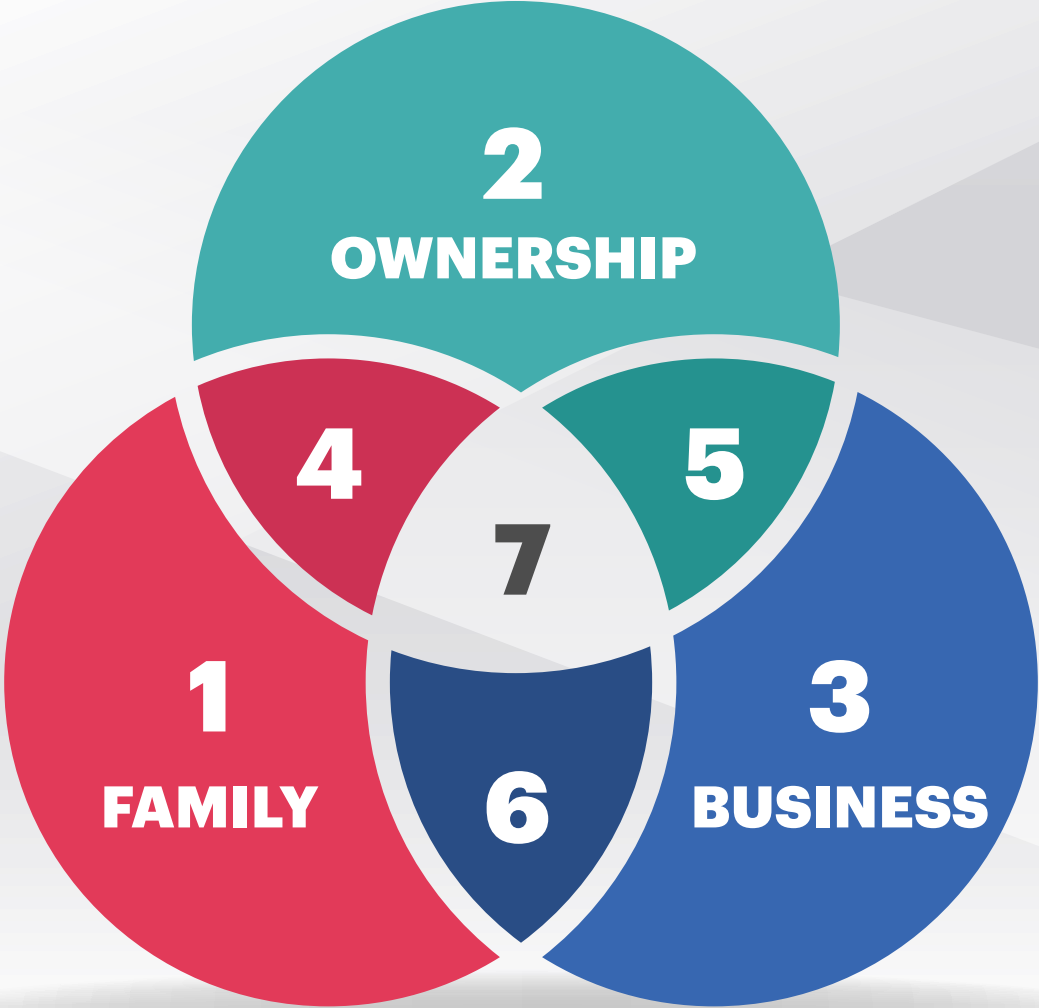


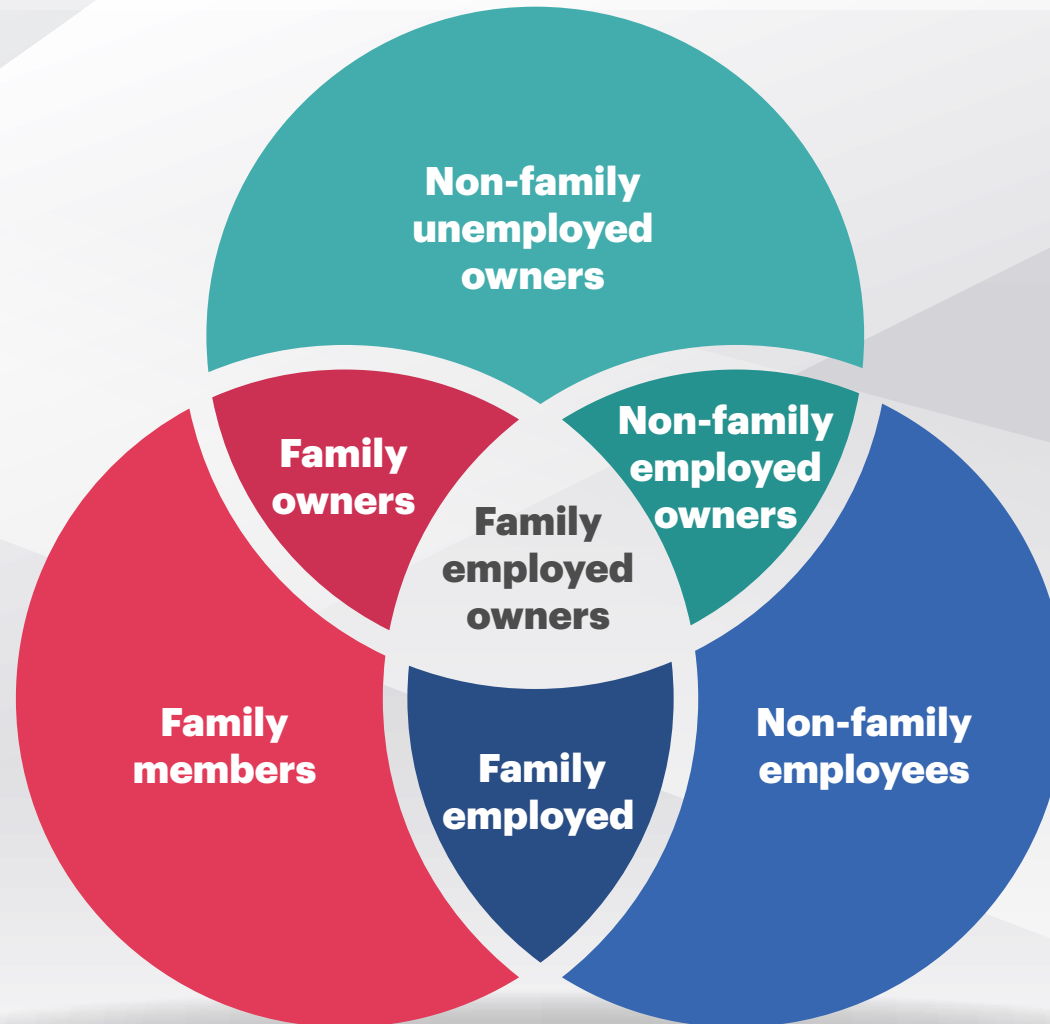
Our **Methodology** is Based on the **Three Circle Model** Which Can Represent Any Family Business

THREE CIRCLE MODEL



Each Person Can Occupy Only One Position Within This Model.

