

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for tuning in. Please give us the benefit of your thoughts in the comment section below and subscribe to our YouTube channel so you never miss a blog. All right.

This week I want to talk about peer groups. I know I've mentioned here about peer groups like crazy, but it struck me...so as I filmed this blog, we just got back from our peer group meeting. Dennis and John and I are in a peer group of peer group providers, and we just got back from our meeting in Texas. It's always energizing and refreshing and exciting to be around other people in the same business as you that share your frustrations as well as your challenges, but also have stories to tell about how they've overcome things and their wonderful victories. It's just so exciting and so energizing, but I want to ask you the question, and think this through, why would anybody want to join a peer group? Or even why would anybody want to hire a consultant?

You know, it's the same kind of a question because I know it's been life changing for me. I know it's been life changing for so many of our members to be in a peer group, but it's not necessarily fun. It's not for everybody. It's a very difficult thing. So, think about this. To be in a peer group or to hire a consultant for that matter, you've really got to make yourself vulnerable. You've got to open up, you've got to share. You've got to talk about your frustrations as well as your aspirations. If you're in a peer group, you're going to have to share all your financials, your best practices, but also your worst practices. You're going to have to give the group access to your team at times. They're going to look at things like the morale in your business and your leadership, and what blind spots you might have and what shortcomings you have as an organization.

And one of our consultants uses the term, "Well, you've got to open up your kimono." That's a little graphic. But you know what I'm saying? You've really genuinely got to make yourself vulnerable, and that's scary. I mean, it's not fun. It's really scary, sweaty palms kind of scary. So why would anybody actually join a peer group and commit to this kind of radical vulnerability? Well, really seven things that we can identify. This is why we did it.

All right. The first thing is you want to get unstuck. Our reason for joining a peer group was that at that time, Dennis and I were co owning the organization. We were kind of dumb and happy. We were on a plateau. We weren't really growing. Maybe just a tiny bit, but we had a good lifestyle and we were making a good income. And we were just on this plateau, and I thought we needed something to bust us out of that rut.

And by gosh, our peer groups surely did it. Every good thing that's happened to us in the last six years can basically be traced back to that peer group. It really can. All right. The second reason people would join a peer group is the old saying, "It's lonely at the top," and it really is. If you're a contractor, you can talk to your brother and sister contractors about lots of things, but you really can't be vulnerable with them. You can't really tell them your inner most fears or secrets or problems or challenges or HR issues, or anything like that because you're in competition with them. In a peer group, all that stuff goes away. It's a very safe environment. The third thing is that there are challenges that you can't seem to get past on your own.

And I think what is wonderful about a peer group is they bring objectivity. So, when we talk about our peer groups of commercial contractors, I always say that contractors make wonderful consultants unless they're looking at their own company. Objectivity is the key. If you bring in a group of people from Maryland and Iowa and Texas and Nebraska, and all around to come visit your company in North Carolina, they're going to bring objectivity. Forest in the trees, all that.

The fourth reason is people want to build up the value of their businesses and make some money for a change. So we had a peer group member that was just doing great and changing lives, and really having an impact on people. But you know, we would look at the bottom line and it just wasn't there. And I remember Dennis and I kind of challenged them in the meetings, like your top line is wonderful. What's going on with the bottom line?

And it was kind of a wakeup call for them. And sure enough, they began to focus more on net, not just gross, and it made a difference for them. The fifth thing is work-life balance. So many people who take our blog work really, really, really hard. And you get to a point at 55 or 65 or some of you 75 and you think, "Golly, there's got to be more to life than just all this work." And your peer group will help you understand that it's not about the hours you put in. Do you really care about time and effort ultimately, or do you care about results? And a lot of studies show that working more than 50 hours a week, the curve flattens out after 50 hours. You just don't produce that much value after 50 hours a week.

That's really something to think about. All right. The sixth thing is accountability. We have to commit every ... Well, twice a year at our peer group meetings, we have to commit to two or three objectives that we're going to work on and hopefully achieve, and we have to report out to the group next time. So, there's a measure of accountability in our peer group. That is a wonderful thing for CEO's who sometimes are not held very accountable in their organizations. And then this might be the biggest thing. Your two- or three-day peer group meeting creates a sacred time on your calendar where you're going to be thinking about the 30,000 foot big picture view of your business. You're going to schedule four or five, six days a year to work on the business. And most of us are peddling the bicycle as quickly as we can.

We work in the business all the time, but we don't create that sacred time to work on the business. And that's one thing that scheduling peer group meetings will do. It gets you out of the office, and you're going to have these sacred, beautiful days on your calendar to think about bigger pictures. Who do we want to be? Why do we do the things we do? Why do we do the things we do the way we do them? Et cetera, et cetera, et cetera.

If you're not in a peer group, there are local peer group programs at Vistage and WPO. It could be life changing for you. If there are industry specific peer groups that you can be a part of, even better. But I would say as a part of your 2020 development and learning, try to find a group of peers that can help you challenge yourself, work on your business, and provide a measure of accountability for you in business.

This is Wayne Rivers at The Family Business Institute. We always welcome your comments. Thank you.