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FAMILY BUSINESS FORUM

Investing in Family Harmony

By Donald Levitt

The Issue

The logic is pretty simple: when there is stress between family members in a family business, it negatively affects the business. In fact, family stress is the greatest strategic threat to the survival of a family business.

Here's what this stress sounds like.

“My two sons argue constantly. It's driving everybody crazy. There's no way I could leave the business to them.”

“I'm the president and my father just fired our best sales person – without even discussing it with me. Then he has the audacity to tell me he doesn't like my haircut! It's time for me to get out of this business.”

“My father and uncle have never gotten along. Now they can't agree on some major business and estate planning issues, so they want to sell the business – right when I am ready to become president.”

“My husband tells me our son isn't capable of running the business, so the business should be sold. Then my son complains to me about Dad being overbearing. I toss and turn all night worried about what will happen to my son and his family.”

Understanding Family Patterns

Every family has its own unique patterns of communicating and influencing others, and its own expectations regarding power, conformity, privacy, achievement and teamwork. The family members themselves are not consciously aware of these “rules”, so they end up being victims of unknown and rather bewildering forces. These patterns, and the stress, become even worse during times of family or business crisis or transition. By becoming aware of undesirable patterns, a family can choose to develop and practice new and more effective patterns – and thus reduce family stress.

Some families start to learn about their hidden patterns by looking at previous generations of their family. Have children usually ventured out on their own at an early

age or have they remained dependent? Have parents enjoyed long retirements or did they die at work? Have siblings gotten along or is there a history of not speaking to each other? Has everybody been a high achiever or have some been content with more modest achievement? When families can look at and discuss previous generations in this manner, they often can then see their own family patterns more clearly.

Tools for Building Family Harmony

Most people believe that “good families” don’t require any special attention or cultivation. In truth, any family can fall apart under stress if they have not invested in family harmony. Families who are in business together can use some of the following “tools” to strengthen their family.

- Family meetings, held 2-4 times per year, can provide a structured opportunity to look at family patterns, build on strengths, and share hopes and concerns for the business, the family, and for oneself.
- Working together to develop a mission statement for the family in business, and including “family harmony” as part of that mission, can create the expectation that family members will continue to invest in family harmony.
- Writing out a family code of conduct can help all family members get “on the same page” regarding communication, conformity, privacy, conflict, etc.
- Learning and practicing communication and conflict management skills – *before* a major transition or crisis – can support candid and effective interactions.
- Reading and discussing books and articles about family business can help families learn about themselves and their opportunities for growth.

Start with Yourself

A good place to start your investment in family harmony is not by trying to get others to change – but rather through leading by example. Changing your own behaviors, and learning about family patterns, can encourage other family members to also invest in family harmony. A sincere investment could save your business – and your family.

Donald Levitt, president of Levitt Consulting, helps family businesses to succeed as both a business and a family. More information about this month’s topic, and other family business issues, can be found at LevittConsulting.com.