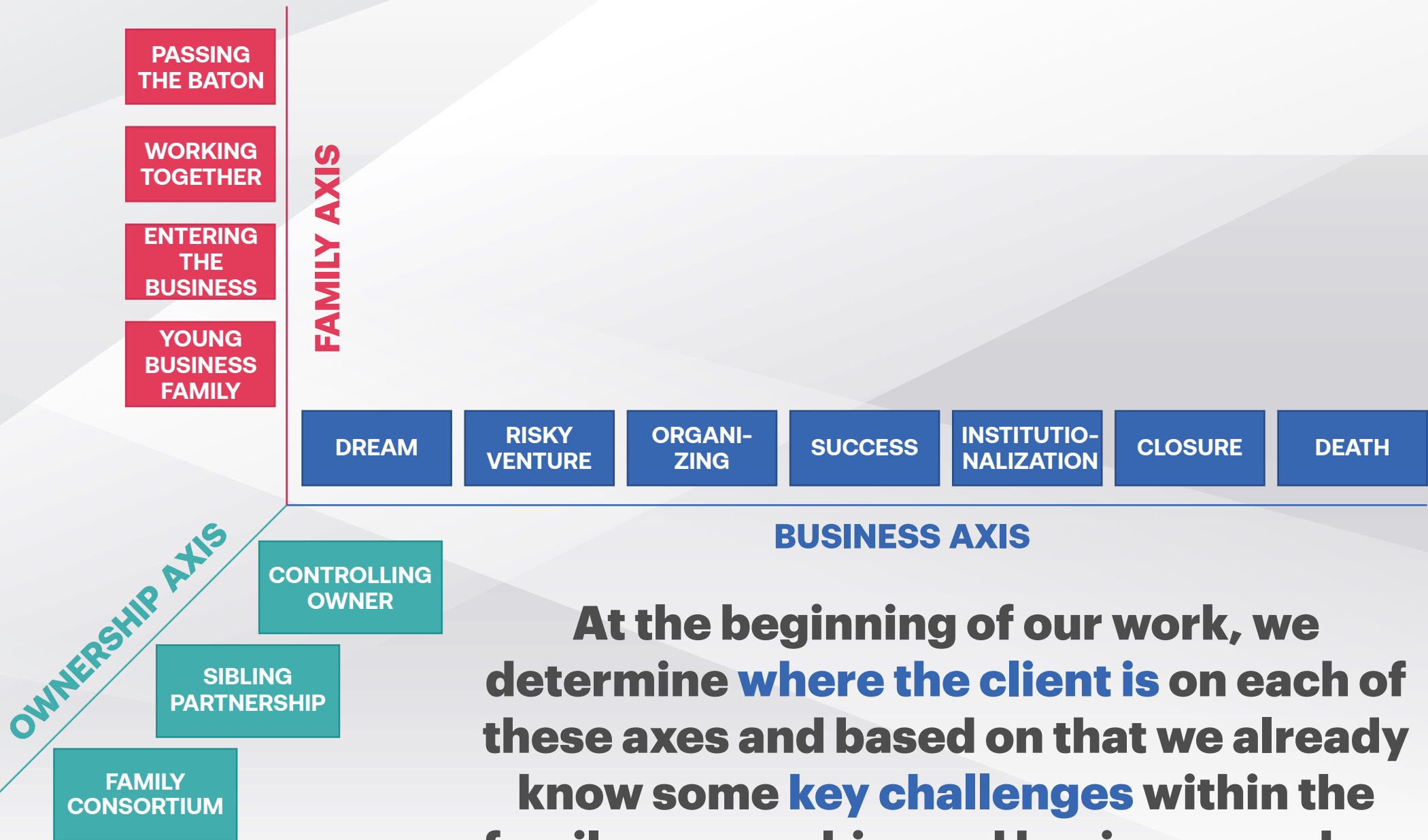
OWNERSHIP



FAMILY

BUSINESS

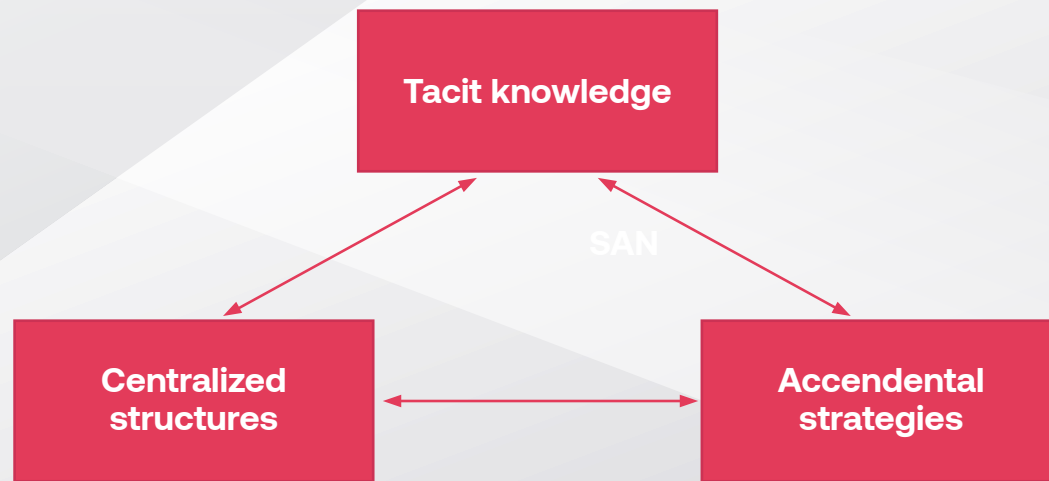
Each of the Circles Has Its **Development Axis**.



