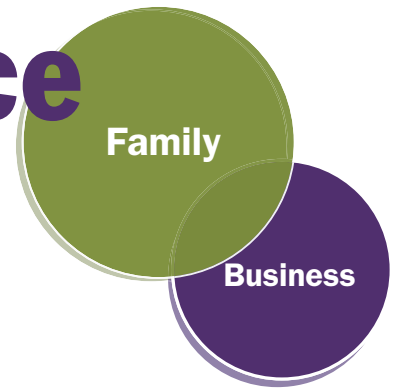


Circles of Influence

The importance of defining expectations



BY TOM HUBLER

In the next few articles, we are going to focus on how to create family unity in a family-owned business. One of the most common sources of conflict in family business occurs when people confuse their roles as owners and employees with those of being family members. Often there are unspoken, and conflicting, expectations on all fronts.

Two of my clients recently encountered this problem when family members employed in the family business as bookkeepers leveraged their status as owners and family members to trump business decisions — even when their position in the business didn't warrant such input.

It's also not unusual for the president of a family business (often times the father) to continue in that role when he comes home in the evening. The issuing of orders continues. One CEO client told his kids: "If you don't get a college degree, you're out of my will" — not the best way to create family unity!

One of my favorite stories about conflicting expectations occurred when I was preparing to lead a seminar with the Minnesota Family Business Council. A father and family business leader called me

to talk about a current concern. "I'm in business with my two sons; my oldest son is an engineer and my heir apparent. He's been terrific up until two years ago when he got married," he explained. "My daughter-in-law is the problem. Can you come and fix her?"

I quickly said, "I don't do that sort of thing." I didn't know what he was expecting, but it didn't sound very good to me. Instead, I suggested that he invite both his son and daughter-in-law to the seminar with other family members. He did.

After the seminar was over, the daughter-in-law came up and thanked me for suggesting that she be invited to the seminar. "Now I understand more about the culture of our family business. This is the first time as a family we've ever had an opportunity to sit down and talk about this ... thank you," she said.

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As I was presenting the concept of overlapping circles (where the business and the family are both represented by circles), the son raised his hand. "You know the way you've presented those circles — they're equal in size. If my dad was drawing those circles, his business circle would be very, very big," he said. "On the other hand, his family circle would be very small.

"Now if my wife was drawing those circles, her family circle would be very big and her business circle would be very small. So next time you do the presentation, I think you ought to mention that," he said.

Someone in the audience asked, "What do your circles look like?"


And he bashfully said, "I'd rather not say." He was there with his whole family and caught in the middle between two people he really loved.

What this family did for the first time was discuss their expectations for each other and the business. You and your family also can discover the value of communicating about roles and expectations. I recommend that families sit down at a "family meeting" to discuss the following key questions:

What are our expectations for each other as family members?

What are our expectations for each other as business owners/employees?

How can we best balance our roles as employees, owners and family members?

Clarifying and discussing these questions will go a long way toward creating family unity and eliminating unspoken expectations. 

the contributor

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