Increased transparency and adequate processes and policies supporting board governance can help the family and the board determine whether the business is being governed according to stakeholder expectations as well as applicable laws and regulations.

As a family business grows in size and complexity, its success can raise formidable challenges in areas of governance. Creating formal processes usually requires a greater rigor in business decision-making, but can also help successfully navigate today’s ever-changing – and increasingly competitive – business world. We have seen numerous family companies that benefited greatly from moving towards the outer rings in the governance model—especially when anticipating a generational transition.

Ultimately the family decides where it wants to go in this evolution. In assessing your board governance practices, PwC can help explore the following questions, and more: What is good governance and what does it look like? How should the board’s role and its responsibilities evolve? What do boards need to know now? What should the board focus on in the future? What levers does the board need to push or pull to be in line with its peers?

Our approach
Combines a business value approach with a traditional approach to provide a comprehensive view of board governance

Business value approach
“Top-down” approach where coverage is driven by issues that directly impact business value with clear and explicit linkage to strategic issues of the family enterprise.

Traditional approach
Traditional “bottom-up” approach is based on stakeholder interviews and analysis of board governance processes, protocols and practices.

Nurturing the family business, sustaining the family legacy
PwC’s Board Governance Framework

How we have helped others

Assessing board effectiveness
A family’s board chair engaged PwC to perform an assessment of its board and committee practices, priorities and issues. Our team reviewed board governance documentation and met with key stakeholders to create actionable recommendations and tools to ensure they were consistent with industry and leading practices, including a formal board and committee self assessment process.

Recruiting new board talent
Our team worked with a family business to identify outside board members to serve on their company’s board of directors. We helped the company assess their current board composition, identify the skills needed on the board, create director profiles for new board seats, and develop a process for recruiting new members to fill identified gaps.

Developing board policies & procedures
We worked with a third generation family business to document their board governance policies and procedures, including an annual work plan. Bringing more formality to these processes created a more efficient and effective board as well as transparency in decision-making.

Defining the board’s role in strategy
The board has a vital role to play in overseeing the development of the strategy and its implementation. We were asked to assess whether the division of responsibilities between the board and management was well-defined and well-managed. Our team provided recommendations to ensure that the board’s emphasis on strategy setting and its review of strategy output was appropriately balanced.

For more information

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