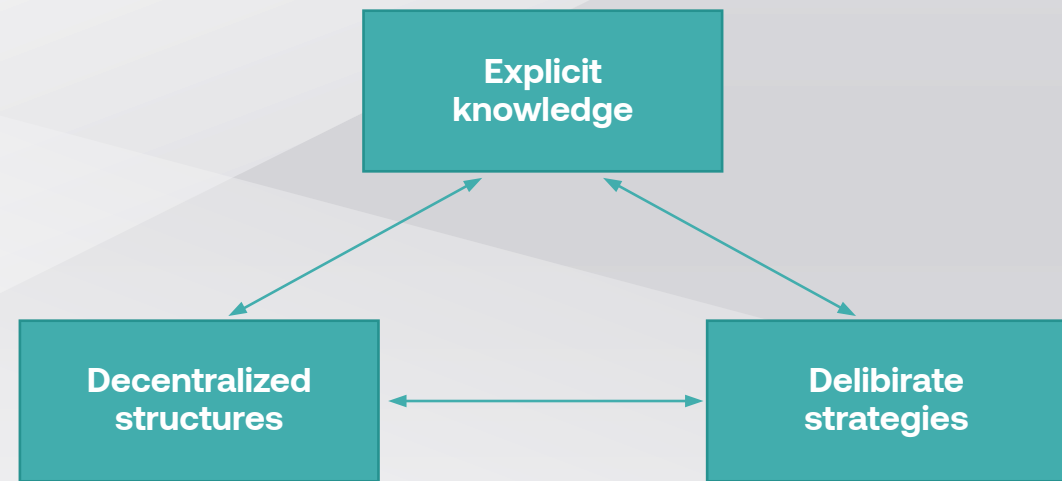
At the beginning of our work, we determine **where the client is** on each of these axes and based on that we already know some **key challenges** within the family, ownership, and business, and we work simultaneously in **all three areas**.

When We Talk About **Professionalization**, We Want to Transition the Family Company from Entrepreneurial to **Professional Management**.

