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FISCAL FITNESS

Family Firms Face the Future

BY BILL ANDERSON

Many family firms in today's world of mega-mergers and consolidations are facing a critical crossroad. They are finding that they must step up their game and become more professional and efficient, or get out. The need for non-family professional managers who can provide financial, logistics and warehouse management skills is becoming more acute. There's also been no better time for comprehensive succession management plans as the need for skilled next-generation leaders increases.

Inviting outsiders to join your family firm's board is one of the most cost-effective ways to raise the level of a family firm. Bringing on one or more outside board members will often change the level of professionalism in how your meetings will run; timely and comprehensive reports will need to be sent out and key execs will need to report to the full

board in a different manner. Effective independent board members will provide you with an unfettered level of advice, not all of it easy to take, but much of it necessary. An outside board member can also be used to help review the performance of your senior level executives, including family members. Hiring a skilled financial advisor to review your financing strategies and your long-term growth opportunities is another cost-effective method to jump-start your strategic planning process.

By taking deliberate steps to raise the bar, family firms can have the best of both worlds: the passion and drive so commonly associated with family businesses in our industry, and the new professionalism now required to operate successfully in this ever-more consolidated supplier world. **BW**



Bill Anderson is the Chairman & CEO of First Beverage Group in Los Angeles, California. For more information, visit the company's website, firstbev.com