



Family Firm Resources

Family Business Strategies • Assessing the Present • Assuring the Future

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Don't Be Defined by the Pressures of the Time

Robert Caldwell

When a call from a family business owner comes through to my cell phone on Sunday afternoon I can be pretty sure that circumstances are dire. Something's going on that has the business or the family, or both, in some degree of turmoil. So it was, about a month ago, when I got just such a call.

The surviving co-founder of this business had just visited his only son who works for a branch of the business in another city. During the course of their visit the son made it clear that he wanted a title and some ownership, sooner rather than later. Dad had made it clear that this wasn't going to happen for a while yet, at least until the son had proven he was more committed and competent than he had shown thus far. When everyone was fat and happy and there was plenty of money, this situation could be swept under the rug, but now that things aren't so good the situation was coming to a head. The father wanted me to help him negotiate this difficult and testy situation.

In another recent case, two brothers were at odds with each other about ownership and use of family property they jointly own. Visions of multiple generations of the family enjoying the property suddenly seemed in jeopardy. Everything had been fine until the economic downturn made their continued mutual ownership and maintenance of the property difficult, if not impossible. Income uncertainty, increased property taxes and hurt feelings have made this formerly loving relationship between brothers and their families a minefield of hidden agendas, blame and recrimination.

The pressures of the time exacerbate family business and family wealth issues. Minor annoyances and misgivings that have previously been swept under the rug suddenly become major stumbling blocks. Behaviors that used to be just aggravating are now points of serious contention. Relationships are now being defined by the economic turmoil and accompanying anxiety.

There are three strategies* I encourage my clients to use to help them survive and even thrive during difficult times and to prepare for a brighter future:

1. *Work with one another for a proper understanding of the problem.* Don't hide out in difficult times; now is the time to be more proactive in defining issues and handling differences with business partners and family members, not less.
2. *Exchange accurate information to solve the problem together.* No gaming allowed! Tell the truth about what's going on. Don't deny or exaggerate the current issues, the well being of the family and its wealth could be at stake.
3. *Bring all of our concerns out into the open so the issues can be resolved in the best way possible.* Have the difficult conversations. Meet together even when it's uncomfortable. Bring in a facilitator to help mediate, if necessary, and listen to each other with Dr. Covey's principle of "seek first to understand."

Don't allow family harmony to be ruined in the current circumstances. Times will get better and you really don't want to spoil something as precious as loving relationships because of a short term difficulty. There are answers out there. No problem arises without its solution arising also. Seek together to find solutions that will serve current and future generations.

*R.L. Sorensen, 1999