

Hello, this is Wayne Rivers at The Family Business Institute, thank you for tuning in. As always, we want your comments below, just click on the link and put in your comments. If you have ideas about future blogs that you'd like to see, please let us know about that and we'll work them into the rotation.

This week I'm going to tell a story about country clubs. I talked to a guy, how I met him is irrelevant, but anyway, I was talking to guy and he was in the most fascinating business. His company, the company he worked for, was in the business of country club turnarounds. You may or may not know this, but golf clubs are in trouble. Many, many golf clubs around the country are in trouble, because today's families aren't oriented towards dad playing golf all-day Saturday and all-day Sunday, there's much more family interactivity and dads are expected to be home with the kids and be more part of their lives than in the generation that I'm from.

So, country clubs, consequentially, are seeing their membership go down. If their membership goes down, the revenue goes down. And the reason it's a problem for country clubs in particular is because the average golf course requires \$1 million a year just for maintenance. That's not for improvements or adding another nine holes, or adding in the other amenities, that's just to maintain what you got. So, they're very, very dependent on membership, and if membership is declining that is a heck of a problem. So, country clubs are going belly-up all over the country.

This guy is in the business of turning them around and helping them get back on a healthy and sound financial footing. I just thought that was the most fascinating thing. I said, "George, golly, that just sounds so complicated. You go into a country club, where some of these guys have been on the board for 20 years, and the managers have been around for a really long time. They're old money and have really wealthy successful people as leaders. Where do you even begin in such a complicated environment to get them back on a healthy financial footing?" And he said, "Wayne, you always start in one place. You always start with the board. Every problem associated with a country club can be traced back in one way or another to the board of directors." Man, that hit me like a ton of bricks. I just thought that was so profound. I said, "Golly, that has an amazing parallel with family businesses."

So, my message this week is this. If your family business is experiencing revenue problems, or expense problems, or customer attrition problems, or morale problems, or communication problems, or succession or strategy or vision problems, or any of those things, you really can't look at your wife or your son or your daughter or your brother or sister or niece or nephew. You guys have to look at yourselves as directors at the top, and you've got to start there. You start there, you work on yourselves first. You work on your organization at the very highest levels first, and everything else will follow.

There's an old saying, maybe I heard this in the Godfather, there's an old saying, "A fish rots from the head down." I think in family businesses it's true. If the senior generation, the senior leaders are complacent about the business or they're not taking dramatic action to turn around a struggling business, they're making a huge mistake. Start at the top with yourselves. There's no such thing as a perfect family or a perfect business, okay. In 28 years, we've not seen either. So, don't feel like you're a failure, you're not. Most of you are incredibly

successful. But in order to be successful and be sustainably successful, you've got to reinvent the family business periodically, and do to that, you start at the top.

This is Wayne Rivers, thank you for tuning in, comments below, and as always, your suggestions are welcome. Thank you!