
SUCCESSION PLANNING II: DEVELOPING YOUR FAMILY ROADMAP FOR SUCCESS



BACKGROUND – FAFINSKI MARK & JOHNSON

- Full-service commercial firm that serves local, national, and international clients.
- One primary goal: to provide big-firm knowledge and expertise, but in a more intimate, small-firm customer service model.
- The firm started 20 years ago with Bob Fafinski, Donald Chance Mark Jr., and Kevin Johnson. The vision was to control what they practiced, how they practiced, and even where they practiced. And within the firm's first 10 years, FMJ was representing large, legacy companies, including 17 Fortune 500 companies.
- Now: 30 attorneys + 17 practice groups + 2 offices (Eden Prairie and New Ulm).

OUR MODERATOR – JIM SEIFERT



Head of Manufacturing Fafinski Mark & Johnson

Jim spent 36+ years witnessing and counseling successful manufacturers as the Chief Legal Officer of several iconic Minnesota manufacturers. He holds a Masters degree in Manufacturing Systems, is a licensed patent attorney, and leads FMJ's approach of holistically advising and representing manufacturers.

OUR SPEAKERS – NATHAN DUNGAN AND BOB FAFINSKI



Nathan Dungan is the founder and president of Share Save Spend®. He speaks and consults with organizations and business-owning families on the topic of generational succession. Nathan uses a Wellbeing Framework to help individuals and families.



Bob is a founding Shareholder and CEO of FMJ. Bob has been practicing law for over 30 years in the areas of corporate law, corporate finance, aviation, equipment leasing, mergers and acquisitions, corporate governance and succession planning.

