

**Business Advantage, July, 2005**

## **FAMILY BUSINESS FORUM**

### **Listening to Nonfamily Managers**

**By Donald Levitt**

Almost all family-owned businesses rely heavily on the contributions of nonfamily employees – and especially on the efforts of nonfamily managers. Yet many family business owners unintentionally create situations which hinder the effectiveness of their nonfamily managers.

How can you help your nonfamily managers to be most effective? The best place to start is by *listening* to them – so now let’s listen to two successful nonfamily executives talk about their “secrets for success” in the family business.

#### **Ask for Input**

SFC Graphics has been providing print services – including pre-press, on-press and post-press – since 1902. Ron Sladky serves as General Manager of SFC Graphics, and previously served as President of Master Chemical Corporation – another family-owned business.

“Employees are often reluctant to speak openly with the owner of a family business. One of the most important roles for the nonfamily executive, then, is to give an independent and objective perspective to the business owners regarding the business and its employees,” says Sladky.

“It takes a conscious effort from the family to ask for feedback – and to not ‘shoot the messenger.’ If owners don’t ask, some nonfamily managers will be reluctant to offer their ideas. They figure ‘If they wanted my opinion, they would ask. They’re running the business. I’ll just do as I’m told.’ Or some owners get upset when the nonfamily manager suggests new ways of doing things – and then they wonder why nonfamily managers just do as they are told,” notes Sladky. “The best family business owners say ‘Let’s sit down. I want to hear your ideas.’”

A special risk for the nonfamily executive arises if they voice an opinion which is in agreement with the owner but in disagreement with the succeeding generation. When the owner retires – the nonfamily executive may be seen as part of the “old team” and no longer of value. Similarly, the owner should not ask the nonfamily executive to “discipline” a member of the succeeding generation. This approach takes the pressure off

of the parent-child relationship – but it leaves the nonfamily executive in a vulnerable position.

### **Solve Your Own Problems**

Bob Pruger is CFO and Treasurer of The Rudolph/Libbe Companies Inc., which includes Rudolph/Libbe Inc., GEM Industrial Inc., and Rudolph/Libbe Properties.

“Some family businesses want you to tell them your thought processes and be ‘the honest broker.’ I’m willing to do that – but in the end they need to solve their own problems,” says Pruger. “I don’t rush in gladly when there is a dispute. My role is to provide information, but I’m not willing to be ‘Solomon’”.

“My approach works quite well,” notes Pruger. “I take pride in having a good relationship with the founders and their families.”

### **The Tip**

Make a conscious effort to ask your nonfamily managers for their perceptions, and listen carefully. But if you ask a nonfamily manager to go up against the succeeding generation, or expect them to resolve differences of opinion between family members, you may permanently hinder their effectiveness.

*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](http://LevittConsulting.com).*