study found that incorporating the goals and desires of the family is an important part of running a family business and it can actually boost a business's bottom line.

What can a family business learn from this survey?

One of the most important things to learn is that considering the needs and goals of the family is not only important for the family's well-being, but also can increase the success of the business. Owners, management and family members, who may not even own part of the business, all have influence and unique concerns. Our study shows that balancing the needs of each of these groups can be profitable for the business.

Survey Report

Incorporating the Wishes of Family, Ownership and Management

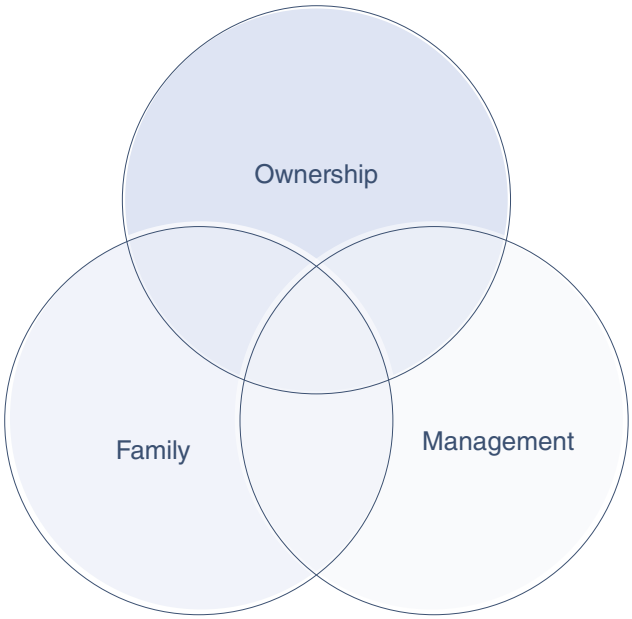
Each stakeholder group has different goals for the business. Meeting the needs of all three groups boosts the bottom line.

Meeting the needs of the various stakeholders of a family-owned firm is no small task. The leader must consider the needs from a chorus of stakeholders including ownership, management and the family itself. Often times, these three groups are not singing the same tune when it comes to goals and priorities of the business.

Owners may focus more on the profitability and long-term growth of the business, for example, while management might balance those goals with other priorities such as employee retention. Meanwhile family members, who may not even own part of the business but still have an influence, may be more concerned about how the business affects the family's reputation, or how the business can provide employment for children and grandchildren.

Balancing those differing needs and goals is difficult enough, but the process becomes even harder to navigate considering some stakeholders may wear multiple hats. The patriarch of the family may also be the majority owner of the business, while the daughter may be a part of the management team.

The three-circle model of family business[1]



1. Used with permission of John A. Davis. The original three-circle model created in 1982 by Renato Tagiuri and John Davis uses the word business, which we have replaced with management.

While each of these stakeholder groups has its own set of goals and priorities, none of those goals seem to undermine the business. In fact, there is evidence from our study that incorporating the goals and wishes of all three groups gives a family business a competitive edge.

This is a hotly debated issue concerning family businesses. While it is easier to see how listening to ownership and management would have a positive effect on the performance of a business, there are two schools of thought on whether a business should incorporate the goals and desires of the family into its business decisions.

Some believe that the interests of a family are generally misaligned with that of a business, and that allowing the family to influence business decisions will have a negative effect on the company's profits. Others believe family involvement generally improves the economic performance of a family business, especially in the long term, since attending to family goals increases family harmony and commitment. There is research to support both approaches.[2] Our study found that incorporating the goals and desires of the family benefited a company's profits.

We used statistical correlations to draw this conclusion.[3] In our study we looked at the correlation between how much the business incorporated input from each group of stakeholders and how profitable that particular business was. A more detailed explanation of the statistical correlations in this survey can be found in the Appendix. In short, a correlation score of 1 means two items are perfectly correlated to each other and a correlation score of -1 means two items are completely negatively correlated to each other. It should be noted that any positive number between 0 and 1 is statistically significant, representing that a correlation does indeed exist. If there were no correlation between two items, the statistical analysis would result in 0.

