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FROM FOUNDER TO FRAMEWORK · PART 5

Control Does Not Pass With the Shares. It Has to Be Designed.

Control as Constitutional Design

Ownership, Governance, Management and Family

System | Separation | Boundaries

The Lens	The Domains	The Answer
Control is a System, Not a Single Right	Family, Ownership and Business	Authority Through Defined Channels

Swipe →

01

THE CONSTITUTIONAL LENS

Control Is Not a Single Right but a System

Ownership Structures

How the shares are held, directly or through trusts and holding vehicles, and the terms on which they may be transferred.

Governance Bodies

The board and the family forums, and the matters each of them decides, reserves or only recommends.

Leadership Roles

Who is appointed to lead the business, by whom, and to whom that leader is accountable.

Information and Capital

Who sees the numbers, and who decides how capital is allocated, reinvested or distributed.

Fluid or Defined

Left to operate independently, authority becomes contestable.
Within a defined structure, it survives each generation.

02

AN ENTERPRISE NECESSITY

Ambiguous Authority Becomes a Business Risk

Decisions Become Negotiations

STRATEGY

Where authority is ambiguous, decision-making becomes contingent on negotiation, and strategy moves only as fast as agreement.

Accountability Is Diffused

CAPITAL

Unclear leadership slows capital allocation, since no one is clearly accountable for committing capital or for the outcome.

Representation Replaces Direction

BOARDS

Fragmented influence weakens the board, as directors represent branches of the family rather than direct the enterprise.

Predictability Diminishes

LENDERS

Informal governance unsettles lenders and investors, since they can no longer predict who will take decisions, or how.

Not a Matter of Family Preference

What begins as a governance gap within the family eventually becomes a business risk.

03

SEPARATING ROLES FROM AUTHORITY

The Founder Holds Every Role at Once

HOW IT BEGINS

The founder is owner, chief executive, strategist and cultural anchor at once.

The overlap compresses decisions and speeds up execution.

Over time, the next generation inherits ownership without clarity on authority.

WHAT DESIGN ASSIGNS

Ownership defines economic participation.

Governance defines authority, and management defines execution.

Family forums define alignment, communication and values.

Legitimacy From Structure, Not Proximity

Once these roles are separated, accountability strengthens.

04

THE THREE DOMAINS

Family, Ownership and Business Run on Different Logics

Identity and Continuity — **THE FAMILY**

Anchored in identity, emotional legitimacy and relationships across generations. Its instinct is toward inclusion.

Economics and Stewardship — **OWNERSHIP**

Anchored in economics, entitlement and liquidity, and in the stewardship of capital. Its expectation is a return.

Performance and Execution — **THE BUSINESS**

Anchored in performance, competitiveness and strategic coherence. It needs merit-based leadership and reinvestment.

These Logics Are Not Interchangeable

Each domain must follow its own logic while remaining aligned with the others.

05

PRACTICAL BOUNDARIES

Influence Flows Through Defined Channels

Councils and Charters

FAMILY

The family participates through councils, charters and alignment forums rather than through operational decision-making.

Shareholder Structures

OWNERSHIP

Owners exercise influence through shareholder structures, holding vehicles and governance frameworks rather than informal direction.

Boards and Process

MANAGEMENT

Management operates through the board, executive authority and designed processes rather than through family negotiation.

The Risk of Over-Separation

THE LIMIT

A family distanced from the enterprise, or ownership that becomes purely financial, weakens continuity as much as unchecked overlap.

Boundaries Organise Engagement

They settle where conversations occur, how influence is exercised and where accountability resides.

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The Takeaway

Control is designed as a system, so that authority holds as ownership disperses and generations change.

The System	Ownership, governance bodies, leadership roles, information and capital together determine control.
The Necessity	Ambiguous authority reaches strategy, capital allocation, the board and the lenders.
The Separation	Ownership, governance, management and family forums each carry a distinct role.
The Boundaries	Each domain acts through defined channels, without intrusion and without distance.

Control can be designed only around the family it serves.
The next question is what must be understood about the family first.

NEXT → The Four Layers: SCRT