

FAMILY BUSINESS FORUM

The Hidden Role of the CEO's Spouse

By Donald Levitt

The Issue

Talk about the power behind the throne ... the spouse of the CEO often plays a major role in the success of a family business. But the contributions of the spouse are generally not recognized by the family, the employees, the leaders, the CEO – or even by the spouse themselves!

Let's look at some ways in which CEO spouses are critical players in family business success.

The Expert

Ernesto Poza is a Professor for the Practice of Family Business at Case Western Reserve University, and a leading family business consultant. He recently published *Family Business*, a comprehensive presentation of family business best practices.

When the CEO's spouse sees the family business as a "shared mission" with the CEO, "then he or she knows that it is worth contributing to the business for the sake of the family," says Poza. "Some of the spouse's contributions may be aimed at the family, and some aimed at the business, but all are coming out of a commitment to the family business entity."

Poza's book describes a variety of roles which the CEO spouse can take: Chief Trust Officer, Business Partner, Vice President/Trusted Employee, Keeper of Family Values, and Free Agent. The spouse's role can also change over time. For example, Margrit Blevier Mondavi, spouse of the former CEO of Mondavi Wines, initially took on the Vice President/Trusted Employee role: she focused on customer relations by planning wine festivals in Napa Valley. In later years, says Poza, she took on the Chief Trust Officer role, focusing on family relationships, and even later took on independent activities as a Free Agent.

The Business

Founded in 1901, Gross Electric is a lighting and accessory retailer and electrical and lighting distributor serving Northwest Ohio and Southern Michigan. Richard Gross became president and CEO when his father died unexpectedly in 1959, and Richard's daughter Laurie Gross became president in 1992. Richard continues to serve as CEO.

Marion Gross, Richard's wife, has actively contributed to this family business for many years. In the Chief Trust Officer role she initiated, in 1963, a one-week family trip to summer camp. This became an annual tradition and has continued for over 40 years. It now includes all of the grandchildren along with Richard and Marion's four adult children. The whole family also gets together every Thanksgiving. Marion takes photos from these events and creates a family calendar, which highlights these photos and includes special dates like birthdays – and even the date that Richard and Marion met.

Also in the Chief Trust Officer role, Marion focused on family communication and relationships. "We had a rule – we never discussed business at the dinner table. This became more important as our children entered the business," says Marion.

"There is always the possibility of tension in a family, and I wanted us to have some way of addressing this tension with an uninvolved third party. We used a business psychologist to facilitate some family meetings, and we maintained contact with him after the meetings. Family meetings are important even when there is no family conflict. Two of our adult children are not involved in the business and it is important to keep them up-to-date at all times," notes Marion.

Marion Gross has also served in the Vice President/Trusted Employee spouse role. When the company took customers on trips, Marion was the "social director" – during the trips as well as hosting pre-trip and post-trip parties. She also played an important role in building relationships with the employees by hosting holiday parties and "kibitzing" with employees at work.

The power behind the throne? Maybe "secret weapon" is a better description of the CEO's spouse in a family business.

The Tip

The CEO's spouse in a family business has unique opportunities to contribute to both the business and the family. These opportunities can vary based on circumstances and talents, and can change over time – but smart family businesses capitalize on this "secret weapon" to help achieve family and business goals.

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