Not surprisingly, the correlations revealed that the businesses that did a better job of incorporating the goals and wishes of their owners and management into the decision-making process were also more profitable than their competitors. But what was interesting was that there was also a positive correlation of .155 between a family business's profitability and its willingness to include the family in the decision-making process.

> "A family's goals can strengthen a company and give it significant advantages over public companies. A family's firm commitment to long-term profitability, a good work environment, quality products and services, and the community can pay dividends."
>
> – Kathy Williams, Director of Community Relations and owning family member, Homestreet Bank

2. Carney, M. (2005). Corporate governance and competitive advantage in family-controlled firms. Entrepreneurship Theory and Practice, 29, 249-266.
3. To accurately measure these correlations, we used the responses of all 200 family-owned businesses surveyed. All other survey results in this report are based on information from the 25 largest family-owned businesses we surveyed.

> "At Nordstrom, the culture of both our business and our family is aligned. It is the most valuable asset we have."
>
> - Bruce Nordstrom, Former Chairman, Nordstrom, Inc

The survey also revealed that formalizing a process to include input from all three groups gave businesses a competitive edge. There was a positive correlation of .192 between a business's profitability and the extent to which that business had a distinct process for making decisions about ownership, management and family issues. Regular family meetings, councils or a family constitution are all ways to establish a distinct process to receive input from the family on business decisions. Deciding in advance how future business leaders will include family input can also formalize the process.

In order to help family business leaders better understand the different needs and priorities of these three stakeholder groups, our survey sought to find out what things matter most to each group by quantifying some of their top-ranking priorities. For each different stakeholder group, we picked five different topics that continually surface as important issues for that particular group. Topics selected for each stakeholder group varied due to their differing role with the firm. We then asked those surveyed to rate how high a priority each issue is to that individual stakeholder group. The results shed light on what issues a family business leader may want to consider to make sure the wishes and goals of each stakeholder are taken into consideration.

KEY

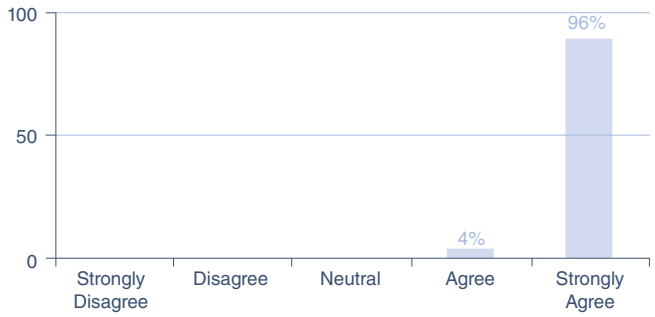
0-2	Strongly Disagree
3-4	Disagree
5	Neutral
6-7	Agree
8-10	Strongly Agree

Ownership

The survey found that owners of family businesses tended to have a long-term focus for the business. Family businesses are afforded this luxury in part because they are privately held and don't have to report quarterly earnings to a group of shareholders that demands to see quicker, short-term profits from the firm. When asked to rate the importance of long-term success to owners, 88 percent of those surveyed scored this issue a 10, which was the highest rating possible. Eighty-four percent of those surveyed scored the similar issue of long-term growth a 10 as well.

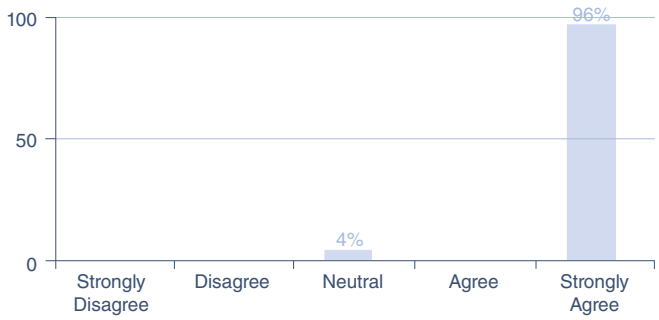
Ownership View: Long-term Success

The long-term financial success of the business is very important to the owners of the company.



Ownership View: Long-term Growth

The long-term growth of the business is very important to the owners of the company.

