

Certified checks

The newly formed Institute of Family Business Advisors offers accreditation to professionals who have taken family enterprise adviser training

By Nelson Bennett

A businessman walks into a lawyer's office and says he wants help drawing up a shareholder's agreement.

Don't expect a punchline – this is not the setup for a joke. It's the setup for a potential family feud, according to **Judi Cunningham**, executive director of the Business Families Centre at the **Sauder School of Business**.

If the businessman in question happens to be the patriarch of a family-owned enterprise, and if the lawyer doesn't fully understand just how different family-owned firms can be from other business entities, the agreement he comes up with could cause "a big war," Cunningham said.

"It's a completely different animal when you're dealing with a family firm, and so the lawyer needs to behave in a very different way," she said.

For three years, the Business Families Centre has been training professionals – 73, so far – in family dynamics through its one-year family enterprise adviser program. But until now, there was no formal designation for that training.

One of the Business Families Centre's big efforts this year has been helping to establish the **Institute of Family Enterprise Advisors (IFEA)** – a member-based association that will provide board certification and nationally recognized standards for professionals who have taken the family enterprise adviser program.

"People, in a smattering of different ways, have been educating advisers that work with business families, but there's never been any kind of accreditation process to create standards around that," Cunningham said. "What's really exciting is now all 73 of those people now have an opportunity to apply



Judi Cunningham, executive director for Sauder School's Business Families Centre: "it's a different animal when you're dealing with a family firm"

for a professional designation."

"There's a comfort zone for the family businesses to know they have access to a group of advisers who have made the commitment of education, accreditation and certification so that they can become more effective," said IFEA president **Beverly Topping**.

The one-year family adviser program costs \$13,960. Getting accreditation through the IFEA will involve taking an exam and keeping it will cost \$395 – the price of an annual membership fee.

"The designation would be a recognition of the educational processes and ongoing commitment on the part of the advisers to ongoing education," Topping said.

The family enterprise adviser program is designed to train professionals in the unique dynamics that blood ties brings to a business. Professionals who have taken the

course include lawyers, accountants, bankers and mediators. It is also valuable for directors of boards of family-owned businesses, Cunningham added.

"It really is designed for professionals who want to have more of a strategic relationship with their clients," she said. "They cannot operate with families in the same way that they operate with their non-family clients."

"Accountants are trained around tax issues. Lawyers are trained around legal issues. They're not trained to think about the relation issues around the family. What this program does, and what the designation does, is it helps them understand the family at a much broader level and helps them deal with the family as a unit."

Noel Golden, a partner at **Borden Ladner Gervais**, is one of the 73 professionals who has taken the



Lawyer Noel Golden is one of the dozens of local professionals who plan to get accreditation through the newly formed Institute of Family Business Advisors

program. He plans to apply for accreditation through the IFEA, now that it is available.

Golden said he decided to take the program when it became apparent that there was a growing need for family-enterprise specialization.

"It's a field that's only going to continue to grow," he said.

Indeed, Cunningham said 55% of all new jobs are created by family business, so it's important for professionals to be up to speed on family-business issues, including shareholder agreements and succession planning.

Golden agrees with Cunningham that standard approaches to things like corporate plans or tax strategies may not work for a family business because of the often complex ownership relationships.

"You might have wonderful corporate structure or a fabulous tax result," Golden said. "But you may not have consensus on how you get there from the family members. You might have a great structure but an unhappy family."

"This program provided me with a much better understanding of the interplay between business and family," Golden said.

And that may come in handy at the end of this year. Golden plans to retire as a lawyer and start his own business – a long-term personal care home – that will involve his parents and his wife. ■

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SPONSOR'S MESSAGE UBC's Advisor Program leads to designation for lawyers, accountants, and wealth managers

Since Business Families account for nearly 80% of all businesses in our economy, it stands to reason that there is a great deal of family enterprise clients in the marketplace for professional advisers. Families are becoming more discerning about the advisers they bring into their fold, and as such the Business Families Centre at UBC has pioneered a new field of study to augment an advisor's technical skills with a more sophisticated understanding around business family dynamics.

The Family Enterprise Advisor Program (FEAP) has been so well received, that it is now the education prerequisite for the Institute of Family Enterprise Advisors (IFEA). IFEA will begin granting the Family Enterprise Advisor designation to those qualified in early 2012.

We are now accepting applications for the next program, beginning January 2012, available in Vancouver and Toronto.

Apply at www.familyenterpriseadvisor.ca



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