

# Ties that Bind

## Family Business Leadership

**MINNESOTA BUSINESS**  
LEADERSHIP • OPPORTUNITY • GROWTH

Part one in a three-part series on navigating the myths and high “C’s” of leadership | BY Tom Hubler

**D**uring my 30 years working with family-owned businesses, I have come across many myths about them. Here are two:

1. Early in our practice, people questioned why we chose such a narrow niche to work in. The truth of the matter was—and is—that family-owned businesses are the dominant form, representing 95% of businesses in this country.

2. Another myth about business families is “shirtsleeves to shirtsleeves in three generations.” The first generation makes it, the second generation manages it and the third generation runs it into the ground. Stories are often documented with examples and the exchange of knowing glances as they recount where the next generation failed.

In my experience, I combine these two myths to produce one fact: family businesses are a huge factor in American enterprise, yet many fail over time because so few have a well-conceived leadership plan. Publicly-traded businesses regularly develop, train and promote leadership in their high potential employees. Unfortunately, family businesses often ignore the leadership needs of the next generation, thinking it’s “in the genes.”

When a company is turned over to “the kids” problems abound. What’s missing is a leadership plan, yet the next generation is blamed for the failure.

Leadership plans arise from the three C’s: Competency, Commitment and Character. Let’s look at each of them.

Competency comes from developing the necessary background to work in the company. It

includes the necessary education and experience outside the company and requires an assessment of whether the generation’s gifts match the needs of the company.

Commitment is passion. Author Fredrick Buechner says, “Your calling is where your heart’s deep gladness and the world’s deep hunger, meet.” The successful person—of any generation—is connected by their passion for the work. Many adult children are drawn into the family owned business out of loyalty to their parents’ dreams and expectations, rather than their own.

I remember a client’s son who had a law degree and was training to be president of the family bank. When we met the young man, he was unhappy, his marriage was disintegrating and he was having problems with alcohol. He confided to us that he would have much preferred to be a poet or a painter. We encouraged him to share this with his parents. Once his parents understood, they told him, “We only wanted you to be happy. Go ahead and follow your dreams.” He changed careers and now lives a more fulfilling life.

Character is, in my opinion, the most critical aspect of leadership. Character enhances or detracts from a person’s bearing as a leader. It is difficult to develop quality, formed out of personal awareness and

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hard to “learn.”

Character arises from our bodies, from the vast reservoir of information, past experiences and the manner in which we interact. This allows us to influence and develop our leadership styles. The more someone recognizes about his/her personal and professional demeanor, the more successfully he or she can demonstrate a leadership role.

Simply stated, next generation leaders can take family-owned businesses to greater success when the preceding generation makes a commitment to develop them.

In the next two articles we explore how, through our bodies, we can develop and enhance our leadership skills and style. In preparation, I encourage you to write down experiences in your life and your family that have critically shaped your leadership style. **MB**



### THE CONTRIBUTOR

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