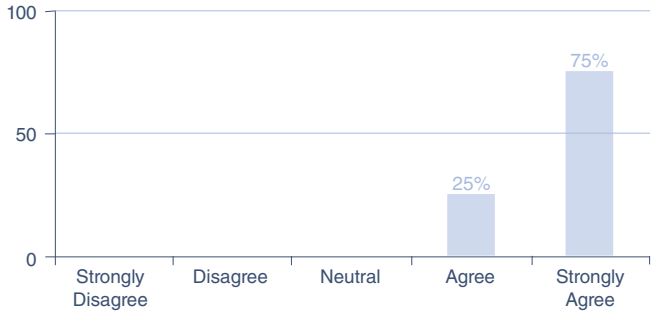


Family

When considering the importance of different issues to the family, it was most important to families that family members stay involved in the management of the business. The families also placed significant importance on the business achieving high profitability. While having family involved in the management process was important to the family, they placed much lower importance on the business providing employment for family members. This indicates that even though maintaining family control is important to families, they want to make sure that the future business leaders hired have the necessary business skills to maintain the company's success.

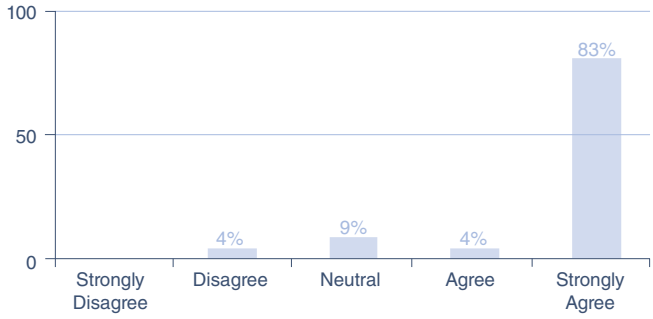
Family View: Family Involvement

Continued family member involvement in the management of the business is very important to the family.



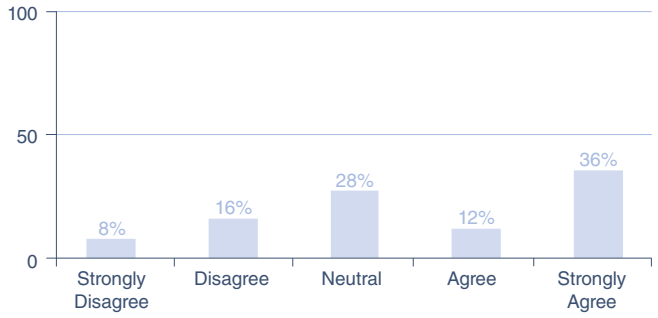
Family View: Importance of Profit

Having a highly profitable business is very important to the family.



Family View: Providing Family Employment

Providing employment for family members is very important to the family.

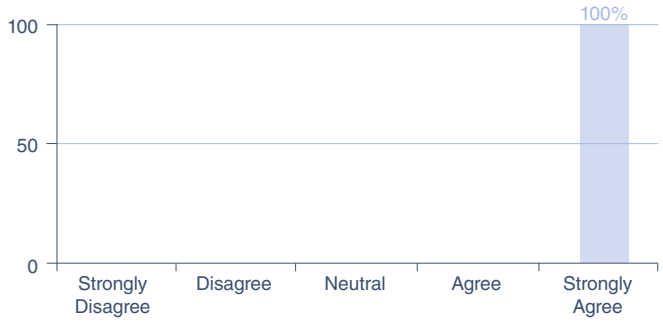


Management

When considering the importance of different issues to management, having a good work environment and the long-term growth of the firm received the highest ratings. It should be noted, however, that each of the other three issues related to management – a competitive salary and benefits package, an opportunity for career advancement and ensuring that those who contribute to firm profit are compensated accordingly – also received high ratings.

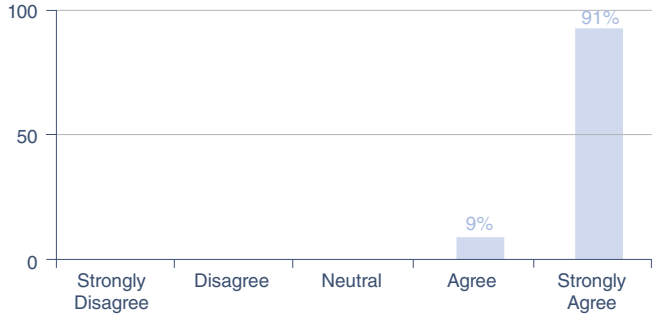
Management View: Work Environment

A good work environment is very important to the managers of the firm.



