

# SAGE *Solutions*

## Oh Reggie (Jackson)...when it comes to running a family business, stick to baseball!

*By: Philip J. Toffel...CEO - Sage Hill*

According to Reggie (when interviewed by USA Today), regarding the passing of Los Angeles Lakers owner Jerry Buss... *"Anybody that leaves something for their children, leave a free will to do anything they want with them. When you're gone, you're gone. But there still will be an extreme similarity to what we did as parents."* Sorry Reggie, but the stats and real life histories say otherwise.... profoundly!

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*"Why Family Wealth is a Curse" (Forbes)*

*"Family Business Can Be Tricky" (USA Today)*

*"Lost Inheritance" (WSJ.Money)*

WSJ. Money reports that 70% of transferred wealth evaporates by the next generation after it's been earned....90% by the third generation. As one knowledgeable consultant expresses in the USA article,

*"It {successful transition from the successful founder to children} depends to a great degree on the succession plan. But even when there's a well-thought-out succession plan, problems often come up with family-owned franchises with multiple offspring involved."* On this point, I agree wholeheartedly. Typically, the dynamics of a family owned business' successful continuity, succession to next generation, or sale involve a great legal and technical toolbox and coordination of legal, tax, and financial issues....but extremely important is thoughtful approach to the treatment of human issues...your children (both in and outside of the business), your valued employees, and...you! Making sure that the business which you have worked so hard to create and build continues with your family intact and thriving, with continued loyalty to employees whom you sincerely care about, with ongoing community and philanthropic commitment, and with an ongoing respected reputation for you as its founder.

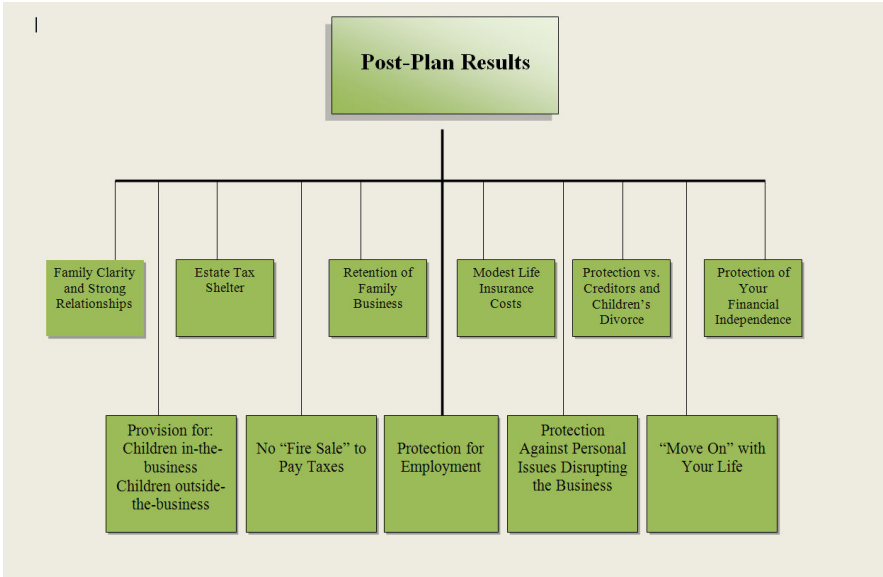
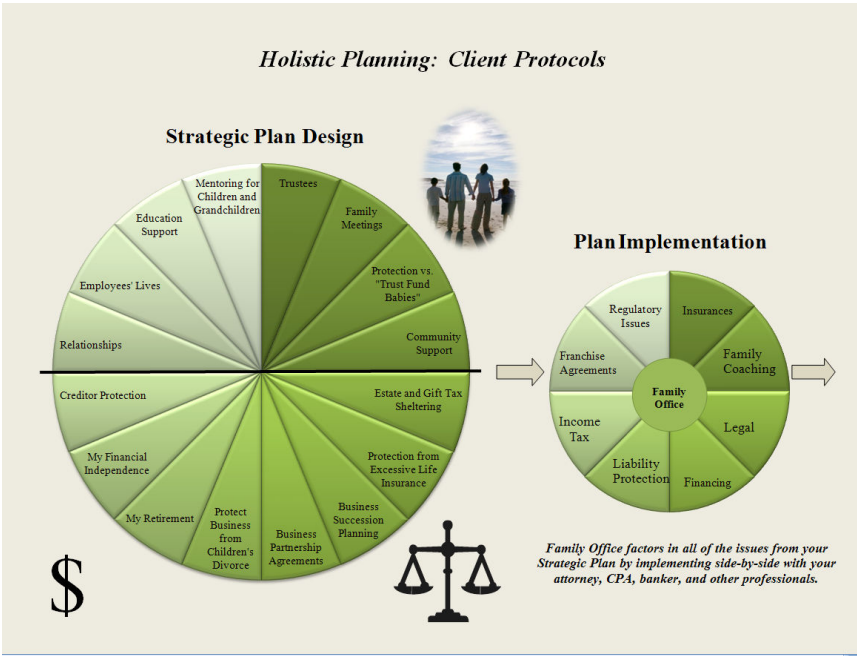
Successful transition does not happen by accident. Thus, in the spirit of the articles cited above...yes, family business can be tricky...inheritances can be lost if not managed properly...and...family wealth can be empowering, not a curse, if the patriarch and matriarch lead the effort robustly!

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# SAGE Solutions



*Philip Toffel is founder and CEO of Sage Hill Advisory & Management, LLC. Sage Hill is a multi-family office headquartered in Saratoga Springs, New York. Sage Hill represents successful business owners and other successful families, many of whom are in transition from having built highly successful businesses to succession of their companies' leadership to the next generation of family or management...or, preparing their companies for sale.*

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