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NEWS RELEASE

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Incorporating Family Input Leads to Business Success, New Survey Shows

Family Business Optimistic Five Years Out, Succession Planning Remains a Challenge, According to the 2008 Laird Norton Tyee Northwest Family Business Survey

SEATTLE – January 21, 2009 – Heeding the needs of family members is as critical as listening to management and ownership for family business leaders. The *2008 Laird Norton Tyee Northwest Family Business Survey*, a new study of family businesses in the Pacific Northwest, indicates that family businesses who incorporate the input of family members in business decisions reported higher levels of success. The insight is based on a study examining whether the input from family members, management or ownership of a family business can help make the business more profitable than its peers. The findings are taken from responses of 200 family-owned businesses across the region.

“The family is more important to family businesses than ever before,” said Rich Simmonds, managing principal of Seattle-based wealth management firm Laird Norton Tyee. “Family businesses are the bedrock of the American economy. A strong family voice in the direction of the business, smart succession planning and solid financial decision making can keep them grounded for growth for generations to come.”

In addition to the broad look at the importance of family input to business success, the research focused on the survey’s 25 largest family businesses, and most significant economic drivers. Among those 25:

- **Family Businesses are Strong:** Family-owned businesses reported average sales growth was 33.35% over the past three years, with average annual after-tax profit as a percentage of sales resting 6.8%.
- **And Ready to Grow:** Ninety-one percent of family businesses surveyed expressed a high level of confidence that their businesses will continue to grow over the next five years.
- **Family Matters:** 88 percent of those surveyed said they strongly believe their business will still be controlled by the family in five years.
- **But the Future Remains a Question:** Succession, income diversification and estate planning remain constant family business challenges. Only 26 percent of those surveyed said they spent a lot of time on succession planning issues. Survey respondents said that, excluding real estate, half of their personal net worth is the family business. And only about half of the senior generation of business owners has a written estate plan.

The full results of the project can be found at www.FamilyBusinessSurvey.com.

The 2008 Laird Norton Tyee Northwest Family Business Survey is the latest step in Laird Norton Tyee's continuing commitment to share best practices to help family businesses, and the related family members, succeed. The survey is a comprehensive look at family-owned businesses across Washington, Oregon and Idaho, with insights gleaned from 200 family business leaders from across the Pacific Northwest region. Questions covered business histories and futures, management and governance structures, and the influence multiple generations of families have, and will continue to have, on the businesses.

The analysis was conducted by Laird Norton Tyee and the Center of Family Business Research at Mississippi State University's College of Business and Industry. Experts from the Family Enterprise Research Conference also provided analysis, sharing insights on what the survey's findings mean for today's family businesses. Data for the study was collected through an extensive survey process conducted by Hebert Research, a recognized leader in applied statistics, marketing, economic and behavioral research.

"Laird Norton Tyee's contributions to the creation and dissemination of knowledge on issues important to family firms continues to grow," said Dr. Pramodita Sharma, editor of the *Family Business Review* – the only scholarly journal devoted exclusively to family business research. "The insights in the survey can help family business leaders across the country to ensure their continued success by taking the initiative to plan for their futures."

Laird Norton Tyee's critical research, intellectual capital and innovative programming provide the insights and action plans family-business owners need to become greater stewards of their wealth and business. Building on the experience of more than 40 years serving business-owning families, the firm creates comprehensive strategies that help those families leave a lasting legacy for generations to come.

"Laird Norton Tyee's history and expertise with multigenerational businesses, families and wealth helps us understand the unique elements that make family businesses successful, and sometimes unsuccessful," continued Simmonds. "We can only hope that our commitment can keep pace with the optimism and confidence that keeps family businesses strong."

About Laird Norton Tyee

Laird Norton Tyee is one of the Pacific Northwest's largest privately held wealth management firms, with nearly \$4 billion in assets under management. We serve goal-oriented, high-net-worth individuals and families who want to make an intentional, positive impact with their wealth. Our success is measured by our clients' ability to achieve long-term financial results, reach personal and family goals and leave lasting legacies. Offering expertise in personal strategic planning, generation-to-generation wealth transfer and investment stewardship, Laird Norton Tyee's more than 40 years in the Pacific Northwest lends a unique multi-generational insight and approach to personal and family wealth.

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