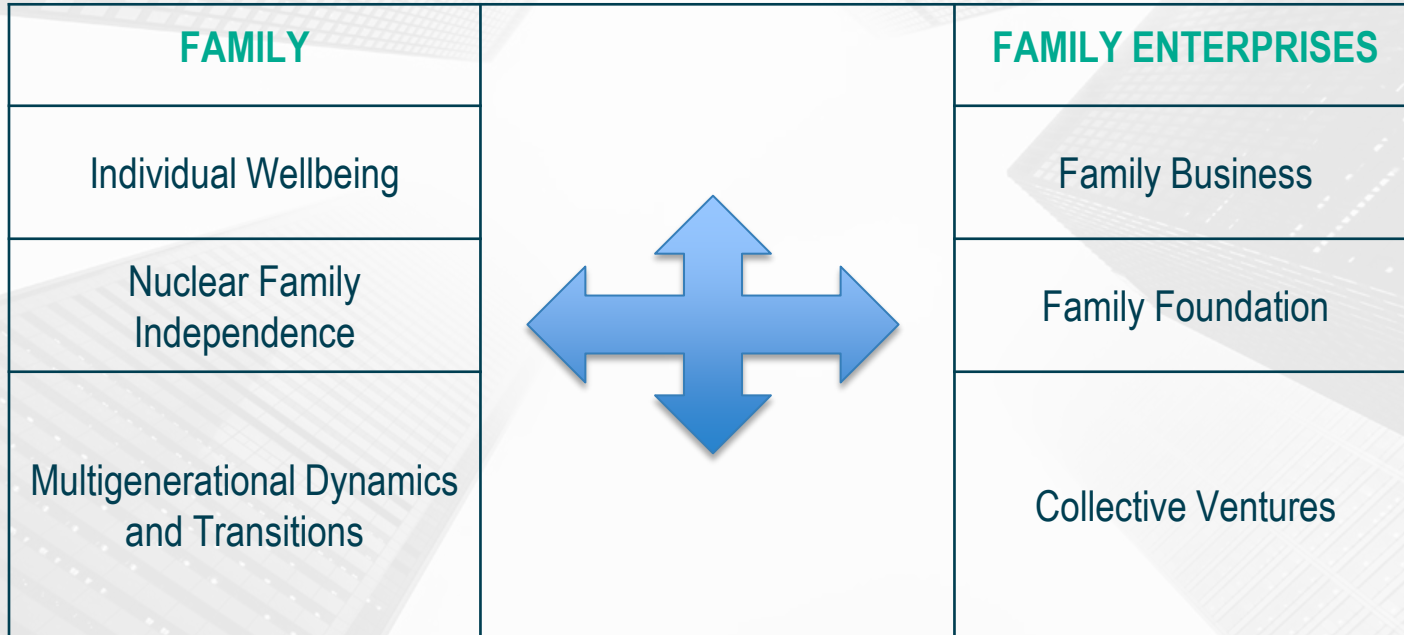
GENERATIONAL RELATIONSHIPS OF WEALTH AND WELLBEING



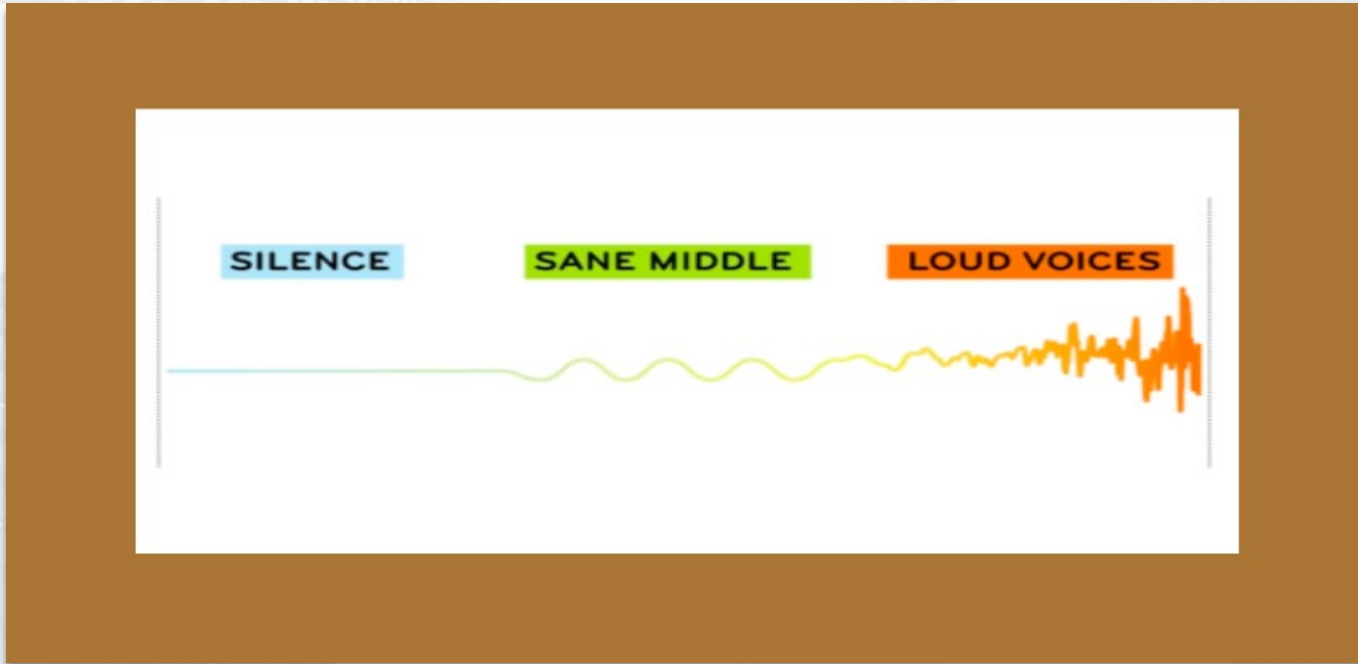
SHARE SAVE SPEND®
money + meaning



OUR APPROACH TO FAMILY ENGAGEMENTS



HOW FAMILIES TALK ABOUT MONEY



OUR METHODS

- Conduct a full stakeholder discovery process with family members and advisors
- Attend to individual wellbeing and collective high-performance practices
- Develop and periodically recalibrate a roadmap
- Build skills and shared practices to prepare for opportunities and responsibilities
- Quarterback key decisions and drive pace in the process
- Enable a passing of the baton

CASE STUDIES



CASE STUDY #1

- A 3-generation family with a highly successful business, the market leader in its field:
 - The G1 father, after many years as CEO, had assigned that role to his oldest son several years prior, the only G2 member working in the family business. However, the father had not yielded full authority to the son in his role as CEO.
 - The G1 mother had been a strong, long-term partner supporting her husband's career – and she was ready for him to fully transition. She had founded the family foundation and served as its chair. All G2 children had served on the foundation board previously and had opted out in recent years.
 - All G2 children had been issued non-voting stock to support estate planning but did not have a sightline into the broader portfolio or further estate plans.
 - G3 ranged from kindergarten to high school.

CASE STUDY #2

- A 5-generation family with 2 generations (G2 and G3) holding shares in the family enterprise, which consisted of 6 largely autonomous operating entities:
 - G3 brothers and cousins led the business enterprise and served as the de facto board.
 - Owners were required to work in the business and G3 held many of the senior management positions across the organization.
 - This group had previously engaged consultants to initiate work on a transition to G4. While progress had been made on several fronts, they had chosen to terminate that work and it had lain dormant for three years.
 - G4 included a broad set of age ranges with working-age professionals and young children. None worked in the family business.

HOW CAN WE HELP – SHARE SAVE SPEND®

- Discuss and assess your situation
- Identify readiness within the family to be in transition conversations
- Engage key family constituents
- Help you articulate / define success
- Collaborate with key advisors to support you on the journey

HOW CAN WE HELP – FAFINSKI MARK & JOHNSON

- Our General Corporate & Business group and Trusts & Estates group can assist with any of your business succession planning needs. With experience in a variety of industries, we have assisted many of our clients with simple and complex succession planning scenarios.
- **From our General Corporate & Business group:** the group can help with planning the succession of governance and ownership of the family business, advise current owners and successors on transitioning the business, assist with vetting valuation and financial advisors, and more.
- **From our Trusts & Estates group:** the group frequently works with business owners to develop and implement cohesive estate plans that work in conjunction with business succession plans. Similarly, unique family assets (such as cabins, art collections, or farmland) also require a planned succession strategy.
- **Generally:** we are commercial law firm with 17 different practice groups, which means our practice groups support each other– for example Manufacturing, HR & Employment, Litigation, Corporate, and more.

QUESTIONS?



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