Hello. This is Wayne Rivers at The Family Business Institute. As always, thanks for tuning in. Let us have the benefits of your comments and your thoughts below.

Over the holidays, my wife and I were watching TV, and there was an old movie that we both like. It's called "You've Got Mail." It's got Tom Hanks and Meg Ryan. The plot is that Tom Hanks runs this huge, national chain of bookstores, and the evil big business is putting the small, local, family-owned bookstore, owned by Meg Ryan, out of business. They strike up this email relationship. It turns out they're simpatico, and they turn out to love each other. The idea of emails and meeting people via email was new in 1998. By the way, the movie came out in '98, if you really want to feel old. But the idea of emails and meeting people via email was so new back then. This movie was all cutting edge.

But now fast forward to today, 21 years later, and think about what's happened. The big chain bookstores came into the cities, and maybe they did drive out the small family-owned bookstores, but what's happened today to the big mega-chain bookstores? They've been disrupted too by Amazon and other factors. I guess what I was taking away from the movie was, Golly Moses, you better be innovating. You better be reinventing your business all the time, because just as we thought this big bookstore running the small, family-owned bookstores out of business was an inevitable economic cycle, look what's happened in only 21 short years. It's mind boggling.

If you think family businesses, in our case, the contractors and the manufacturers and the auto dealers, they've got legacy costs that most businesses, many businesses, don't have. For example, you've got a dysfunctional old building that mom and dad still own and collect rents from, but your building doesn't facilitate a good flow of communication in today's world. You might be buying back the shares of family members, which creates a dead burden on the company that maybe your competition doesn't have. Maybe you're carrying employees that mom and dad or even granddad hired years ago who were really super contributors at one point in their lives but maybe now have slowed down quite a bit and don't really add value to the company the way they once did.

Those legacy costs are big drags on the growth of a company, especially given the fact that lots of your competition doesn't have those legacy costs. You've got to reinvent. You've got to be thinking about how to innovate and how to make your business different, and not what's going to work today. That's awfully important. Don't get me wrong. But what's it going to take in five years and 10 years?

How do you do that? What's the best tool for reinvention? To us, without question, hands down, robust, bottom up, team oriented, strategic planning is the best tool for getting a handle on the present and the future needs of your business. You've got to focus on the marketing, the sales, the production, the administrative aspects of your business. Each one has to be super strong and mutually supportive of the others. If you've got a great field production organization, and you can put buildings in place, but then your accounting is horrible and you can't get invoices out on time or you can't collect on time, the pieces, the parts, are not supporting each other adequately. You've got to really think about the breadth of your business and take it all into account.

You've got to think about HR, whatever business you're in. It's a people business. In spite of all the technological advances since 1998, most of us, if not all of us, are still very, very, very dependent on hiring terrific people to do all the various jobs that get done. The best process is a robust, team oriented, broadly focused process of strategic planning so that ... okay, we've all got mail. We've all got mail now. But we don't want to be like Meg Ryan who got competed out of business, and we don't want to be like Tom Hanks who also got innovated and disrupted out of business. We want to be around in five, or 10, or 15 years. The best way to do that is to stay on top of your proactive strategic planning.

This is Wayne Rivers at The Family Business Institute. Thanks for your comments.