

Landmines of Managing Family Businesses

By Rosalinda O'Neill

Successful trusted advisors to family businesses need six of everything: eyes, ears, points of view, and levels of wisdom and patience. All these must operate smoothly at the same time, and we must rely on them to avoid becoming enmeshed in family controversies.

Advising a family business puts us in the center of family relationships. These can be a deadly hurricane or a mild cloudy day. Even when it looks like a clear day, storm clouds can be near. Family members practice often unhealthy patterns developed a long time ago. Second and third generations can't help but struggle. First generations struggle with added guilt and ignorance of what to do. Even the non-family key individuals are part of the family system.

Landmines to watch out for:

- * Everything is personal, including financials, personnel, productivity, salaries.
- * Each family member wants your appreciation and support.
- * Taking sides against a family member can be suicide for you.

What to do?

Be a good listener, as always. Gain an upper hand as you assess and learn:

- * How they listen, value, and apply your input.
 - * How they communicate with each other, successfully or not.
 - * Their back-story with each other and their individual goals.
 - * Their strengths, weaknesses, and efforts to succeed or fail.
 - * Their true agendas for themselves and each other.
 - * Their history with other "trusted advisors."
- Family members are as afraid to trust you

as they are of each other. How respectful or vicious they have been with each other will tell you early on what chance of success you have with them. It will also tell you how careful you must be. Do what you can to help all family members succeed. Only take sides against a family member after you have made substantial efforts to help them succeed. Show how the success and often survival of the business depends upon this individual leaving. The right thing for everyone is to be a hero and help everyone, even the one who must leave. Help make a family member's exit as gracious and respectful as possible. What you do at the family business impacts the family forever. Help them stay a family and continue with family events, like holidays. The business succeeds, the people succeed, and it is the right thing to do.

Whatever other strengths and talents you deliver to them, financial, legal, or technical, family members will always need improved communication skills and repair of core misunderstandings. Family members and key non-family members need this for your contributions to the business to last.

A positive example

In a family-held corporation I helped, the 80-year-old father wanted his 45-year-old son to be able to continue the business. The son wanted to but knew he could not perform the required overall management and operational tasks. He valued the managers who were brought in, but as time went on they did not value him. I identified the son's unseen contributions and several misunderstandings that kept the son from being respected by his father and the new management team. I cleared these up quickly and gave the son the tools to communicate his beliefs and strengths more clearly, including his respect for the other management team members. I gave the non-family members similar skills, and we resolved old resentments. They are now on the road for success. The son almost lost this opportunity. The father, who is seriously ill, fulfilled his dream of passing on his business to his son. The son and the father, and the son and his mother and siblings, have the best relationship they have ever had. The son is more powerful and respected in all of his life, including with his wife. A former PNG member brought me to

them and is very happy with the outcome. I also helped repair the relationship with him and the son, who is now the chairman of the corporation and still a client of mine.

What about non-family members?

Non-family members often believe family members have it easy. That is false. Family members have a benefit and a burden. They have the same unhappiness at work and at home. Their spouses just add to the problem. When family relationships go wrong their livelihoods and business success take a nosedive. Drug and alcoholism problems of family members add to other problems. It is worse than a marriage gone bad, and impacts the life of the business in every way. For non-family members to succeed they must:

1. Respect all family members at the business, and show it.
2. Not show family members preferences or distain they might show others.
3. Remember they are much more expendable than a family member.

Your success as a trusted advisor occurs as you:

- * Find opportunities for each family member to be stronger, and help remove the pathological one(s).
- * Remember non-family members have agendas and wisdom, like family members.
- * Be honest with all key members and spell out objectives clearly, with specific examples and solutions.
- * Give your delicate, powerful, and wise contributions while honoring the family.
- * Do not become a member of the family, and do continue to appreciate the changing family dynamics.
- * Make the family members more successful at managing themselves by giving them the tools to manage with honor and respect, especially managing within the family.

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