

Hello. This is Wayne Rivers at The Family Business Institute. Thanks for tuning in. As always, we welcome your comments below. And if you have ideas for future blogs, then we'd certainly like to hear those. And finally, subscribe to our YouTube channel and you'll never miss another video. Who would want that?

So, this week, I want to talk about the concept of “Consensus” in family business. What does consensus mean in the context of a family business? We talk to people all the time and they say, "Oh, in our family business, we make our decisions by consensus." And after 28 years, I have learned that consensus actually means unanimous. Now, that's not the dictionary definition. That's what I've learned from you guys.

So, bouncing off an article here, you've heard me talk about my peer group. I know I'm wearing you out on this. But this article came from one our peer group members, Arianna Campbell from Boomer Consulting. And it's really an insightful article. This kind of got me going on this rant again. Look, we all want buy-in for our ideas, or our new initiatives in our family businesses, but it's utterly unrealistic to think you're going to get 100% buy-in every time.

And Arianna makes the point in her article, if you're expecting to either get or need a 100% buy-in for any decision, no matter how small, in your family business, you are setting yourself up for failure. And I agree 1000%, I can't tell you how many family businesses have informed us of decisions that went negative because they couldn't get everybody, literally everybody, moms, dads, brothers, sisters, nieces, nephews, sons, daughters, couldn't get everybody to give a decision their 100% blessing. Man, you can't get three or four people to agree on where to go for lunch. How are you going to get three or four people or 10 or 15 or 25 people to agree on a big family business initiative? It just is utterly unrealistic.

Change. You've heard me talk about our change model. Change is a big bugaboo for lots and lots of people. I would say most people, myself included. If you think about it, we've shown you the psychological graphical representation of change in previous blogs. But there's a physical reaction to change. I felt it myself and I bet you have too. When some prospect of a big change, maybe even a small change, comes along, you actually get a physical sensation. Have you not felt butterflies before at the very prospect of having to change your plans or something that you can see would go this way, and it actually is going to go that way? Have you not actually felt the physical reaction? I certainly have. And so, it's actually there. There are a lot of psychological and physiological reasons that we don't like change as human beings. It makes evolutionary sense in lots of ways.

There are five reasons according to Arianna, and I tend to agree, why we don't like change. Well, there's the fear of the unknown. Back if you think when we were cavemen, the unknown around the corner might mean instant death. It might be an animal or it might be a waterfall or it might be quicksand or something. The fear of the unknown is an evolutionary tool to keep us alive. So, it makes sense.

Lack of trust. That's the second issue. It sounds crazy when I say this, but family businesses have an amazing lack of trust. You would think it'd be the other way because they're family and they know each other so intimately, they would actually trust each other more than a typical cohort of coworkers. But they don't because promises

haven't been kept, expectations haven't been met. Whatever the series of reasons, trust is often an issue among our family business clients.

The third reason is the perception that there may be a loss of security; financial security, job security, information security, whatever. They're might be a loss of security or control. Lots of our family business clients, they prefer to control things. They would rather be in control than be controlled by others. And that's born out in some of our psychological profiling instruments that we use.

Sometimes there's just too much change. There's too many things changing at any given time in the organization and it's just hard for people to assimilate. We've been there and so I can understand that one.

And finally, there's just individual temperament. There are some people that will resist change no matter what. Really, it doesn't matter, a good positive opportunity, it doesn't matter. Some people are just going to say no, no, no, no, no to change and you're not going to get them on your side.

Okay. So how do you engage people then? Arianna gives us four ways to engage. The first way is listen and learn. In some ways, the detractors, the people that want to say no, are teaching you something. They actually might be doing you a favor by making you consider your position and your alternatives and your arguments in a more deliberate way. So, they might actually be doing you a favor. If they're saying no and they can give some concrete reasons, that may allow you to go deeper into your own mind and your own argument and actually come up with better reasons even for why you need to make a change. Or they may let you see that you're trying to make too abrupt a change and maybe a slightly smaller one will be more beneficial to the organization.

The second thing is you've got to expect pushback. Maybe that should be the first one. Given what we just talked about, some people are never going to accept change, et cetera, et cetera. Why would you expect that you're going to get 100% buy-in from the first minute? That's really unrealistic. And again, you're setting yourself up to fail.

The people that you kind of sort of know are going to be your resisters to any change initiative. Get them on board in the change process early. Learn from them early. Try to take the wind out of their sails, so to speak, by getting them on the committee and getting their feedback all along the way so they can be a part of the decision making. Rather than just throwing a big monkey wrench into the works at the end, they can help you figure things a little bit along the way and maybe help you understand the pace of change ought to be a little shorter. Sometimes as entrepreneurs, we get a little carried away. And so maybe those people could be doing some favors by helping us along that committee. So that's the third way to get them on board.

And the fourth way to get them on board is to ask their help at the very outset in terms of visioning. And two kinds of visions. What would happen if we make these changes and they're successful? What does the future look like for us? And then on the other hand, because you've got to contrast it, what if we don't make these changes? Then what's going to happen over the next three to five years? What's going to happen? And help

them envision both success opportunities, and also, what happens if you don't change. What are the potential failures or shortcomings you might experience as an organization?

Some people will never get on board. And if you wait for them, you'll be waiting forever. Push forward. When you know in your heart as a leader, or you have a group of leaders even that know in their hearts that change is the right thing, and you've got one or two people dragging their feet, move forward anyway. One of the four things is going to happen.

First, they're going to find that they're isolated and they're going to come around. Second, they're going to see the changes aren't all that bad. In fact, the changes are producing positives. And then they're going to get on board too. So, two ways they might get on board. They might decide to leave the organization. Hey, that is not the worst thing in the world. Sometimes when people fire themselves, you've seen this, when people fire themselves, that's a good thing for the organization.

And the fourth thing is they're going to try to sabotage the changes. They won't like it. They can't live with it. By God, they want their way above the consensus, there's that word again, of everyone else and they're going to try to sabotage. In which case, you're going have to take action in that case. So sometimes, they might fire themselves. Other times, if they try sabotage, then you've got to make strong decision as a leader yourself.

So long and short, family businesses need to decide how they're going to decide. And once you've made that decision, what are your decision criteria? You need to move forward with your initiatives in spite of the fact that one or two family members or one or two senior leaders never can quite get their minds around the need to perpetually reinvent the family business and make improvements along the way.

This is Wayne Rivers. I would love to hear your comments. Thanks for Arianna from Boomer Consulting for this article that inspired the blog. Thank you.