Management View: Long-term Growth

The long-term growth of the business is very important to the individual managers of the firm.



Succession Planning Still the Greatest Deficiency of Family Businesses

LAIRD NORTON TYEE

Most family business leaders plan to keep their business in the family, but relatively few have planned how that ownership will transition to the next generation.

The vast majority of family business leaders surveyed are extremely confident their business will continue to be owned by their family. That confidence has not always transferred over to the succession planning process, however. While 88 percent of those surveyed said they strongly agree the business will be controlled by the family in five years, a quarter of those surveyed said they had spent almost no time on succession planning. Only 26 percent of those surveyed said they spent a lot of time on succession planning issues. The survey also indicated that only about half of the senior generation of business owners has written an estate plan.

Succession planning is likely being delayed because families have much of their personal wealth tied up in the family business. Those surveyed said an average of half their personal net worth is in their business. Without a separate pool of capital the senior generation can rely on for retirement, they may be hesitant to fully let go of the business even if they are ready to relinquish day-to-day management responsibilities.

Another potential reason succession planning is being delayed is that senior generation family members are enjoying longer, healthier lives than previous generations, pushing thoughts of retirement further back. The current CEOs of family businesses in this survey believe they will continue to lead the firm for an average of nine more years. This means time is still in their favor in terms of developing an effective succession plan.

While many family business leaders have done very little to plan their own exit strategy, they are frequently targeting a family member to take over the business when they do retire. Fifty-six percent of those surveyed said they strongly believe the next CEO of their business would be someone in their family.

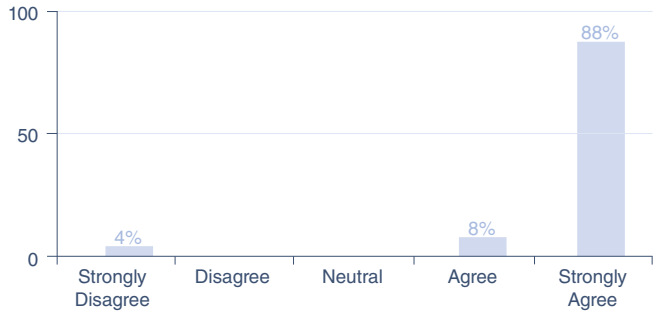
While the majority of business leaders said they believe the next CEO will come from the family, they also indicated that providing employment for the family is not as high of a priority for the family business as other factors such as profitability. They want their family to stay involved in the business, but don't necessarily view their company as an employment ground for family members who may not possess the skills or experience needed. This suggests that these businesses are planning on maintaining family control in the future, but they also want to make sure the next generation of business leaders has the necessary skills to maintain the company's success.

> "Lack of succession planning is all too common. Either entrepreneurs can't let go of their 'babies,' parent-owners don't like to give up control since the next generation is never quite ready, or owners don't take the time to develop an asset diversification plan. Truthfully, it is often unpleasant and hard, so they avoid doing it."
>
> – Tom Markl, CEO, Nelson Real Estate Mgmt LLC

> "Retiring leaders that seek out new careers and avocations can eliminate the common but unfortunate signal that transferring control means there's really nothing meaningful left for them."
>
> – Bruce Pym, Family Business Consultant

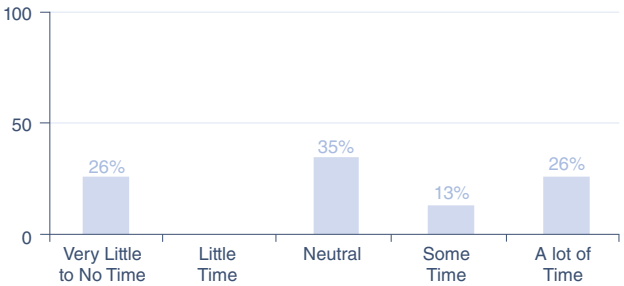
Family Control in the Future

I believe that the business will be controlled by the same family(ies) in five years.



