

Hi, this is Wayne Rivers with The Family Business Institute.

This is the third in a series of responses to letters that people send with some basic questions about their family businesses. These people aren't really asking us to come out and do consulting with them. They're reaching out to us in a Dear Abby kind of way. Maybe I'll describe my situation in a few paragraphs, and you give me back a few paragraphs of things I might do. Normally when people send these queries in, we get back to them in 24 hours. Sometimes I think we get back to them, maybe with tough love, that's a little too tough. Anyway, that tends to be our nature for how we do consulting. We think, by gosh, we're all big boys and girls, and we need really strong advice in order to be able to make good decisions. Beating around the bush isn't really helpful for family business owners who are continually pressed for time.

So, here's the question for this week. We've got six family members working for us. Two children, two cousins, and two nephews. In the past year, I have concluded that almost all of them have shared with one another how much they earn, and worse, discussions I've had with each of them about their futures. Think about that, discussions I've had with each of them about their futures. As you can imagine, each one has come to me privately complaining. Why would they do that? How do I fix this, and more important, how do I make sure it doesn't ever happen again?

Seriously, let me let you in on a little secret. There are no secrets. There are no secrets in family businesses. If I don't know how much you make, and you don't know how much I make, we can pretty darn well guess within a few bucks. Give me a break. There are no secrets in any business at all, whether it's a family business or not. That's my belief.

Why is this guy, why is this man, happens to be a male, talking to six different people privately about their future as it relates to the family business? Why are they using this hub and spokes method of communication that's the old way? This thing went out 20, 30, 50 years ago, although family businesses still often use it.

It's a way for senior generation people to maintain control. I go to you, and I tell a story. I go to your sister, and I tell a story. I go to your cousin and I have a little different story. Each of you has a little different aspiration, so I'm trying to make you happy, and her happy, and this other one happy. Guess what? Nobody ends up happy. They all come back complaining. How do I make sure this never happens again?

Well, stop using the kind of stupid communication tools that just don't make any sense in a family business. Open this thing up. This top down, dad knows everything, dad is wise, dad is all knowing, omniscient, no. Nobody has all the good answers out there.

Here's how you solve this problem. You call a family business meeting. You schedule three meetings, two hours each over the course of the next three months. We're gonna meet on the second Tuesday, and we're gonna meet two hours. We're gonna go rent a room over at the Hampton Inn, and we're gonna sit around and talk about the family business. And, Shut up. Shut up in the meeting. Let the ideas come from all the other people.

You just set the tone. You call the meeting, you set the tone. This is what it's about. This is what I want to hear from you. Get everybody to talk together. That's the modern way of communication. Can it be unwieldy? Yes? Ultimately, you're gonna get much, much, much better results with bottom up communication, than you are with top down command and control planning.

Get the whole group together, and by gosh, if the cousin has a beef with your daughter, let the two of them talk about it. That's what adults do. If you have a fear that the people in your family business are so immature, that they can't sit around and talk about issues in an adult productive way, then you've got the wrong people on the bus, my friend.

So, Call a series of meetings. Set the tone. Tell them what you're interested in. Sit back. Keep your trap shut, and listen. Let these ideas bubble up from other people, and you might just be surprised at the quality of thinking that your next generation successors bring to the table.

Thanks very much. This is Wayne Rivers at The Family Business Institute.