

How Boards Help Complex Family Firms Make Sound Decisions

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Family firms in their fourth or fifth generation of leadership are increasingly complex, making strategic decisions difficult and prone to conflict. Enter the fiduciary board -- a special kind of board of directors that is empowered to make strategic decisions, and legally responsible to all shareholders rather than to the whims of individual owners.

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In this interview, David Karofsky, Principal of the Family Business Consulting Group, talks about the benefits of fiduciary boards, how to convince family business leaders that those boards are necessary, and how to think through the responsibilities you want board members to handle. The key, he notes, is having the board in place before a new generation takes over, and positioning the board as a powerful ally to the next leaders. And while fiduciary board members do have power, ultimately it's the family firm leaders who appoints them.

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