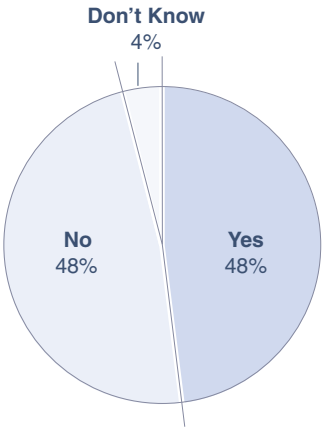
Time Spent on Succession Planning

How much time has been spent on succession planning?



Estate Planning

Have your senior generation shareholders written and signed estate plans (other than wills)?



Current CEO Retirement Timeline

In how many years does the current CEO plan to retire?

9

Percentage of Net Worth Tied to the Business

Excluding personal real estate, what percentage of your personal net worth is the family business?

50.4%

Family Business Leaders Remain Optimistic About Their Success

LAIRD NORTON TYEE

Even in a trying economy, most family business owners expect to flourish.

The family-owned businesses we surveyed have had much success over the last three years, and despite a challenging economy, most of these business owners expect that success to continue. In fact, none of the family businesses surveyed expect the number of employees to decrease at their firm over the next year. This finding supports other studies that also found family businesses typically resist downsizing.[4] Positive expectations extend beyond 2009, as more than half of those owners expressed they were highly confident in their company's growth over the next five years.

Family businesses have a positive outlook and believe they are outperforming their nonfamily-owned counterparts. There are many factors that may promote this outlook. Studies have shown that family businesses are not as leveraged as publicly held firms,[5] which would likely make them less vulnerable to the credit crisis. Most are privately held and typically don't report quarterly earnings to shareholders, which allows them to take a long-term view of their businesses. Last year's national survey, *Laird Norton Tyee Family Business Survey: Family to Family 2007*, also found that family businesses across the country felt good about their long-term growth, with 87 percent of those surveyed saying they were "highly optimistic" about their company's prospects over the next five years.

That confidence may be built largely upon the successes these family-owned businesses have had in the past. Over the last three years, the average, annual, after-tax profit as a percentage of sales for family-owned businesses surveyed was 6.8 percent while average sales growth was 33.4 percent. More than 80 percent believe they have a high sales growth rate compared to their competitors. As with any survey, this is a snapshot in time. It is important to note that this survey was conducted in the spring of 2008 at a time when many negative economic factors had started to take hold but before their impact could have been accurately measured.

> "Family businesses disprove the great myth that multinationals dominate the economy. As big business continues its quest for efficiency, the services, capacity and expertise of family businesses across all industries will become even more important."
>
> – Don Brunell, President, Association of Washington Business

Expected Changes in Employment

What changes do you anticipate in the number of full-time equivalent employees in the next year?

Increase by more than 5%	20%
Increase by 5% or less	20%
Remain the same	56%
Decrease by 5% or less	0%
Decrease by more than 5%	0%
Don't know	4%

4. Astrachan, J.H., Zahra, S.A., & Sharma, P. (2003). Family-Sponsored Ventures. Presented in New York on 29 April 2003 at the First Annual Global Entrepreneurship Symposium: The Entrepreneurial Advantage of Nations
5. Miller, Danny and Le Breton-Miller, Isabelle. Managing for the Long Run (Boston: Harvard University Press, 2005), p.19.

Sales Growth

What was the average sales growth percentage of your firm over the last three years?

33.4%

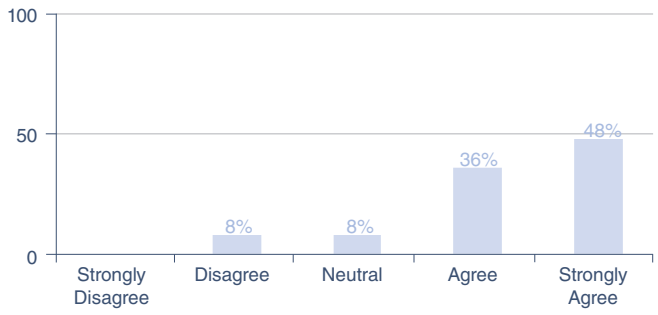
Profits

What was the average after-tax profit as a percentage of sales for your firm over the last three years?

