

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for tuning in. Subscribe to our YouTube channel please, follow us on social media, @FamBizDoctor at Twitter, and any place you can find us, LinkedIn, et cetera, all those places. And of course, let us have your comments, let us know what you think about our blogs, good, bad, or indifferent, we're an open book and we're happy to receive some critiques from whatever direction you might lob them at.

Okay, so this week I want to talk about what represents failure in a family business. And some background on this, my wife has taken to binge watching Perry Mason, she thinks that the old, black and white Perry Mason lawyer TV series episodes are just terrific. So, I mentioned this at a lunch in South Dakota, and there was a young man, Lucas, you know who you are, sitting at the table. And I mentioned my wife was binge watching Perry Mason, and he looked at me and he said, "What's Perry Mason?" I've never felt so old in my whole life. But thanks Lucas, I really appreciate that.

But anyway, so the wife is binge watching Perry Mason, and we're at the beach one time and I'm just sitting there. So I started watching too. It is a good show. And there's an episode where this family business employee, happened to be a brother ... No, a family business employee was murdered. And the gist of the story was that there were two brothers that owned a business, dad had passed away. And it turned out that one brother was trying to frame, this employee that got killed, he was trying to frame the other brother for the murder, because he was so upset that ... One brother was pushing for the sale of the family business, and that so angered the other brother that he actually framed his brother for murder, and Perry Mason got involved. And of course everything was fine in the end.

But it started me thinking. So, this one brother thought that the selling of the family business was such an admission of failure that he wanted to frame up his other brother so he would go to prison for the rest of his life. And I started thinking, what really represents failure in a family business? If you have an opportunity to sell the family business one day, and yet you're kind of kicking those tires, is that a failure because granddad started it and ran it for all those years, and then your dad started it and ran it for all those years, and now you're running it for all these years? Does that really represent failure? Because I don't think it does.

I think there are two things that represent real failure in a family business. The first is failure, like the business actually goes belly up because of poor management or failure to manage your finances, or failure to get the right people on the bus, or whatever it happens to be. And another different aspect of failure for me is not living up to your potential, not doing the things that you and the other people in the business are capable of doing. So, if you're running a \$10 million revenue business and really you have the infrastructure and the opportunities to take it to \$20 million or better. Or your morale is here, and you have a chance to take it to there. Or your customer satisfaction is here, and you can see ways to get ... and you don't do those things, I think that failure to live up to your potential, I see that as a form of failure.

What I think is not failure is selling your family business. If that comes along, if that opportunity comes along, and it's good in general. There's no perfect solution, there's always tradeoffs, but if it's generally for the good,

to me what family business is all about is maximizing opportunities for people. And especially the family. And if selling the family business means that one day there'll be this nest egg of a few million bucks for that next generation to use to educate themselves, to give to charity, to start businesses of their own, I don't see that in any way as a failure.

So, take a lesson from Perry Mason's story, and if you get a chance to sell the family business don't think of it as a failure, think of it as an opportunity. I'm not saying you should buy or sell any business, I'm just saying that everything really is an opportunity, and it just depends on what kind of bow you tie on it.

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