

Hello. This is Wayne Rivers at The Family Business Institute. Thanks for tuning in to our blog this week. As always, we welcome your comments below, so just let us know what you're thinking, good, bad, or indifferent. We have pretty thick skin, so a little criticism's not a bad thing, necessarily.

This week, I want to talk about how to tell when you might need a family business consultant. The reason this comes up is because we get lots of calls here, lots of calls and emails, well over 100 a year from family businesses around the world, that they think they might need help. Some, frankly, we don't think they need help. They call and they say, "I've got this challenge, or this issue," and we just give them a couple of tips and say, "Oh, you know, you really don't have, it doesn't sound like you guys have a lot of problems. It sounds like things are running pretty well. You just might need a little tweak here or there." We sort of give them some tips, and maybe provide them a resource, and turn it into a do-it-yourself, or a DIY project. Differentiate that from the people that do need help. There are some people that call that obviously and clearly need help. I came up with four quick little diagnostics, self-diagnostics that you can do that will maybe give you more clarity about whether or not you actually need the services of a family business consultant.

The first thing is communication is broken down. How do you know communication has broken down? Well, there's a whole series of things, issues, that will tell you if communication's broken down. You're avoiding each other. You're not talking. You're trying to find reasons to skip business meetings or family meetings or both, because it's gotten uncomfortable. People walk out of meetings. People storm out of meetings. I always wondered why they think that's a good negotiation technique. It happens, right? People get in meetings and they get frustrated and they just get at their wit's end and they leave the meeting. I don't know how anything gets solved that way, but that's something that people do.

Eye contact is a big thing. If in your family business, you're just finding it hard to look your brothers and sisters and mom and dad right in the baby blues and engage with them, that's a real key sign. I think that's one of my key indicators, when people are looking at the facilitator, or looking around the room, or looking at anything except the other people with whom they're supposed to be engaging directly, that's a huge indicator.

Trust is broken down, and I guess maybe these are all subsets of the same issue. Trust is broken down. I say I'm going to do something, and your first reaction is to roll your eyes and say, "Oh my gosh, here he goes again, promising something he has no intention of following through." Shouting, fighting. We've had an amazing number of instances of physical violence in our family businesses over the years. It's not an epidemic, but enough occasions for me to know that it's not as isolated as people would have you believe.

Interrupting other people, not showing other people respect in conversations or in meetings. Talking over them, disregarding them, looking at your phone while someone else is talking. That lack of respect in interpersonal communications is an issue. Power plays where people draw lines in the sand and they say, "If we don't do this," or "If you do that, by God I'm quitting," or, "I'm taking my men and I'm going to go start a new division." All that kind of stuff. Power plays are a real problem in family businesses.

Then, I think maybe one of the biggest ones besides eye contact is decisions stop getting made, and now nothing gets done. Because of the lack of communication and the lack of coherence among the family members, you kind of start to bog down, and the same problems begin to repeat themselves. There's no positive solutions. There's no clear pathway to getting out of this continuous, frustrating loop that you find yourselves in.

Second challenge after communication is, you're not getting any new advice from your traditional advisors to help you get going in the right direction. For most family businesses, the first place they turn is their CPA when they have questions. Then, of course, there's the cohort of traditional advisors, there's the CPA, lawyer, insurance people, bankers, investment people, that kind of stuff. Once you get to a point where you've got challenges, and maybe it's communication, and you find that your traditional advisors aren't providing the pathway you need to break through, then you probably need to go to a little bit more specialized advisor, and get a little bit different kind of counsel.

Huge one, your good employees begin to leave the company. Because of whatever, because of the poor communication, or the lack of decision making, or the lack of a clear direction or stagnation, whatever it is, when you see your top employees leave the company, that ought to be a warning bell that you, holy moly, you better do something and you better do it quick. That is, you can see a death spiral coming from that. Great, you've got family people, with whom you don't necessarily get along very well. Now your good people begin to leave, they're not family. Oh my. That is a real potential issue.

Finally, dread. A sense of dread. I've literally heard this said before. Guy said, "When I come to the office in the morning, if my dad's Cadillac is sitting in the parking lot, I just want to leave." In fact, on many occasions he would. He would go to the country club and hit golf balls, knowing that his dad was going to leave at 12 noon to play golf, and he could go in and get his work done from 12 to 7 or 12 to 8 or whatever it was. Literally, dread. The situation with his dad had become so poor that he actually dreaded being under the same roof with the guy. Long story there, but that was a real, palpable, emotional sense of foreboding that he had about interacting with his father at the business.

If those four conditions exist in your family business, you probably need some more specialized help. If, on the other hand, you're not experiencing those four conditions, you probably don't. There's DIY opportunities, there's books you can read, there's self-help articles, and of course, you've got your traditional advisors that any family business can call on. Hopefully, that gives you some clarity about when you do and when you might not need a specialist.

This is Wayne Rivers at The Family Business Institute. Thank you.