



Family Firm Resources

Family Business Strategies • Assessing the Present • Assuring the Future

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Tell Me A Story

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Recent research by Joanne Martin and her team at Stanford Business School shows that illustrative stories told within an organization encourage more commitment, generate more belief, and are more often remembered than statistical data that proves the same point in a factual way.

-- Stand in Your Power blog, Randy Siegel

This was certainly my experience in my years of working with my father. Every workday that he and I were both in town began in someone's office at 8:15. My brother-in-law was there sometimes, the EVP was often there and Dad would begin by relating a story of how he and his "friendly competitors" had done what they'd done over the years.

Some of the stories were cautionary tales about what not to do. Other stories were about how he put together a syndicate of business people to buy, renovate and sell one textile mill after another. They were exciting stories, even though after years of hearing them, I knew the outcome. There was the drama of deals nearly failed because of the inability to put together the financing and how they were pulled out of the fire at the last moment.

There was another story he loved to tell about how a competitor went after him to put him out of business. This story entailed the other company buying a huge amount of quarterly production out from under Dad at above market prices, just at the top of the market. The commodity price plummeted and left the competitor having to buy material that was ultimately worth about 50% of what he was paying. One of Dad's friends told him later that the competitor looked out his window on a rainy day and said, "So, this is how you go broke in this business."

What a lesson for us all! The message was passed on to us in a much more powerful way than would have been possible with just the metrics of dollar and pound figures. We never forgot that our business lived and died on the "buy" side. If we got that part wrong it was a slippery and irrevocable slope toward failure.

Oftentimes in my work with family businesses I'll ask to hear some of the stories that are the genetic code of their enterprise. Generally one of the older members will recall something about their parents or relatives and how their influence created the culture that built the business. Such stories pass on the heritage of the family business and build commitment to it. These stories hold real value for the younger members. They deepen relationships by reinforcing the shared experience from which the individuals emerge. They also help instill a belief that our predecessors persevered through difficult times and succeeded, and so can we.

Nurture storytelling in your company, it can be equally as powerful as sharing performance data, and will plant seeds for the future. What you do today is part of the story that will remain after you're gone. Make it a story of hope and possibility.