6.8%

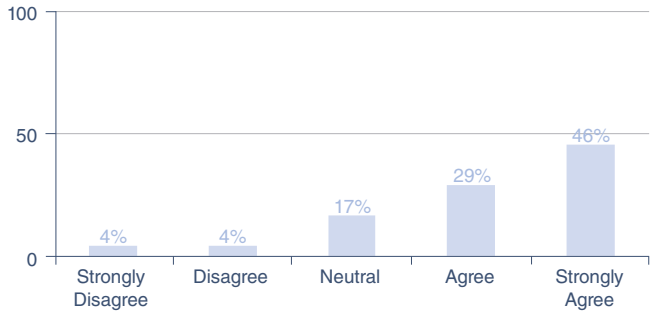
Sales Growth vs. Competitors

Relative to our major competitors, our firm has VERY high sales growth.



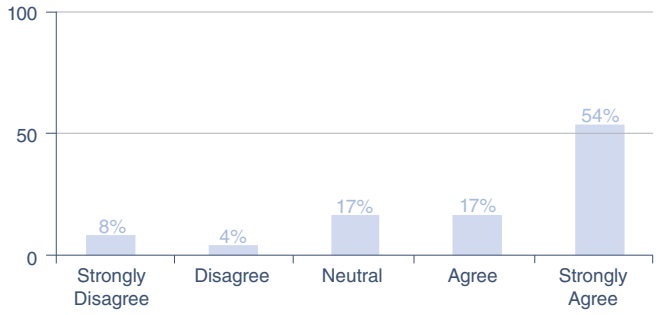
Profit vs. Competitors

Relative to our competitors, our firm is VERY profitable.



Confidence in Growth Prospects

I have a high level of confidence in the growth of the business in the next five years.



Report Appendix

While most of the survey results in this report are based on information from the 25 largest family-owned businesses we surveyed, the correlations are drawn from the *2008 Laird Norton Tyee Northwest Family Business Survey* results of 200 family-owned businesses. A larger data set was required to accurately measure correlations.

The study asked respondents four questions to gauge how much priority and attention the needs and wishes of each individual stakeholder receives, and how much the goals of each group influences the decision-making process. (A list of the four questions asked to gauge attention given to each group can be found at the end of this section.) Separately, the family businesses were asked to rate how profitable their business was compared to its competitors. A statistical analysis then calculated whether giving the needs of different stakeholder groups more time and attention correlated into higher profitability compared to the business's competitors. A score of 1 would indicate a perfect correlation, meaning the business's profitability over its competitors moved in perfect step with the amount of time and attention paid to a particular stakeholder group. A score of -1 would indicate that the profitability and amount of time and attention paid to a particular group moved completely opposite of each other. In other words, the less time and attention given to a group, the more profitable the business was. A score of 0 would indicate there was no correlation.

The following statements were used to gauge how well a business incorporates input from each stakeholder group:

- Wishes of owners receive high priority
- Needs of owners receive time and attention
- Satisfying owners' claims is very important
- Goals of owners influence decision making

Respondents rated these statements on a scale of 0-10 with 0 meaning they strongly disagreed and 10 meaning they strongly agreed. The same statements were asked again to measure how well the business incorporates input from the management and family stakeholder groups as well.

The ratings of that group of questions were correlated to ratings of the following statement, which respondents also rated on a 0-10 scale:

- Relative to our major competitors, our firm is VERY profitable.

Research Team

Laird Norton Tyee would like to thank the following members of our advisory and research team

Academic Advisors

Jim Chrisman and The Mississippi State University Center of Family Enterprise Research
Jim Chrisman is the interim director of Mississippi State University's Center of Family Enterprise Research. He also holds a joint appointment as a research fellow at the University of Alberta's Centre for Entrepreneurship and Family Enterprise. Jim provided oversight to the research for this project and provided insight on what the research findings mean for family businesses.

With four management faculty members dedicated to researching family business topics, the Center of Family Enterprise Research is one of the leading research centers for new information affecting family businesses both nationally and abroad. Along with its research efforts, the Center disseminates research and statistics to family businesses throughout the country and holds periodic conferences and symposiums addressing the issues affecting today's family businesses. Some of the main areas of research at the Center include the creation, development and transition of family businesses; the strategic management of family businesses; the differences in organizational behavior of family and nonfamily businesses; and the determinants of economic performance of family businesses.

