Board Lens Recap: Growth of a 4th Generation Family Enterprise - June 4, 2026

From the desk of Stephanie Bennett:

On June 4 in St. Louis, NACD Heartland members and guests gathered for a breakfast conversation exploring the governance, ownership, and strategic realities of leading a multigenerational family enterprise.

The discussion featured Todd Schnuck, Chairman and CEO of the 1939 Group, who shared a candid look at the evolution of the Schnuck family business, from its origins as a single store founded by his grandmother selling her famous potato salad, to a fourth-generation enterprise scaling through disciplined growth and acquisition.

Facilitating the conversation were Peter Boumgarden, Koch Professor of Practice for Family Enterprise and Director of the Koch Center for Family Enterprise at WashU Olin, and Eric Czepyha, who leads Northern Trust's national strategy for advising business-owning families. Together, they brought both research-driven insights and real-world advisory perspectives to the discussion.

The session explored how family enterprises balance legacy and innovation, build governance structures that sustain alignment over time, and navigate the increasing complexity that comes with generational growth.

KEY TAKEAWAYS

Family Enterprise Growth & Origin Story

- Many enduring family enterprises start with a simple, differentiated value proposition. In Schnucks' case, a single store is grounded in product quality and community connection.
- Early expansion often reflects entrepreneurial replication within the family; encouraging siblings or relatives to build parallel businesses can accelerate scale while strengthening family ownership identity.
- Over time, what begins as a collection of family-driven efforts must evolve into a more structured, unified enterprise.

Continued...

Governance Evolution in Multigenerational Families

- As family ownership expands, governance must become more intentional and formalized to maintain alignment and clarity.
- Schnucks has built multiple governance layers to support this evolution, including a **formal fiduciary board**, a **family council**, and **committees focused on areas like culture and integration**.
- These structures help separate ownership, management, and family dynamics—while still keeping the family meaningfully connected to the business.
- Governance is not static; it must continue to evolve alongside the size, complexity, and generational depth of the enterprise.

Balancing Family Engagement & Business Focus

- One of the core challenges in multigenerational enterprises is sustaining engagement across a growing number of family members with diverse interests and capabilities.
- Creating structured outlets for involvement, beyond day-to-day operations, is critical to maintaining long-term alignment and passion.
- Well-designed governance frameworks allow families to stay engaged without disrupting business effectiveness.

Purpose, Culture & Long-Term Identity

- A clearly articulated purpose helps unify both the organization and the family across generations.
- For Schnucks, the idea of **"Nourishing People's Lives"** extends beyond products to encompass culture, employees, and community impact.
- Strong culture becomes a stabilizing force during periods of growth, change, and transition. Especially in family-owned businesses.

Continued...

Strategic Growth & Learning Through Acquisition

- Growth through acquisition introduces both opportunity and complexity—particularly when integrating organizations with their own cultures and histories.
- Maintaining openness to learning from new partners is essential; successful integration is not just about scale, but about respecting and evolving shared values.
- Family-owned enterprises that approach acquisitions with humility and adaptability are better positioned for long-term success.

The Role of Research & External Perspective

- Combining lived experience with structured research enhances the quality of decision-making in family enterprises.
- Peter Boumgarden's facilitation demonstrated how **data, academic research, and real-world examples** can help frame and deepen leadership conversations.
- External perspectives, whether from advisors, academics, or independent directors, play a critical role in challenging assumptions and strengthening governance discipline.

Implications for Directors & Family Business Leaders

- Treat governance as an evolving system that must scale alongside family ownership.
- Invest in structures that support both **accountability and engagement** across generations.
- Anchor decisions in a clear purpose and cultural identity to guide long-term stewardship.
- Approach growth, especially through acquisition, with both discipline and openness to learning.
- Leverage external expertise to bring rigor, perspective, and continuity to complex family and business decisions.