

THE FAMILY ENTERPRISE  
INITIATIVE SERIES

# THE CODE OF BUSINESS CONDUCT



*A Key To A Great Family Business*

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McGrath North Law Firm

# Why a “Code of Business Conduct” is the Key To A Great Family Business

## Dear Family Business Leaders and Trusted Advisors -

Hundreds of Family Business Leaders (and their Trusted Advisors) have trusted us to “look into the future” with them for a very specific reason.

Whether they are a startup or already well into many years with their business, they want to achieve remarkable success in all “Four Quarters” of their life as a Business Leader and Company Owner.

And they want to avoid the Fourth Quarter “Train Wrecks” which derail even the best Business Leaders.

None of us want to let down those who depend on us. We all want to keep the promises we have made to ourselves, to our families, to our colleagues, to our stakeholders, to our customers and to our communities.

## The Code of Business Conduct

In working with Family Business Leaders and their Trusted Advisors, one of the key tools they are asking us to deploy with them is the Code of Business Conduct. This versatile tool is very effective in helping to establish the expectations and actions for how the Company Owners, the Board of Directors, the Leadership Team and their Colleagues will interact and perform.

We are finding this works best when this is established in 3 Codes:

- Code of Business Conduct for Company Owners (Sample included).
- Code of Business Conduct for Board of Directors.
- Code of Business Conduct for Employees (Leadership Team and Colleagues).

The 3 critical ingredients to the Business Success Formula are your Business Model, your Leadership Team and your Culture. In today’s world, your ongoing profitable success, and the foundation for your future transition to a new team, are optimized when these 3 Codes are properly deployed and when they include a focus on these 3 critical ingredients.

The Family Business Leaders we work with deploy a Pioneer Mindset. In this age of massive disruption, they know that if they and their team are not amongst today’s pioneers, the odds of continuing their Family Business success are remote.

This all begins with understanding what you value most. And then moving ahead with speed, clarity and purpose to deploy what’s needed to stay successful throughout the whole game.

You were successful before we showed up. We invite you to learn more about the powerful tool known as the Code of Business Conduct, which we are deploying with Family Business Leaders across the United States who want your hard work and efforts to continue to pay off.

Sincerely,

*Nick Niemann*

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Together with your other Trusted Advisors, we address the answers to . . .  
**The 3 Key Questions:**



1. **Discover.** What will be the probable, almost certain, future outcome of our present course, if left unchanged?



2. **Decide.** What’s missing - the presence of which will make a substantial difference in producing a better future outcome?



3. **Deploy.** What do we need to do next to move ahead with speed, clarity and focus to deploy what’s missing?

## Codes Have Guided Human Behavior Throughout History



### The Code of Hammurabi

The law as written by Man



### The Code of Moses - The 10 Commandments

The law as written by God



### The Code of America - The United States Constitution

The law as written by “We the People”

## Are we a “Family Business”?

“Every business is a family business. To ignore this truth is to court disaster.”

Michael E. Gerber  
Best-Selling Author of  
*The E-Myth Revisited*



“Nick, it’s important that I say **THANK YOU**. I know the work that goes into mastering something - and you are a master!”

Cathy Fitzhenry. Omaha Chair, Vistage International, the world’s leading CEO peer group organization.



“Nick Niemann takes E-Myth into the “super change markets” which dominate every business venture owner’s thinking.”

Berny Dohrmann. Founder, CEO Space International, the world’s largest CEO network.



“Nick Niemann is a great planner and thinker and a leader in this entire field.”

John Brown. Founder, Business Enterprise Institute, one of the two leading Succession and Exit Planning Organizations in the United States.

# Sample Company, Inc.

## Code of Business Conduct

### For Company Owners

The Owners of Sample Company, Inc. hereby adopt the following Code of Business Conduct for Company Owners. This Code will apply to existing Owners and to those who wish to become Owners.

## Our Pledge to Each Other, Our Families and Our Colleagues

The continued success of our Company, ourselves, our Families and our Colleagues is uniquely dependent on each of us as Owners to take certain responsible actions over the course of a period of time. While this Code is not a binding contract, this expresses the actions we realize we should take to be best able to grow, protect and ultimately pass on and exit from the Company we are working hard to build. Therefore, with a view towards the continued success of those who depend on us, we have identified below the actions which we pledge to each other, to our Families and to our Colleagues to timely deploy:

### **Mission/Vision Clarity:**

We will develop ongoing clarity as to our mission and vision to help assure we meet the changing needs of those our Company serves today and could serve in the future.

### **Strategic Growth:**

We will take a critical, realistic view as to what is needed for continued business success to stay ahead of Business Model, technology and demographic trends as our world continues to rapidly change.