J. Kirk Ring
Kirk is currently an assistant professor at the Barton School of Business at Wichita State University. His primary interest is family business research and he recently completed his Ph.D. at Mississippi State University this fall, with an emphasis in entrepreneurship and family business. While at MSU, Kirk played a key role in developing this survey and analyzing and interpreting its data. The information within the survey was used to support his dissertation, "Stakeholder Salience in the Family Firm," which analyzes how family firm stakeholders influence the decision-making processes of family business leaders and how those decisions alter the performance of their firms and the performance of their families.

Pramodita Sharma and the Family Enterprise Research Conference
The Family Enterprise Research Conference (FERC) is dedicated to developing a community of scholars interested in conducting research into understanding family firms and creating usable knowledge in this field. The goal of the conference is to enable scholars to design and develop research projects that are theoretically sound, empirically accurate and of practical significance to family firms.

Pramodita Sharma is the co-founder of FERC. She is a professor at the John Molson School of Business, Concordia University in Canada, and is also the editor of Family Business Review – an academic journal publishing the latest and most relevant interdisciplinary research on family firms. Pramodita lent her expertise in family business research to this study, analyzing the data and giving context to the survey's results.

Research Firm

Jim Hebert and Hebert Research

Jim Hebert is founder and CEO of Hebert Research. He has a personal interest in family businesses and oversaw the data collection for this survey to ensure it was a representative sample of family businesses in the Pacific Northwest.

Hebert Research is a Bellevue, Washington-based firm providing both qualitative and quantitative research and statistical data to more than 3,000 local, national and international businesses and organizations. Hebert Research has provided statistical data to clients for more than 30 years. The firm is a recognized leader in applied statistics, marketing, economic and behavioral research. They employ more than 90 researchers including specialists in social sciences, medicine, public policy, economics and various areas of business marketing.

Laird Norton Tyee

Headquartered in Seattle, Washington, Laird Norton Tyee is a leader among wealth management firms, overseeing nearly $4 billion in assets under management. The company was formed more than 40 years ago to serve the wealth and trust needs of the Laird and Norton families, who are now in their seventh generation of family business ownership. Our history is deeply rooted in serving businesses-owning families. Their challenges and successes are the inspiration for continuing the family business research we began in 2005, which was followed by a national family business survey in 2007, and now this report, the *2008 Laird Norton Tyee Northwest Family Business Survey*.

To further support collaboration and learning among family businesses, we offer Family Business Thought Forums™, a series of workshops designed to promote best practices for family-owned businesses. Conversations with business owners who attended the Thought Forums helped us frame the topics and questions for our annual family business surveys.

As a firm, Laird Norton Tyee focuses on growing wealth and growing people – driven by the belief that wealth is not an end in itself, but a launching pad. Whether clients aim to start a new business venture, provide for their children's futures, or make a substantial contribution to the community, their missions and their goals become the firm's goals.

Led by a local team of recognized experts in Seattle, Laird Norton Tyee has assembled a highly educated and experienced group of professional advisors certified in every field of trust and investment advisory services. The company works together with clients' outside advisors to help them achieve their goals.

The complexities of the clients' wealth require LNTyee advisors to be experts in serving the diverse wealth management needs of high-net-worth individuals. Laird Norton Tyee applies research-based, proprietary investment strategies to all investing. The firm is compensated solely for expertise, underscoring its commitment to putting client interests first. No proprietary products are sold and no commissions are received from outside vendors.

Laird Norton Tyee builds client relationships around three pillars of expertise – Personal Strategic Planning, Generation-to-Generation Planning and Investment Stewardship. The company offers wealth and estate planning; trust and fiduciary services; wealth preservation and client education programs for individuals, families, nonprofit organizations and private foundations.

Laird Norton Tyee has served as trusted fiduciaries to five generations of families, and looks forward to serving many more generations to come.

Rich Simmonds, managing principal at Laird Norton Tyee, led the 2008 survey team. For questions about the survey or if you would like to know more about Laird Norton Tyee, contact him at 206.464.5100.