

GETTING TO THE HEART OF BUSINESS FAMILIES: Six Keys To Working Successfully With The Ones You Love

By David Irvine, Best-Selling Author and Leader's Navigator

Sitting across the room from her mother, Kelly looked to her father as she contemplated her future. She had been away from the family business for much of the past six years, completing her MBA, and was weighing the possibility of returning to her father's company. Her thoughts then turned to her brother and sister, who had remained in the business, and wondered how her re-entry would affect them. "What will it be like for Mom, Dad, and my siblings — to make room for me? Where do I fit? Can I maintain my own voice in the midst of this established business? How will it be for *me*?" These were some of her myriad of thoughts and emotions upon returning to the family firm.

Growing up in a family business, and after more than two decades of consulting, counseling, and leading retreats with family businesses, I have come to appreciate both the perilous and potentially gratifying journey of embarking on a business venture with people who matter most to you. It is a challenge to build a business, and it is a challenge to raise a family. Combining the two can lead to either disastrous failure or deep fulfillment.

Six Keys Areas — Vital Core Issues Of Family Business

David has found the following six key areas vital for building a cohesive, sustaining, respectful, and fulfilling business family.

KEY #1. Governance

Governance, in its simplest form, is a clear process for communicating, planning, and making decisions. Governance is about understanding the three subsystems of a business family: *the family*, *the business*, and *the ownership*, and how they relate to each other. Setting up optimal governance structures and processes answer the many questions that are raised in family-owned businesses such as:

- Who should have a say where?
- What are the responsibilities and rights of shareholders?
- How do you organize family participation in the business?
- How do you transfer ownership to the next generation?
- How do structures such as family councils and board of directors interact?
- How do you build trust and cooperation among stakeholders?

KEY #2. Holistic leadership

Obviously, clearly aligned goals — both between and among generations — is critical to a sustained family enterprise. Yet before you know where the business is going, it is critical to know what each family member values, and how the business can be used as a tool to create what matters most to each member of the family — inside and outside the business.

Holistic leadership means viewing your business as a *means* to a much more important end. It is a *tool* for creating what is most important in your life. Far too often quality gets squeezed out of life and before we know it, our business is running our life, rather than our life running our business. A holistic approach, on the other hand, challenges you to define a quality of life, and *then* decide how much production — wealth generation — will be needed to support that quality of life. Having a clear commitment enables you to ask the hard questions:

- How much is enough?
- What matters most — to every member of the family and business?
- What level of production — or wealth generation — will support the quality of life we each most desire?

KEY #3. Respect and meaningful connections

The movie, "8 Seconds" is based on the true story of Lane Frost, and illustrates one challenge faced by successors in a business family — a son's life-long struggle to win acceptance and approval of his father. Lane devoted his life to his passion — bull riding — and no matter what his accomplishment, his father would criticize him. When Lane became world champion he was sure that finally his dad would give him the affirmation he had sought his entire life. Instead, the only way Lane's father knew how to respond was, "Well, we'll see how much of a man you are. How long can you *stay* on top?" Shortly thereafter, Lane was killed in a bull ride. Near the end of the movie, Lane's father, this tough, macho cowboy, sits alone in the living room, with tears dripping on the floor below him, wondering, "Did I ever tell him I loved him?"

It is the deep *respect* and *connections* within that governance structure that make it all meaningful. A significant part is learning to be present and vulnerable and expressing your deepest desires and values with each

other:

- Open the lines of communication between all family members and build bridges across generations that will lead to fulfillment, respect and goodwill.
- Work through conflict toward understanding, and turn destructive arguments and tension into constructive dialogue and action.
- Manage the transition of succession in a way that will pull your family together at a time when it may seem as though it is falling apart.

KEY #4. Authentic alignment

Every day, you see family and employees walk in the door. They bring their bodies, but do they bring all their talent, resources and creativity? Their personal commitment begins with *internal alignment* — finding your voice, helping others to find theirs, and then aligning the organization with people's unique talents. Working on the business and on the relationships within the business begins with working on *ourselves*. Alignment is particularly relevant in the passing of the torch to successors.

- Capture and release the unique gifts and capabilities of the younger generation and align the business with those passions.
- Build value in the company through a process of accountability so that each person's unique contribution results in needed business results.
- Shift from *control* and *motivation* to *letting go* and *mentoring*.
- Unleash human potential.

KEY#5. Accountability

A group of talented people is simply unstoppable when their goals are clear, they are aligned and focused, and they know others will support their contribution and deliver on promises. By using a practical and proven process from David's newest book, *Bridges Of Trust: Making Accountability Authentic*, business families can learn to use Accountability Agreements™ to build trust and focus commitments. The Accountability process aligns the energy of the entire organization as everyone shares the same strategic focus:

- Assess how well your family functions as a team, and improve teamwork.
- Ensure leadership, and success into the next generation through clear goals and aligned values, with well-defined responsibilities and consequences.
- Replace fear and blame with ownership and trust.

- Build your business family on the solid foundation of strong character — replacing entitlement with responsibility.

KEY #6. Strong character

What would you rather leave your children: a rich financial inheritance with no character or values, or character and values with no money? With character and values we can create wealth and much more. To move from success to sustainability and significance, we must be committed to have our children grow wiser and more capable than we are. Building people — with strong character — is the key to leadership and to sustained business families. Character is rooted in the behavior of people. Character is determined by how you act. Real character requires you to do three things consistently:

- Carry through to completion the responsibilities entrusted to you.
- Stand up for your actions, regardless of the risk to your personal security and comfort.
- Stand behind the results of your actions.

Character — the foundation of a sustainable business and family — begins by making the shift from being *equal* to being *equitable* with your children, from an *entitlement* to an *accountable* mindset, from a *parenting* to a *partnership* relationship, and from *success* to *significance*. If you want to run a family or a business built on trust, then start by being *trustworthy*. If you want accountability, be *accountable*. If you want a founder to let go, then take *responsibility*. If you want a successor to *take hold*, then you must be willing to *let go*.

“If it is to be, let it begin with me.” Building a successful and sustaining family business is ultimately about stewardship — realizing that each family member is responsible for passing on the business better than they come to it. The future of any family business lies in aligning the business to the people *and* the people to the business.

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David Irvine is sought after internationally as a speaker, author, and mentor. His work has contributed to the building of accountable, vital, and engaged organizations across North America. He is the co-founder of the Newport Institute for Authentic Living whose focus is to build authentic organizational cultures that attract and retain great people. David is the best selling author of five books. His most recent book is *Bridges Of Trust: Making Accountability Authentic*. These are available in bookstores or can be ordered at www.davidirvine.com

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