Entrepreneurial management

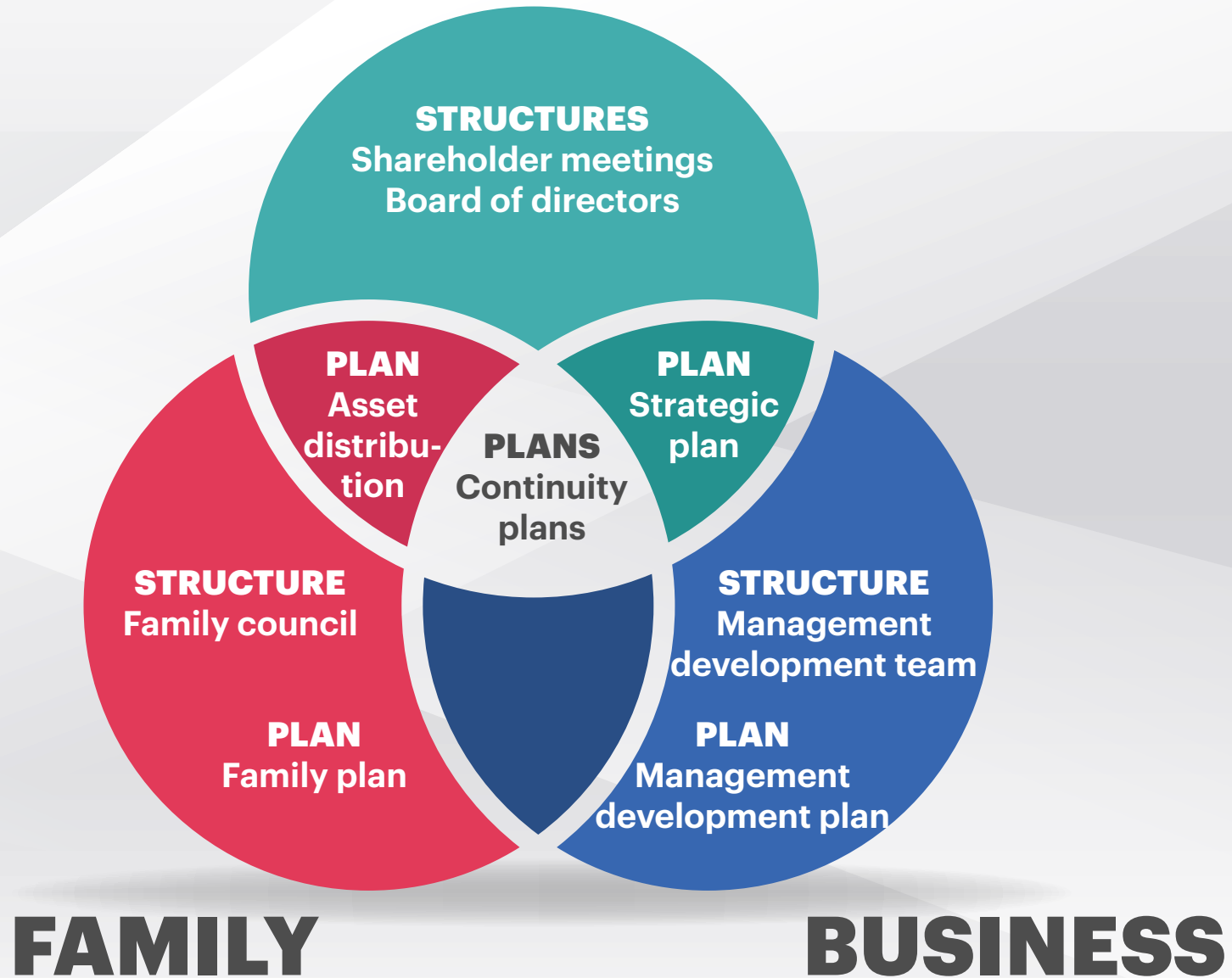


Professional management



The goal of **professionalization** is not to create a corporation out of a family company. Professionalization should define a clear **strategy** and **development plan** for the company, better **allocation of resources**, clearly defined **organizational structure**, introduction of **professional management**, and development and documentation of **policies and procedures** for processes within the organization.

OWNERSHIP



Through Work in the Family Circle, We Want to Create a **Family Council**, Which Is Necessary Because:

1. The family council provides an ideal environment for **educating family members** about the rights and responsibilities that come with owning and managing the company.
2. The family council **helps clarify the boundary** between family and company and gives family members not in the business or ownership circle the opportunity to be heard. This **reduces the likelihood** of family concerns being inappropriately transferred to business decisions and vice versa.
3. Experience shows that business families often rely on **informal family gatherings**, such as birthdays, Christmas, or other holidays, to discuss urgent family business matters, usually with frustrating results. The family council **ensures an appropriate environment** where relatives can discuss their issues without burdening family events with business discussions.
4. The family council can provide a structure to **help the family** create a shared vision and understanding of the family plan.



The Family Council Should, Through Its Work and Our Assistance, Lead to the Creation of a **Family Constitution**, Which Is:

- A document that defines the **rules** and **regulations** of the family business
- Designed to **ensure** that all family members are **on the same page** and working together to achieve the **family's goals**
- **Serving the family** to set **expectations** of each other and create a **unified vision** for the future of the business

The Purpose of the Family Constitution Is to Set **Clear Guidelines, Expectations,** and **Rules** Related to Business Management and Family Relationships



In the Ownership Circle, We Want to Create a Board of Directors.

The three primary **purposes** of the Board of Directors are:

1. To **consider** and **represent** the interests of the owners,
2. To **formulate** and **oversee** the long-term strategic agenda of the company
3. To be the **main advisor** to the CEO.

In companies where management is strictly professional, the **CEO works for the Board of Directors**, which hires and supervises them. When the CEO is also a key owner, as in most family companies, the oversight function takes the form of **honest feedback** and, in some cases, **monitoring the top management's ability** to implement the company's strategic plan.

Well-chosen and **well-managed** Boards of Directors can give family businesses a significant advantage, sometimes making the difference between disappearing and surviving.



In Business, Together with the Owner(s) and Key People, We Create a Strategic **Development Plan for the Company**

The strategic plan **defines** what your organization represents, the **market** you are in, and **how you compete** in that market.

