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Jeff Vincent says non-family members are critical to succeed as a family-owned business

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Jeff Vincent has been the president and CEO of the [Laird Norton Co.](#) for 18 years, but he is not related to the 500-member family that owns the company. In fact, Vincent was the first non-family CEO in the seventh-generation family-owned company's 160-year history.

As an outsider, Vincent's ability to provide a fresh perspective and make hard decisions has set Laird Norton – which includes both Laird Norton Wealth Management and Laird Norton Properties – in a position to flourish for generations to come. The firm focuses on three distinct areas: Real estate, financial advisory services and selected investments in next generation businesses.



LAIRD NORTON
CEO of Laird Norton Co.

What was it like stepping in as the first independent CEO of the company? As the first non-family CEO, you are faced with a variety of challenges. First, you need to understand the history of the company, because it is the lens through which your members evaluate your actions. Next, you need to take the time to get to know your members and their diverse set of expectations for the company. You then need to establish and communicate a unifying direction for company. Finally, you need to appreciate your role in continuing the legacy that you have been entrusted with for generations to come.

How were you received upon arrival? As others have experienced, change is hard to accept for some individuals. Consequently, I initially underwent some turbulent times with Laird Norton family members. We got through this transformation period by having a unified board of directors, improving business performance and increasing the frequency and depth of our communication to our members.

Is it important to have people outside the family involved in the company? Outside, independent directors are critical to the success of a multigenerational family enterprise. I have developed at least three such relationships and have found that having several trusted advisers to turn to in critical times is invaluable.

How has your leadership contributed to the success of this family business? During my time as CEO, and in conjunction with the Laird Norton board of directors, we have recreated the governance structure. We have gone from a board with only family members to a board with 12 directors, which now includes four outside directors and me. With this reconstituted board, we have expanded shareholder communications, increased transparency, improved financial reporting and revamped investment processes and policies. Moreover, we have created a governance system that promotes professionalism and better defines the responsibilities of the board, subsidiary boards, standing committees and the family council. We have also divested ourselves of underperforming business, restructured others, sold our largest business to meet the liquidity needs of our members and entered new lines of business.

What are the challenges, and benefits, of running a family-owned business? The biggest challenge at times is having the patience to get the buy-in that you need to make some critical decisions. The biggest benefit is feeling like you are really making a difference in the lives of your shareholders, employees and in the community.

How have you prepared a succession plan? Succession planning has been a priority for our company over the past several years and was incorporated into our five-year strategic plan. It is important for us to identify a candidate that not only meets our CEO qualifications but can handle the nuances associated with managing family dynamics and communicating effectively both internally and to our shareholders. Today, one of my biggest responsibilities is to make sure that I turn the company over to a person who will do an even better job than I have over the past two decades.

Are you planning on retiring any time soon? Not in the near-term. However, it is the responsibility of every CEO to make sure the company is prepared for her or his eventual departure.

What would you say are the cultural differences between family-owned and other businesses? In family-owned businesses you truly get to know your shareholders on a more personal level. The management team you build needs to truly think about the long term, not in three- to five-year increments, but in terms of generations. Additionally, it's important to think about all stakeholders and how critical decisions affect each of them: employees, clients, shareholders, the family, and the communities in which we work and live.

Jeff Vincent

President and CEO of [Laird Norton Co.](#)

Founded: 1855

Ownership generation: Seventh

Family member: No

Companies: Laird Norton Wealth Management and Laird Norton Properties

Employees in Washington: 130

Headquarters: Seattle

Coral Garnick

Associate Editor

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