

The Ties that Bind

How to keep the “family” in family business



BY TOM HUBLER

With tremendous verve we embark on the new year, full of New Year's resolutions and good intentions.

But in a relatively short period of time, we go back to business as usual with our old habits.

The same is often true in family businesses. Each year a commitment is made to start planning, but in a relatively short period of time, we slip back into the world of just doing the business.

The late Bill Knowlan, owner-entrepreneur of Wild Bill Knowlan's Grocery Stores in St. Paul, taught me an early lesson about the importance of planning. As a junior in high school I was part of the cadre of high school students helping him convert from a

corner store to his first supermarket. One day I was busy with a mechanical stamper, stamping 303 tins of peas and putting them on the shelf.

Bill walked down the aisle and said to me, “What's your plan?” I remarked, “I don't have a plan — I'm busy putting peas on the shelf.” Again he asked, “What's your plan?” In a very exasperated way I said, “I don't have a plan — I'm busy putting peas on the shelf!”

Bill said, “A plan that isn't working is better than no plan at all.” I've never forgotten that lesson.

In the context of family businesses, it's easy to get so engrossed in “putting peas on the shelf” — doing whatever the business does — that we ignore the big picture planning needs of the business.

Having a plan is essential because it allows families to develop a north star to guide and manage the delicate balance between their family and business relationships.

Imagine for a moment a set of two circles. One represents a family and the other is a business — and they're separate. That's the

typical model for someone working in a company; their family and business circles are separate. In a family business, however, those two circles overlap. As a result of this overlap, the business can become vulnerable to family issues and entanglements that are normal to all of our families. And business and financial differences can — and often do — erode family relationships. The goal with family business, then, is to ensure the right overlap — one that supports the family, and allows the business to be successful.

Some key challenges and issues unique to family businesses that this column will cover include:

- ▶ How to maintain family unity
- ▶ The best way for a sibling team to work effectively
- ▶ The role of non-family managers
- ▶ Developing a legacy in family businesses
- ▶ Family Participation

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- ▶ Creating successful family holidays
- ▶ The role of family values in a family-owned business
- ▶ Motivating children and parenting adult children in your family-owned business
- ▶ The impact of wealth on family values
- ▶ Siblings, father-daughter,

father-son, mother-daughter, father-daughter relationships in family businesses, plus how the in-laws fit in.

My goal this year with this new family business column is to help owner-entrepreneurs and their families look beyond “putting peas on the shelf.” I hope to provide a forum that will help more families begin to talk in a positive way about the necessary plans and systems they need to be a successful, well-run and profitable business, while maintaining positive, warm and happy family relationships. ☺

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