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SMALL BUSINESS

When Partners Have Problems

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Linda Nestle, 58, a partner in a benefits-consulting firm in Westlake Village, Calif., liked her wine and Scotch. And for three decades, she says, she controlled her drinking. But when vodka took over her life last year, her three business partners stepped in. In January, they hired a consultant to help them confront Ms. Nestle about her addiction. She entered a treatment center that day.

The firm's story is instructive not only because addicted employees cost American industry billions annually in lowered productivity and health care costs, but for what it says about the relationship among longtime partners when one's personal life spins out of control.

Ms. Nestle, known to her friends as Lynn, had worked with Monty Morton and Judy Soled for more than 20 years at insurance and benefits companies. In 1988, they joined forces with Ray Liden to open Liden, Morton, Nestle & Soled, which handles retirement and pension plans for 650 clients and had close to \$3 million in revenue last year.

Ms. Nestle's partners knew of her fondness for alcohol but did not view it as a big deal. "We felt that as long as Lynn's drinking didn't affect the business, why should we care?" Ms. Soled said. Besides, Mr. Morton said, her expertise in 401(k) plans more than made up for any disadvantage the drinking brought. "She has an excellent command of pension law and is highly regarded among her peers," he said. "Who were we to judge if she wanted to have a drink or two on the weekends?"

Ms. Nestle eventually began drinking on weekday evenings and then during the day as well, often alone in her bedroom. "I became what's known as a blackout drinker, either passing out after a few drinks or just not remembering what happened," she said.

The executive, who is divorced, said that dejection over her daughter's own marital breakup and shock at a friend's theft of money from her drove her deeper into alcoholism. She started arriving at work late and taking frequent days off, and occasionally she could not be found.

Her daughter, Rebecca Hammond, who works as an administrative assistant at her mother's firm, said that she often covered for her. "I'd tell her not to come in until she sobered up," she said.

Mr. Morton grew worried after calling Ms. Nestle at home about business a couple of times in the evening and hearing her slurring her words. Ms. Soled had a similar experience.

"Once, when she called me from home, she said she was about to call a client," she recalled. "I knew she had been drinking, so I advised her to wait."

Mr. Liden, meantime, had heard rumors about her drinking but did not realize how serious it had become until Ms. Nestle joined a conference call from her home. "She was obviously drunk," he said.

Women in senior management positions are particularly vulnerable to the lure of alcohol, according to a study in the March 2004 issue of *Occupational and Environmental Medicine*, a British journal. Nearly 14 percent of women in senior positions who were surveyed in the study acknowledged abusing alcohol, compared with 4 percent of women in clerical positions.

The study also found that that female executives were more likely to be single and more likely to find the road to success to be stress-inducing than their male counterparts were.

Moreover, women often find it more difficult to admit they have a drinking problem than men do, according to Rosalinda O'Neill, president of CEO LifeMentor, a management-training firm in Calabasas, Calif., who has helped numerous companies deal with addictions in the executive ranks. "They feel more shame," she said.

According to the experts, it is a good thing that Ms. Nestle's partners stepped in when they did.

Alcoholism among employees can take a toll at any company, but it poses an especially sharp threat to small businesses that often rely on a single individual for crucial tasks.

"Once these employees become addicted they start letting things go and trying to get away with it," said Dr. Sheila Blume, professor of clinical psychiatry at the State University of New York at Stony Brook. "Over time, especially in small businesses, this will affect the company's reputation and their bottom line."

Compounding their vulnerability, small businesses are more likely to look the other way, according to a 2003 survey of Pennsylvania businesses by RoperASW for the nonprofit foundation Drug-Free Pennsylvania.

"Sometimes people say they are so busy running the company that they don't have time for an intervention, or they might not realize there's a problem, or they want to avoid it," said Ms. O'Neill of CEO LifeMentor.

Mr. Morton and Ms. Soled confronted Ms. Nestle about her drinking after the conference call, but she deflected them at first by showing them a brochure from a self-help group that she had joined, though she now confesses she soon stopped attending meetings.

Before long, however, her partners' concerns about her behavior grew, and they acted. It was a Tuesday in early January, Ms. Nestle remembers, when Ms. Soled drove her to Mr. Morton's house for what she believed was to be a meeting among the partners.

But Ms. O'Neill and a representative from Renaissance Malibu, a drug treatment center in Malibu, Calif., were also present, along with Ms. Hammond. Ms. O'Neill had arranged for a bed at the center the previous evening, moments after Mr. Liden had called her.

For over an hour, the partners talked to their friend about what she meant to them and how her drinking concerned them.

Mr. Morton spoke of their long friendship and assured her that she had a place at the firm no matter

what. "We all have our demons," he said. "Lynn is first and foremost my friend."

Ms. Nestle told the group she wanted time to think about entering a rehabilitation program, although she now acknowledges she was stalling. "And if it weren't for the two professionals chiming in, we may have let her slide once more," Ms. Soled said. Then, when Ms. Nestle's daughter tearfully told her that she was afraid of losing her, Ms. Nestle said she did an about-face and agreed to get help.

In some ways, the intervention could not have come at a worse time. Ms. Nestle entered a clinic for 30 days of rehabilitation just as the firm was beginning its annual review of clients' 401(k) accounts as required by the Internal Revenue Service to ensure that prior-year contributions adhered to I.R.S. limits. "The staff had to step up and do some of her work," Mr. Liden said.

For another, her partners moved so quickly they did not have time to get advance approval from their insurance company, and they ended up picking up half the \$42,000 bill, with Ms. Nestle paying the other half.

Last month, Ms. Nestle put her newfound sobriety to the test on a three-week European trip that she won as a reward for her sales performance. She passed, never taking a drink or, she says, even wanting to.

Better yet, although she is still in the first blush of recovery, Ms. Nestle says, she cannot wait to get going when she gets up in the morning. She no longer suffers from hangovers or thinks about her next drink. And she is dating for the first time in 12 years.

Mr. Liden said that during a recent meeting with a top client who knew nothing about Ms. Nestle's stay in the clinic, it was obvious that his colleague was back to her old self. "She was confident and sharp," he said. "Afterward, the man looked at her and said, 'Lynn, you look spectacular.' "

"We slew the elephant in the living room," Mr. Morton said, "before it could turn into a monster."