



Leveraging the Power of Peers in a Family Business.

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I have had the pleasure of working with one of our Next Gen peer groups in the [Vermont The Family Business Initiative](#) (FBI@UVM) for the last two years. Our affinity groups (CEO or Next Gen) are deliberately kept small, typically only six per group with a facilitator. This helps the groups establish both trust and accountability. Group members are chosen to insure there is familiarity around the table; personality, business stage and often business type (though no businesses that have competitive conflicts are paired together).

This particular Next Gen group has been together for five years now, and has met monthly to discuss virtually anything: creating a Board of Directors, taxes and compensation, working with siblings, not working with siblings, creating a succession plan, not creating a succession plan, etc. Without revealing any personal details or specific members of the group, it goes without saying that the last two years have been difficult on many in the group. The current economy is now a reality and each business has addressed it in their way.

Since January though, these Next Gen meetings have taken an upward swing. The group has begun looking more closely at their financials through the help of [Jason Hamilton](#) from [Gallagher, Flynn & Company](#). Although all members of the group now find themselves in the position of President or Vice President, they are still working through the complicated issues of business succession; never an easy task but even more complicated when business may be trending down.

At our most recent meeting, one of the most positive so far, here is what was shared:

1. The phones are ringing again.
2. There is urgency with customers – many are poised and ready to do business. That means you have to be poised and ready to go too.
3. Board roles and responsibilities – a new non-family Board member had just been added who was willing to lead the business through a strategic planning process.
4. Two businesses were getting employees back to full time after mandatory furloughs over the last year.

5. It is critically important to watch the trends and run comparisons with other businesses in your industry. Members of the group are continuing to build their financial dashboards.
6. There is a tremendous responsibility to take care of parents, both while in the business and when they have exited.
7. The pain now will lead to pleasure later...right?

A recent article in the [Harvard Business Review](#) lauded the positive influence that peers can play. Peers were cited as the “single most neglected level of change.” A true group of peers exerts an even greater force for change which is why these groups have been so successful for most. Attendance across all four current groups is consistently near 100%, a remarkable feat considering the many demands that are on the schedules of these business leaders. Many high performing organizations such as Southwest Airlines and Apple have turned to internal peer groups in recent years to help develop their leaders. The CEO and Next Gen groups of the FBI@UVM bring together business owners and leaders across industry and allow members a safe place to share their challenges, concerns and successes. The groups are assembled with careful detail to insure that all have something to contribute as well as take away from each meeting. While there are many factors that go into business growth and succession, we have had the pleasure of seeing two owners successfully exit their businesses, six next generation members ascend to the position of President or Vice President in their business, and countless other owners indicate their participation in a CEO group is the best investment of time they make each year.

I spoke with one business owner recently, Jon Jamieson of [Jamieson Insurance](#) about his four year involvement with a CEO group. “It’s one of the best business decisions I’ve ever made,” was his reply. Jamieson Insurance has been insuring Vermonters since 1865, and Jon took over the mantel from his father in 2003. His particular group is a mix of service related companies. The more established owner/entrepreneurs in the group push the younger CEO’s to stay the course, while the younger owners push the others with their fresh and innovative ideas. “I’ve talked to many other business owners and each time I tell them they need to get into a group. Ownership can be a lonely place, and each month I walk away from the CEO group meeting feeling informed, confident and bolstered in my business approach.”

There are many other peer groups or quasi-advisory boards that vie for each person’s time. Joining a group is a matter of your ability to invest the time and capacity to be sure you get the most out of your experience. Beware of groups that may be too large or transient (members continually changing) as it will affect the level of confidentiality you will experience in a group. In our experience, we have found that smaller groups (6-8 members) tend to yield a higher level of dialog, accountability and return on investment. The size also prevents smaller factions developing within the group, while having a professional facilitator keeps the discussions and agenda on track from meeting to meeting.

Consider joining a peer group if you’re feeling a bit isolated or if you are seeking the support of those who are at a similar stage as you in their careers. One of the most

tangible benefits is the discipline of an honest monthly review of you and your business. Many business owners have received no formal training in reading and interpreting financial statements, yet after a year, they are not only understanding what the numbers are saying to them but helping their peers with the same. While the advice an owner receives in a peer group is non-binding, the power of the peer relationship eventually calls for some level of action. Coming to the group month after month with the same nagging issue is never good practice.

As the most recent Next Gen group finished, each walked away with something they did not arrive with. One member shared news of the new tax credit for hiring unemployed workers, there was discussion around reimbursement policies for employee mileage, and one member was charged with preparing financials for the next meeting which would lead into the annual shareholders meeting for that business. Despite all the grim forecasts of the last year, business is looking up.

It may only be a matter of perspective for some, but most days that is half the battle?



THE NETWORK OF
FAMILY BUSINESSES