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Understanding
Family Business
Unique business
Unique
challenges

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About family businesses

Family businesses are special. Whilst they come in all shapes and sizes, they present some unique challenges. Here's some food for thought...

Evolution

Family businesses evolve and periods of transition can be critical - as a business moves from generation to generation, priorities change, attitudes change and management styles change. We appreciate that the needs of a family business will be very different depending on its stage of evolution. The founder of a business, for example, may have a different way of doing things and indeed a different vision to that of his or her children. Likewise, further down the line, as the business moves from the second generation to the third, from a sibling partnership to a large network of cousins, new tensions and challenges present themselves. It is at these times of transition that a family business is at its most vulnerable. We believe that tensions and problems associated with transition can be successfully avoided with the right planning and communication. We work with families to put in place clear and robust governance structures, with defined parameters, resolving family business succession issues and allowing family members to communicate and operate more effectively.

Dilemmas

Dilemmas and paradoxes are inherent in family businesses - in some ways the tenets that make a family a family and a business a business seem diametrically opposed. For example, a common challenge for family businesses is the simultaneous desire to maintain and respect tradition whilst striving to adapt and progress in response to the changing business environment. These seeming paradoxes can be managed however and we believe you can have it all – your family need not suffer at the expense of the business and your business need not suffer at the expense of your family. In fact, if approached in the right way, a successful family and a successful business should stimulate and reinforce each other. This is the principle that we work from – helping families and their businesses to be more successful.

Differences

Given the particular quirks of a family business, differences of opinion between members are inevitable; these often go unexpressed and can lead to unresolved frustration bubbling beneath the surface. We believe that acknowledging these differences without letting them create family business conflict is central to the future success of any family business

Creating a safe setting for difficult discussion goes a long way to resolve these problems. In our experience, there are, in the main, three kinds of issues that cause difficulties for family businesses: Business, Personalities and Structure. We think business issues are the easiest of these to solve – if a business isn't working, for example, it could be turned around, or in extremis, could be sold or liquidated. 'Personality' and structural issues are more difficult. Experience tells us that structure drives people's behaviour and without the correct one in place businesses can suffer because of the way the people act. Whilst we can't 'fix' or change people's personalities (and we wouldn't want to!), we can help you design and implement practical governance structures. These can create the right environment and clarity over things like roles and responsibilities so that people's expectations are managed in a transparent way that promote a better and more harmonious environment. Whilst we can't wave a magic wand, we can offer something far more useful: bespoke advice and expert facilitation based on over twenty five years of practical experience.

Planning for the future

Family businesses have a potential competitive advantage. They are dynamic and yet they take the long term view - whilst they can make decisions and act quickly, they are also able to plan for the future without being pressured into looking for a quick fix. From our experience, however, families often don't have a clearly defined, shared vision allowing them to harness this and speak with one voice. We can help you create a shared vision. Like many family businesses we too take a long term view and want to work with you to realise your ambitions for the future.

Family values

Our experience has shown that values are the glue that keeps families and businesses together. A clear set of strongly aligned values can underpin a culture which not only creates competitive advantage and loyalty within the business, but also ensures the continuity of the family, and the avoidance of disputes and conflicts. Often the values and ethos of the founder which have made the business successful, are left unarticulated and family members act in accordance with them unconsciously. We help clients articulate, codify and celebrate their core family values. By doing so, it encourages family unity and its ability to speak with one voice. If you want to find out more about family businesses, please download one of our handbooks in which we give you practical guidance and advice on how to handle various aspects of being involved with a family business.



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