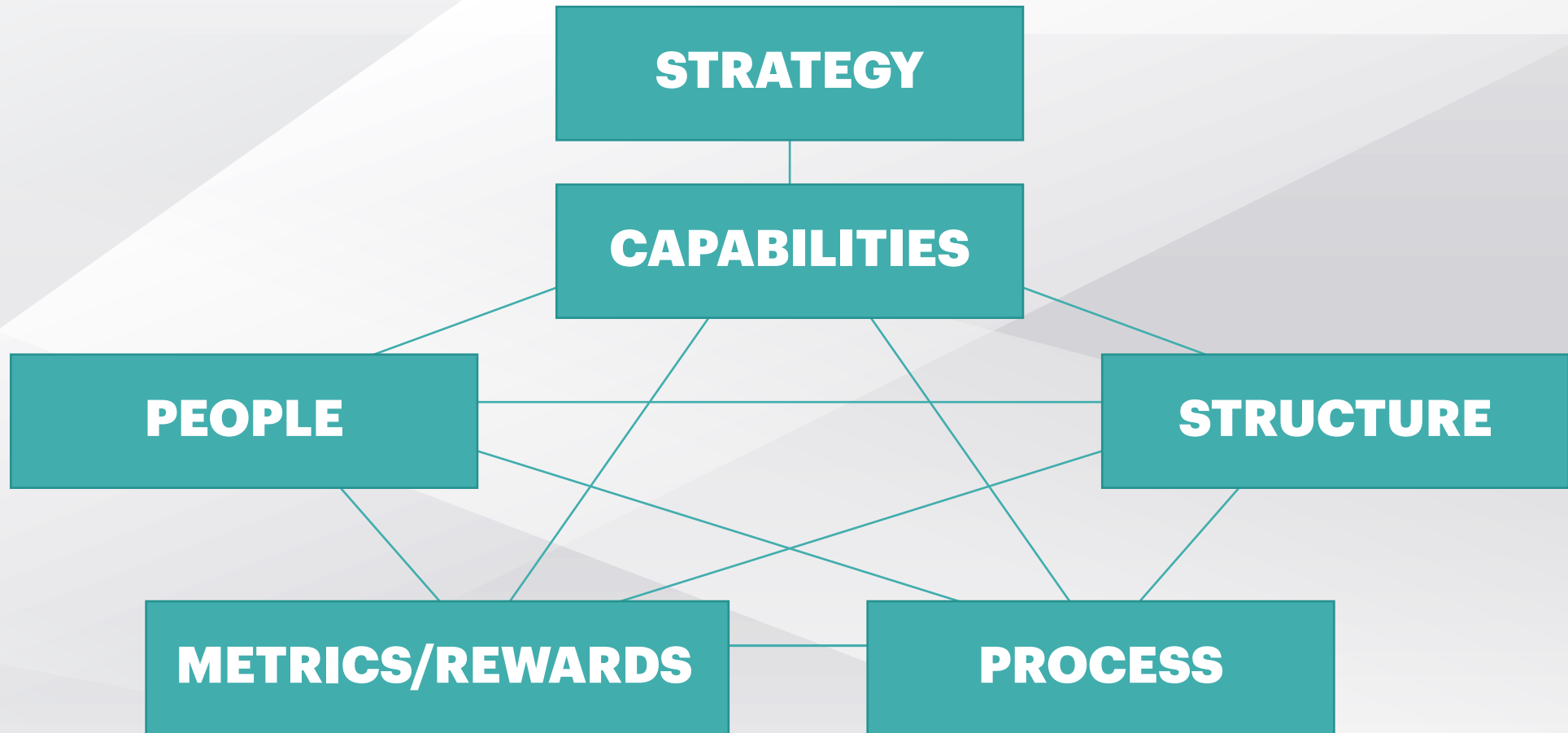
Why is a strategic plan **important**? It provides **focus** for your work and resources, gives your organization a **rallying point**, and something to strive for together.

It helps you **identify risks** and **opportunities** you will face in the market, and then **plan** for those risks and **take advantage** of those opportunities.



**STRATEGIC
PLAN**

After **Creating** the Strategic Plan, We Move to the **Organizational Design Phase**, Where We Use Jay Galbraith's **Star Model** Which Provides a **Comprehensive View** of Organizational Design. Everything Starts with **Strategy**, Which Describes How You Will Develop, Compete, and Define the Choices You Will Make.



When you have a clear strategy, look at what your **unique differentiators** and **competencies** are. What **must** you be able to do **better than your competitors**?

Four important decisions

The first decision is about **structure**, and you need to answer the following questions. How should we **work together** as a group? What **roles** are needed to **run the business**? How will **authority be divided** among those roles?

The second decision is about **processes**. How will **workflow** function between groups? How will **decisions be made**?

The third decision is about **aligning metrics and rewards**. Metrics and rewards define what the **desired outcome** looks like. How will we measure progress on **individual, team, and company** levels? How will we encourage **desired behavior** and reinforce the **culture** we want?

The fourth decision concerns **people** because nothing is possible without them. What **skills, knowledge, and experience** do your people need?



Implementing the Strategy

After that, we move on to **implementing the strategy** by **educating** you and your people about:

- **Decision making**
- **KPIs**, key performance indicators
- **OKR system**, objectives and key results
- **Finances**, how to create a budget, understand basic financial indicators...
- **Sales**, how to create a sales strategy, train your sales team, define sales channels...
- **Marketing**, how to create a marketing strategy, reach your target group...
- **Operational excellence**, through Kai-zen/Lean methodology