### **Asset Protection:**

We will protect our Company and personal assets from being wrongfully taken or carelessly lost.

### **Leadership Development:**

We will continue to develop dynamic Leadership Talent within our Company to best serve our customers and to prepare our future successors.

### **Conflict Avoidance:**

We will anticipate potential conflicts to minimize them, and we will develop protocols for resolving conflicts immediately, all consistent with a great Company Culture.

### **Employment Options:**

We will continually develop opportunities and careers for our Company Colleagues.

### **Sharing in Earnings:**

We will properly incent and share Company earnings (and, when appropriate, ownership) with those Colleagues who have substantially helped the Company to profitably grow.

### **Financial Needs:**

We will look ahead to our personal future financial needs and contingencies so we don't need to unnecessarily draw on future Company resources.

### **Business Continuity:**

We will anticipate and avoid the many possible "train wrecks" that we see often impacting others.

### **Buy-Sell Events:**

We will agree up front how life's future events will impact our continued Company ownership and our future transition and exit.

### **Community Alliances:**

We will develop strong relationships within our various communities which are important to Company success and personal generosity.

### **Life's Ultimate Moments:**

We will make sure our individual Estates are in order at all times, to take care of our Company ownership and our families when that day unpredictably and inevitably comes.

Effective Date: \_\_\_\_\_, 202\_.

[Signature Lines]

# FAMILY BUSINESS LEADERS

**Results Not  
Wanted**



**Results  
Wanted**



**Results  
Achieved By**



**What Is The Financial + Personal Cost  
of Being Too Late or Out of Time?**

**What Is The Financial + Personal Value  
of Each Great Play Deployed In Time?**

## Inspired By Excellence. Committed To Your Success.

When we work with Family Business Leaders, we ask about your story and the story of your Family Business. We get to see the heart and soul of America's Family entrepreneurs, that is, America's new breed of Family Business Pioneers.

We get to see your passion and your excellence. We get to see the grit and determination which drive you. We get to see the love and respect you have for your colleagues and for those you serve. In short, we get to see the pioneer spirit which drives you and your team. Just as it has driven me and our team.

For over 60 years we have been working with our nation's food companies, restaurants, farmers and ranchers to feed people better. We have been working with contractors and companies to build better and more affordable homes and new business facilities.

We have been working with technology companies to develop new ideas that improve lives. We have been working with inventors, startup companies and health care providers to develop patented medical devices, leadership teams and joint ventures that save lives. We have been working with energy companies to help fuel our homes and the businesses we all rely on.

We have been working with bankers, key partners, manufacturers,

distributors, retailers and transportation companies to finance, produce and deliver better products and services to communities around the world. We have been working with Family Business Pioneers and their other Trusted Advisors to transform, grow, carry on and transition the Family Business Dream, the backbone of our great country.

We have been working with our community leaders to improve our cities and our schools. We have been working with our elected leaders to improve the business climate to create and attract new and better jobs for Families.

For over 60 years, this has been the McGrath North Law Firm.

Working quietly behind the scenes closely with the talented leaders of great organizations around the world to make lives better.

Working together. Working stronger. Working faster. Working better. Overcoming Roadblocks. Avoiding Train Wrecks.

Inspired by Excellence. Committed to your Success.

Our diverse team isn't waiting for the future. We are helping to produce new, incredible, sustainable results right now.

We invite you to join us as we move quickly ahead towards the next 60 years.



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Membership Experience with:  
Vistage International Family Business Network  
Family Business Advisors Alliance  
Family Firm Institute  
CEO Space International  
Business Enterprise Institute  
Exit Planning Institute  
Maxwell Leadership  
Strategyzer AG  
Secret Knock

### Our Vision (Ultimate Goal)

That every Family and Family Business we serve will build a lasting Family Enterprise of generational wealth, leadership, and legacy.

### Our Culture & Code of Conduct

- Tenacity—We never give up on Families.
- Respect—We honor both tradition and innovation.
- Trust— We earn and safeguard trust in every relationship.
- Enthusiasm—We bring energy and optimism to every challenge.
- Courage—We face difficult issues with clarity and resolve.
- Generosity—We offer our best ideas and efforts.
- Compassion—We remember that Family is always at the heart.

### Our Mission (Why, What and How)

We "look into the future" with Family Business Leaders and your Trusted Advisors to discover, decide and deploy what's missing and still needed for you, your family, and your colleagues to achieve the full greatness of the Family Business Dream.

### Our Mission Mindset

- "Begin with the end in mind."
- "Start with simple. Only add what's needed."
- "Go for great. Don't wait for perfect."
- "All plans are firm...until changed."

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