

Hi everyone! This is Wayne Rivers at the Family Business Institute. Thank you for tuning in. We're very interested in your comments. Click on the link below. We're also very interested in any ideas you have for future blogs. What interests you? What do you think might be compelling for you and other family businesses around the world? Please let us know. You can either put it in the comments or you can email me directly at wayne.rivers@familybusinessinstitute.com.

This week, I want to talk about holding people accountable. I was at a conference a few weeks ago, and one of the speakers talked about how holding people accountable is really hard work. I guess that's common sensical when I say it like that, but it struck me as being impactful. I really thought it was rather profound. It is hard work to hold other people accountable. Let's just think about that. You're going to hold somebody on your team, whether a family member or not, you're going to try now to be more..not aggressive, that's not the word, you're going to try to be more diligent about holding them accountable.

It is hard work. It might be uncomfortable, especially if it's a family member. What if you're the youngest brother in a series of 4 siblings, and yet you're the president of the company, and you're trying to hold your older brother accountable. How awkward is that? It's time consuming. You've got to put effort into it. You've got to have standards and measures if you're going to hold somebody accountable. So, that means job descriptions or some sort of parameters or metrics that you can use to actually grade people on a scale for how they're doing. It really is a whole different ball game for most small to medium family businesses because they just don't have that HR function.

Most of our clients are much better at managing tasks than managing people. People didn't get into the construction business or the auto business or the manufacturing business because they wanted to manage people. They got into it because they love building things or they love manufacturing widgets and engineering and those kinds of things that allow them to make the widgets profitable. Nobody got into business because they want to manage people and hold them accountable, but, as your business grows from 5 to 10 to 20 to 30 people, it is imperative that you stop managing tasks and you start managing people.

Now, I don't like to manage people, I don't like to hold them accountable, and I'm not good at it, so I hired someone else to do that knowing that's a weakness of mine. I want to work on my strengths. Okay? You should work on your strengths. If you're not good at holding people accountable, you're not good at managing people, you don't find delight in that, find someone else who can be on your team that does find delight in it, and let them hold all of the other people accountable. My point is though, at some point, you've got to stop managing tasks, and you've got to manage people if you're going to grow and prosper as a family business.

Now, let's talk about the boss, or bosses in the case of partners or family members. Who's going to hold them accountable? If I'm a manager, I'm holding my direct reports accountable, and that person's manager is holding her accountable, and that person's manager is holding him accountable. Okay? Who's holding the chief executive or the chief executive, president, and senior VP of something? Who's holding those people accountable?

Well, let's think about it. Let's talk about our potential menu. Themselves? Are they holding themselves accountable? As much as we try, we judge ourselves on our intentions, not our actual accomplishments. Okay? Yeah. Holding yourself accountable, I know that most of you hold yourselves to a very high standard, but, true accountability, no. You can't do that by yourself.

Or maybe your spouse holds you accountable. In some ways, spouses do hold each other accountable, but, on the other hand, in a business setting, that's very difficult to do. Family members, I mentioned younger brother, older brother, siblings. Boy, siblings. You want to see some crazy, convoluted family business stuff, you watch a group of siblings try and hold each other accountable. Can the employees hold you accountable? Yeah, to a degree. They can call you out from time to time. But, ultimately, they work at your pleasure, and they're dependent on you for their paycheck, so that's not true accountability.

What about your advisors? Your CPA, your banker, your lawyer, etc. Can they hold you accountable? To a degree, again. I mean all of these people to a degree can hold you accountable, but, once again, they're on your payroll. They work at your pleasure. You can fire your lawyer, and, gosh, we live in Raleigh, North Carolina. I bet there's 30,000 - Well, that's too many, but there's a lot of lawyers in our county. That's not going to work.

True accountability is provided by people that are not beholden to you in any way, people that are not on your payroll, people that are your peers, people that run businesses and take risks the same way you do. That, really, is the best group to hold you accountable. I think I've mentioned before in our blogs that we're in a peer group of peer group providers. I can tell you: We scramble the last 6 weeks before those meetings because we have accountabilities to our peers in that meeting. We have to report out our 3 accountabilities and how we did. Yes, No, Success, failure, and maybe. We really, really, really hold ourselves to that standard because we know our peers are going to hold us to a standard. That is a different measure of accountability, and I can tell you, in the 3 years we've been in a peer group, we made more changes than in the previous 10 years combined, no doubt about it, because finally we have somebody other than us as partners that is holding us accountable and to whom we feel responsible.

If you want real accountability, board of directors, family business advisory board, peer group, somebody outside your network of advisors and employees, somebody that's not on your payroll, and someone over whom you have no power. Those are the people that can really hold you accountable. By doing that, they'll help you transform your business and your life.

This is Wayne Rivers at The Family Business Institute. Thank you. Again, your comments below and suggestions for future blogs are always welcome. Thank you.