

Hi, this is Wayne Rivers at The Family Business Institute. Thanks for tuning in as always. As always, your comments below, click the button. We should be having transcriptions up now within about a week or so of the video blog coming up. If you want the written versus the video, then click the transcription button below and your wish will be filled. Your wishes will come true. Also, we're interested in any topics you have for future blogs. We're interested in that as well and we'd love to hear what you have to say or you want us to have to say coming up in future editions.

We're sitting in a staff meeting one day and one of our consultants Doug McCright, who's just a gifted businessman, begins to expound on two things. What are the criteria that leads you to believe that your son or daughter should enter the family business? I'll come to this. As that conversation evolved, he said, "Well, there's a difference between offspring that come into the family business to work and contribute and those that rise to the level of leadership." We developed a couple of graphics based on Doug's amazing insight, and so we'd like to share those with you and we'll have a graphic up. Then you can come to our website and click and just download the graphic for use in your own family business. It's a nice little decision tree, pretty easy to use.

Basically, here's the question. I'm a mom or dad. I'm 40, or 50, or 60 years old and my young person is leaving college or whatever and is thinking about entering the family business. Is that a good thing or a bad thing? Well, it's neither. It's neutral. It just is. What would be good or bad is if the young person comes into the family business as a contributor. That's good. If the person comes in the family business because they flunked into it because they can't get a job anywhere else or they create a morale problem or they, all of a sudden, come in and have special privileges that other youthful employees don't have, that's going to create a problem for you.

We created this little decision tree for you. Here's the question. Number one: Should my son or daughter enter the family business? Every question is a yes or no question. Does he or she have a passion for the business? If it's no, got to help with other opportunities. If it's yes, we move to the next question. Does he or she have the right core values and skills? If it's no, other opportunities. If it's yes again, is he or she teachable, and part and parcel to that, willing to learn from parents as well as the other key employees? If it's no, other opportunity. No, I'm sorry. It's not a good fit for you and therefore it's not a good fit for the rest of us either.

The fourth question: Is there an adequate opportunity for a win-win meeting between this young person and us for short and long-term objectives? Are we going to be simpatico and is it going to be truly win-win, or are we just making a place for this kid to earn a paycheck while he or she is looking for something else? Again, if it's no, somewhere else, another opportunity. You can help them as a parent. Why wouldn't you? My gosh. But, at the same time, your family business ain't the place to do it. It's not a charity. It's not a place to teach people the values and all these other things that should have gotten done a long time ago. If there's a yes to each of these four questions, your son or daughter might be a good fit for the family business. If it's a no, then the questions are there other opportunities with which the family business can help or the parents who own or run the family business can help?

Now, let's say the young person comes in to the family business. Everything is running smoothly. You've answered yes to the four questions on the original decision tree. The second one is should that person be eligible to be a leader in your family business? There are four questions there thanks to Mr. McCright. The first one, does he or she meet all the criteria for entering the family business? In other words, if you've already got young people in your business and you're thinking about leadership, they've been there for two, or five, or 10 years now, can we go back and does that young person meet all the criteria on the original decision tree? Second question: Is that person a good cultural fit with your organization, not just you, but the organization which means all the other human beings and the culture and the values that you guys have established?

Third question: Does he or she have the genuine capability to build both a business and an organization? A business is one thing. Stuff comes in one end and goes out the other. That's a business. Keeping score, making money, all that. Building an organization means building people. Does that person have the capability to attract talent, manage talent, continue to grow the organization to continue to build and sustain the culture that you've built?

The final question: Does he or she have the leadership skills to move the needle? If the person is going to come in is a placeholder and just maintain the status quo in the business, you'll probably need a little more firepower than that. Really if you think about it, you've got let's say mom and dad are running the family business and earning commensurate wages. Well, now if you have another leader, that means three hogs feeding from that trough. If they don't move the needle, it's really not enough money to go around for everybody. That's one practical consideration right there. If your young person meets those four criteria, then a good fit in the family business.

Parents and grandparents, aunts and uncles struggle with onboarding next gen into the family business. These two decision tree guides can help you take the emotion out of those decisions and be a little more rational and deliberative about, number one, whether your young people should even come into the family business and, number two, should they rise to the level of leadership in the family business? You'll be able to download these with a click.

Thanks very much. As always, your comments are welcome below. This is Wayne Rivers at The Family Business Institute.