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**PITCAIRN CEO JUNGÉ CALLS COMMUNICATIONS A MUST
FOR WEALTHY FAMILY FINANCIAL STABILITY**

Jenkintown, PA (April 28, 2010)— “The largest threats to a family-owned business,” according to Dirk Jungé, chairman and CEO of Pitcairn, a leading multi-family office, “are less about business issues and more about the family dynamics that result from the change of control and/or transfer of wealth from one generation to the next.”

Speaking recently to more than 50 family business members representing the second or later generations from nearly 20 different companies, Jungé said that communication and shared decision-making are crucial if family wealth is to sustain itself and grow over multiple generations. “In transitioning a family business from one generation to another, the senior generation, or founding member, tend to maintain total control, but this can lead to conflicts between members of the next generation,” Jungé pointed out.

The conference, entitled “Transitions: The Changing Environment for Family Companies,” was co-produced by *Family Business Magazine* and Stetson University’s Family Enterprise Center.

Jungé noted that family businesses present special and sometimes complicated risks. “Each generation has to realize that the other has very specific needs. Issues may range from change in control to ensuring long-term liquidity needs. “This is exactly why communications among all

layers of the family is imperative to successful transitioning of family business wealth from one generation to another.”

During the conference, a case study was presented that described a liquidity problem in a family business. Jungé identified seven best practices that can be used to avoid a financial disaster:

- 1) Families must make governance a top priority—“Unwritten rules foster distrust;”
- 2) Succession planning is a process, not an event, where multiple generations are involved;
- 3) All generations must be aligned on the business’s mission, values, and shared vision;
- 4) Have a holistic view of capital, acknowledging that it has multiple uses: working capital, dividends to shareholders, growth of the business and a liquidity program;
- 5) Maintaining liquidity is a must;
- 6) Effective communication promotes community and should be open, honest, frequent and relevant; and
- 7) Unity builds strength—Partnering provides a higher chance of achieving long-term goals for generations.

About Pitcairn

Pitcairn is one of the leading multi-family offices, dedicated to helping families sustain and grow their substantial, often complex financial assets and supporting the unique heritage of its clients across multiple generations. Pitcairn has been recognized as an innovator and leader in the multi-family office industry since its inception as a family office in 1923. Today, Pitcairn continues to redefine the family office experience for generations of the world’s wealthiest families.

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