

# A QUICK TEST ON GOVERNANCE

## 20 ASPECTS THAT YOU SHOULD HAVE SETTLED

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Ideally, you will be able to check “yes” on all of the following questions.

If not, you should try to fill in the blank spots as soon as possible.

		Yes	No
1.	We explicitly commit to the necessity of good governance.		
2.	We have determined the values and goals for our family, our business and our family ownership. We have implemented them in a coherent overall concept.		
3.	We have agreed on principles concerning the maintenance of our business as a family business, the family’s role within the business and the relation of business interests, family interests and individual interests.		
4.	We have agreed on the orientation of our business (stability, profitability and growth) and we have ensured that it complies with the assets strategy of the business-owning family.		
5.	We have ensured a constant decision-making ability within our business that cannot be severely affected by potential conflicts among the owners.		
6.	The business- and information-structures always provide a precise account of the state the business is in.		
7.	Voting rights and other means of participation for the owners are divided fairly and diversely; special individual rights are scarcely awarded and properly justified.		
8.	There are explicit, fair and professional regulations concerning the participation of members of the business-owning family. That also applies to the participation in the management as well as on a potential supervisory board.		
9.	If there is a (voluntary) supervisory board, its authorities, its composition and its methods of operation are determined clearly and professionally and depend on the board’s specific assignment.		

10.	The management is composed professionally and its work complies with the values and goals of the owners. In general, members of the business-owning families are obligated to adhere to the same rules as external members.		
11.	The succession within our business is provided for in the long term and we possess an emergency plan for an unexpected case in which a succession is needed.		
12.	The fundamental decisions concerning the calculation of the annual result (the balance policies, the appointment of an auditor and the declaration of the annual accounts) are made by the owners and/or by a supervisory board consisting of them.		
13.	On determining the consequences of the annual result, we consider the accumulation interests of the business as well as the legitimate dividend payment interests of the owners.		
14.	We have explicit regulations on who may attain the ownership and under what circumstances an owner can leave the business, voluntarily or imperatively.		
15.	The family is aware of the fact that a family business cannot persevere unless the family jointly and permanently commits to it. It is determined to imply an apt professional family governance.		
16.	The affiliation to the business-owning family and the rights and duties that come with it are explicitly determined.		
17.	We pay special attention to the implementation of the partners, the development of the following generations and the distribution of appropriate authorities. These aspects are vital to the continued existence of a family business.		
18.	The authority and the responsibility for the family governance are clearly determined.		
19.	The family has jointly agreed on an individual “family code” and has committed itself to its (ir-)regular adjustment and development.		
20.	The principles of the “family code” are fully implemented.		