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THE FAMILY TOOLS

Even the most successful family business can benefit by adopting specialized processes and systems. Here are tools you need to know...

Deep down, many corporate executives secretly envy the comfort and camaraderie they associate with a family business. While not all family companies fit that mould, the experts say that families who master their businesses' potential have an edge over non-family competitors.

"There's a trust that you don't have to earn over 20 years of working together," says Eric Morse, professor of entrepreneurship and family-owned business at the Richard Ivey School of Business in London, Ont. "It allows for decision-making to be done in a different way. There's a longer-term outlook on the business and a willingness to really create value over the long term." First, however, families have to overcome the common pitfalls of family-owned businesses: internal squabbling, unresolved conflicts, mixed messages and a failure to listen to new voices. But you don't have to start from scratch. Here are some of the top tools and best practices the experts recommend to make your family business function at peak potential.

Schedule Family Retreats Even close families can have bad business habits or decade-long conflicts. Emotional issues will always challenge business success, so why not confront them before they get out of hand? Families can resolve sticky personal issues and adopt sounder business practices by holding "retreats" in neutral territory, away from the office. **Francine Carlin, owner of Business Harmonizer Group in Vancouver, works with families to strengthen their communication skills and overcome emotional barriers so they can run their businesses more effectively.**

Facilitators such as Carlin can be hired for sessions lasting from three hours to a full weekend, monthly or quarterly.

Before each meeting, Carlin interviews family members to get a feel for the group dynamic and identify key issues. "Whether you are a billion-dollar company or a million-dollar company," she says, "the issues are the same: people need to know how to talk to each other. The family needs to have a safe place where people can talk to each other like they've never talked before." Think that sounds too touchy-feely? Think again. The key to business continuity is ensuring that owners' relationships are rock steady, through good times and bad. As Carlin notes, how people deal with these emotionally charged issues can break their family business, or make it stronger.

Carlin cites two brothers-in-law who contacted her as they struggled to recover from the sudden death of their third business partner, the brother of one of them. The partners were having trouble coming to grips with his death in an auto accident two years earlier; it was hurting the business and creating a rift between them. Meeting with the partners and chairing the discussions, Carlin identified the heart of the matter: "It became clear that we needed to create a memorial for the brother who had passed. We all have to be able to deal with the passing of a family member, deal with that grief and move on." The partners decided to create a scholarship at a local university in the field in which the family business is involved.

“The feeling with these two people was relief and closure that they could do something to honour him,” says Carlin.

Another of Carlin’s clients, a third-generation Vancouver family, was concerned about passing on the family’s core values and respect for money to the younger generation before the business was passed down. Without that shared perspective, they feared bad feelings could grow between the generations.

Organizing a weekend retreat, Carlin encouraged the family to promote their values by creating a foundation to endow funds for community betterment. Within a few hours the group had created a philanthropic philosophy and a slogan. “It was amazing to see even the very young members of the family get excited and proud that they were creating something on behalf of the family that would be helping others.”