

Family Business Dynamics

Keep Your Conference Room Out of the Family Living Room

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In most family owned businesses, the family and business aspects are intimately intertwined. Weekend family gatherings easily transform into business meetings, and mid-week office agendas can get saturated with personal affairs. Although many family business participants eagerly try to keep their business and personal lives separate, they're unable to resist the natural inclination to talk shop during off time or to rehash family issues during work hours. It's not that they intentionally want to mix the two; it's just convenient.

While on the surface this may seem like a trivial matter, it does have dire consequences. Consider this scenario: You work 40+ hours with your dad and sister. By Friday evening you're exhausted and looking forward to the weekend so you can recharge. On Sunday you go to your parents house for the weekly Sunday brunch. As you're having a leisurely meal and catching up with the family's personal news, your sister announces, "I almost forgot to tell you. Before I left the office on Friday I visited our competitor's web site. Wait till you hear what they're doing." From there your leisurely Sunday brunch turns into a strategic sales and marketing meeting, complete with activity agendas for the upcoming week and work-related assignments from Dad. When all is said and done, your 40+ hour workweek just increased by six hours, and then you wonder why you're always stressed and mentally burned out.

Likewise, bringing your personal matters to work can wreck havoc on your family relationships. Suppose you work for your family business with your dad and cousin. At home, you and your spouse are having some marital problems. You routinely confide to one of your non-family member co-workers about the strife at home. And just as happens in any office setting, word of your personal challenges soon spread throughout the office. Only in this case, it's a little worse because now your family knows about the problem as well. Before you know it, your father and cousin are inquiring to you and your spouse about the difficulties, making your spouse furious that you shared the subject with others.

Just because "family business" is an accepted phrase in the vocabulary doesn't mean the two always have to flow together. The secret is to develop clear rules for both business time and off time. Following are five ways to help you draw a clear line between your family and business time.

1. Schedule quarterly family business meetings as well as regular operational meetings where family members are included.

Quarterly family business meetings are designed to focus on the big issues family businesses face, such as strategic direction discussions, financial statement review, estate planning, succession planning, and role planning. These meetings should take place off-site and should not include the small day-to-day operational issues. Aside from having an outside board of advisors or directors, quarterly family business meetings are one of the most important things for families to do to keep the business running smoothly.

Conducting quarterly family business meetings won't keep you from bringing work issues to the kitchen table, however. To do that, you also need to include key family members in regular operational meetings that address other important issues, such as staffing problems, competitor analysis, and short-term projects. These operational meetings should be conducted as needed in the office to keep staff and family members apprised and as contributors to top issues. When done correctly, these meetings also serve as a great training ground for new family employees. By using this time to discuss those issues you would normally talk about at personal family gatherings, you can avoid bringing unnecessary work home and keep your home life "work-free."

2. Allow family members to sit in on key staff meetings.

The best way to stop your family and business affairs from intertwining is to keep everyone abreast of all the information as it happens. Whenever a department has an important meeting, invite the appropriate family members to sit in, even if they're not a part of that particular department. Make it clear that those who do not play an active role in that department's agenda are sitting in as observers only. Be careful, however, that family members aren't in so many meetings that they can't get their work done or that they appear to be non-productive. Allow those invited to decline if their schedules are tight.

By initiating this measure, you'll accomplish two key things. 1) When all family members know what is happening in each other's departments, you'll be less likely to discuss the issues at home. 2) Because most family business members will want to advance in the company, sitting in on the meetings provides an ideal opportunity for on-site mentoring and grooming. While not every family member will have the time to attend every staff meeting, when you use this technique along with other meetings, the tendency to talk shop at home will be greatly reduced.

3. Positively utilize all available means of communication.

In order to ensure that business messages get passed along during business hours, make sure you have the proper technology installed so you can adequately communicate with your family members, both inside and outside the office. If you receive some news about a competitor or client, immediately relay the information to your family members via the e-mail or voice mail system. Don't keep the information to yourself and wait until the weekend to tell everyone. In the earlier example of the sister finding online information about the competitor, she should have automatically sent an email to her family members about it rather than waiting until Sunday to discuss it.

Likewise, if an important personal event happens at night or on the weekend, such as someone gets engaged or announces a pregnancy, tell everyone immediately as the news is announced. Don't wait and reason, "I'll just tell them tomorrow at work." The more you communicate business issues at home and home issues at work, the more you actually erode efficient communication and increase stress.

4. Learn how to "compartmentalize" your life.

The compartmentalization theory revolves around the idea that people should concentrate on one task at a time, whether it be working, playing with the kids, or doing dishes. It's almost the antithesis of multi-tasking. The belief is that when you

devote all your energy to one activity at a time, you can accomplish it better than had you spread yourself too thin and tried to achieve more in less time. Basketball legend Michael Jordan practices this theory. When asked how he keeps his hectic life organized and together, he replied, "I play to win in everything I do, but I only do one thing at a time. Whether I'm spending time with my family, playing golf, or sitting and watching TV, I keep myself focused on the one thing I am doing at the time and concentrate on just that."

To put this theory into practice, think of your world as a dresser, where each drawer represents a piece of your life. If you open the "work" drawer, then you should concentrate on that aspect only. The moment you leave work, you close the work drawer and open another, perhaps your "family" drawer. At this point your concentration should be solely on the aspects of your family. If you leave for the evening to visit the gym, then you close the family drawer and open the "exercise" drawer. Each time you close and open a new drawer, your concentration should shift to your new activity. Keeping two or more drawers open at a time is not an option. In fact, if you keep too many drawers open at once, all the weight (the stress) will cause the dresser to topple over. When you look at your life in this perspective, it's easy to see the importance to keeping the various aspects of your life separate.

5. Set clearly defined business and personal roles.

When you're in the office, always call each family member by his or her business name. Familial titles, such as "mom," "dad," "uncle Bob," or "sis" need to be left at the front door. When you go home in the evening, you can reclaim those familial titles and use them accordingly.

Creating a clear business and personal distinction is of utmost importance. Why? Think about it this way: Would you rather have respect or power? Most people would rather have respect, because with it naturally comes power. If you're working at your dad's company and constantly use phrases such as "My dad said this" or "My Uncle Bob wants us to do that" to non-family member employees or clients, you're subconsciously putting yourself in a position of power - possibly without the respect. Therefore, people will be less likely to talk about pertinent business issues with you and may even resent you being in the business. When that happens, you're essentially creating additional conflict that you'll want to resolve off-site, during non-work time. However, when you stick with clear business and personal roles, your fellow non-family member employees will see you as part of the team, and your conflicts will be lessened.

When you keep your family and work time separate, you create a business and a personal life that is both fun and successful. As a family unit, you'll be more cohesive and understanding of each other's needs, and as business partners you'll act with greater respect towards each other and will add to creating a more professional, stress-free work environment. Implement the above techniques into your family business, you'll enjoy both your family and your business on a whole new level. Guaranteed!

About the Author

Laura Michaud, MBA, is a family business expert, author, and President of The Michaud Group. A former third-generation family member for Beltone Electronics,

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