



Financial DNA®

Using Financial DNA for the Family Business

Case Study

Family Business Facilitation

Scenario: Both brothers want to aggressively expand the business; severe conflict over how to raise capital which is greatly hindering business performance.

Issues: 4 year old business; conflict over roles & responsibilities; conflict with spouses over business; conflict over direction business should take; poor communication.

Risks: Lack of trust; poor communication; business breakdown; litigation.

Objectives: Business Mission Statement; role definition; strategic plan; agree on capital raising options.

Approach: Develop understanding of where they come from; are at now and where they are going.

Key Stakeholders:

“Internet Enterprises”
Fortune 500 clients
Industry respect
International presence
Great product

Stakeholders:

Meg



Jeremy

(Brothers)

Mark



Eloise

A Business in Disarray...

- While the company had great clientele and a great product, profits were waning.
- The company had high staff turnover, low staff morale and low productivity.
- The company had internal conflicts, and staff were largely unsure who they reported to and what their responsibilities were.
- The brothers were in agreement to aggressively expand the business, but in conflict over:
 - What the future vision of the business would be;
 - How to fund the aggressive expansion.

A Business in Conflict...

Agreeable			61	68	Take Charge	
Reserved	44	45			Outgoing	
Fast-Paced	29	31			Patient	
Spontaneous		44		60	Planned	
Skeptical	36	43			Trusting	
Content			58	61	Pioneering	
Cautious				65	71	Risk Taker
Anchored		49	53		Creativity	

Jeremy - Marketing Specialist

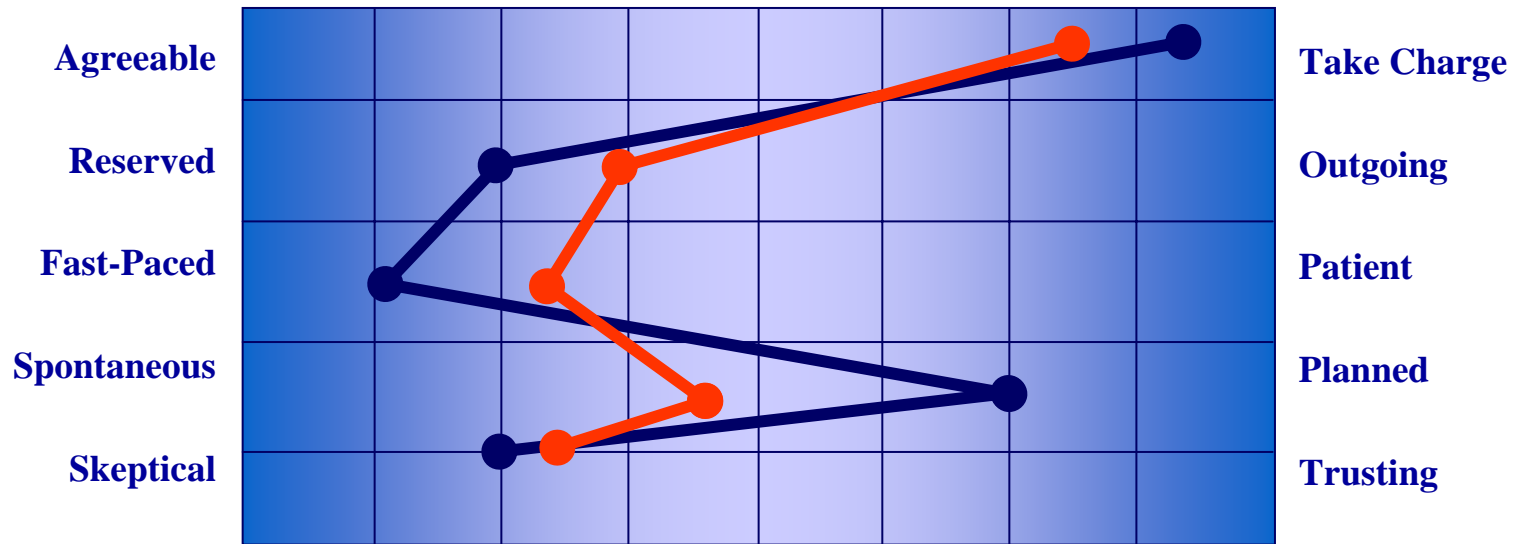
(Initiator)

- Results-driven
- Objective
- Determined
- Blunt, aggressive & confident
- Spontaneous, impulsive, careless, improvising, informal

Mark - Technical Specialist

(Strategist)

- Results-driven
- Objective
- Entrepreneur
- Blunt, aggressive & confident
- Methodical, detailed, precise, analytical, picky



Both communicate very little

Both desire control

Both are abrupt, combative and critical

Both are willing to take significant risks

Significant difference in desire for order, information, administration and due diligence. This will affect what risks Mark feels comfortable with

Both are able to be abstract or practical, depending on circumstances



Financial Directions Strands

Desired level of control	Jeremy			High
	Mark			High
Desired level of risk	Jeremy			High
	Mark	Low		
Logical Decision-Making	Jeremy			High
	Mark	Low		
Optimistic Decision-Making	Jeremy		Med	
	Mark	Low		
Propensity to take chances	Jeremy			High
	Mark	Low		
Propensity to become emotional under stress	Jeremy			High
	Mark	Low		
Requirement for Detailed Information	Jeremy	Low		
	Mark			High
Financial Confidence	Jeremy		Med	
	Mark			High
Requirement to See Results Quickly	Jeremy		Med	
	Mark			High
Strategic Goal Orientation	Jeremy	Low		
	Mark			High



Conclusions from Financial DNA™

	Jeremy	Meg	Mark	Eloise
Alignment with self	x	x	x	x
Passion for business	x	x	x	x
Prepared to offer personal guarantee	✓	✓	x	x
Financially Astute	x	x	x	x
Adventurous	✓	x	✓	x
Strong Business Management Expertise	x	x	x	x
Personal vision aligned with business	x	x	x	x
Motivation	Money	Success	Money	Security

Resolution:

- Comprehensive organizational structure was agreed upon, with clear areas of responsibility and accountability for each brother.
- Responsibilities were aligned to each brothers' strengths.
- Coddington helped them write clear job descriptions for each role within the company, even though some staff held two or more roles in the growth stage.
- Neither brother had a passion for the business – it was a 'money making enterprise' that wasn't making money. They agreed to create and work to a 5-year plan to build the business, sell it, and then use the capital to pursue their individual passions.
- The brothers were given financial education in order to make an informed decision regarding capital raising.
- An understanding of the needs of the spouses was built into the forward strategy.