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The Importance of Teamwork for Family Business Advisors

by Reeve E. Chudd

A wise man once said, “There is no limit to what can be accomplished with the combination of dedicated hard work and stubborn indifference to who gets the credit.” In building and preserving a family business, these words mean more than just the simple term “teamwork”.

Many business owners use separate professional advisors for very specific needs and provide the advisors only with narrow information specifically focused on the task at hand. In this manner, tax and business attorneys, accountants and other advisors often are asked to give advice based upon incomplete information which does not take into account the overall situation and concerns of the family and its business. The likely result is a scattershot approach of immediate problem solving, rather than your advisors working together to share your information and their expertise in developing a thoughtful, well-integrated plan.

For instance, many family business owners will have their accountant prepare the annual tax returns, will call their individual corporate attorney to ask specific questions or review a particular contract, and will turn to separate attorneys for real estate advice, legal disputes or employment law concerns. The likely result of this compartmentalized approach to finding professional advice will be that the corporate attorney may be giving advice on business matters without tax-relevant information which might alter his or her conclusions; the accountant may be preparing tax returns with inadequate information about the past year's transactions; the real estate attorney may be negotiating a lease or structuring the purchase or sale of facilities without understanding crucial tax and other business ramifications; or a litigator may be missing tax-saving opportunities in structuring a settlement.

In my experience, the long-term interests of your family and its business are best served by a dedicated team of expert advisors working together. This cooperative sharing of information and expertise is essential to developing a thoughtful, integrated approach to advising your family-owned enterprise. Equally important is the creative synergy resulting from long-term relationships built among the team members with each other and with your family.

The members of the Family Business Law Group (the “**FBL Group**”)-- Ken Luer, Joan Velazquez and I-- have practiced together for over a quarter of a century. When one of us finds a new technique or new way of approaching a problem for one client, we share this with one another and explore which of our other family business clients would benefit from a similar approach. This team approach gives the FBL Group's clients our "state of the art" thinking and serves their best interests in a cost-efficient manner.

Our combined expertise in corporate and business law, tax, financing, real estate and estate planning yields a greater breadth of understanding to meet our clients' goals than any individual attorney could have. And our own broad experience is supplemented by the full range of the resources of our firm, Ervin, Cohen & Jessup LLP. ECJ is one of Southern California's premier law firms, serving family-owned businesses and other entrepreneurial clients with practical, hands-on advice and representation for the full range of their legal needs.

In short, the FBL Group brings an integrated team approach to serving the needs of your family and its business for sound, practical legal advice. Moreover, we expand our team approach to work closely with your other professional advisors. For

instance, as a former CPA, I fully appreciate the importance of the CPA's role in your estate and business succession planning, and I am well aware that many clients consult with their CPAs much more frequently than with their attorneys. So, we are especially mindful of the need to coordinate our work for our clients with the CPA's knowledge and insights regarding the family and its business (at all times, of course, with our clients' consent).

It has been our experience, gained through our long-term relationships with family businesses, that the development of trust among and within generations is facilitated when family members perceive that a full team is available to serve their needs, as opposed to a single attorney. At the FBL Group, we pride ourselves on our availability and responsiveness and on offering a team of advisors that is familiar with the client's business and well known to the client's family members.■

If you have any questions regarding this bulletin, please contact Reeve Chudd, Esq., at 310.281.6308 or reeve@fambizlaw.com. If one of your colleagues would like to be a part of the Family Business Law Reporter mailing list, or if you would like to receive copies electronically, please contact Lisa Holloway-Shinn at 310.281.6328 or lholloway@ecjlaw.com.