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Talkin' 'Bout My G-G-Generation:

Generations Working Together in the Family Enterprise

If you got the reference in the title to the famous song by The Who, you were likely a Baby Boomer in your teens or early twenties when the album (and The Who) made its debut. Possibly you are a Gen X-er exposed to the album a decade or so later. Maybe even a Gen Y/Millennial riding the recent wave of retro rock popularity.

For the first time in the history of humans, it is quite common for 4 generations of family members to be alive at the same time. This creates challenges and opportunities for enterprising families.

- 1900-1945 – Traditionalists “Silent Generation” (75M) - Current ages - 68-113
- 1946-1964 – Baby Boomers (80 M) - Current ages - 49-67
- 1965-1980 – Generation X “Gen X” (46M) - Current ages - 33-48
- 1981-2000 – Generation Y “Gen Y”/Millenials (76-90 M) - Current ages - 13-32

(Numbers based on U.S.)

Family Crazyiness = Family Harmony?

Thanksgiving is just around the corner, and that generally means time for families to gather. This makes me wonder if there is such a thing as a family without some level of family crazyiness? I say no. The question is whether or not you can get a good laugh from your family crazyiness, and maintain a sense of perspective. Let me use my own family to demonstrate.

I have an older sister and a younger sister. As kids, we competed for our parents' attention and it was ugly at times. Rarely physical, we preferred words that felt like a punch. The older we got, thankfully, the more we all matured. But the old dynamics are always lingering. For example, my parents have large framed photos of each of us with our spouse taken on our wedding day and they hang vertically on a wall in their home. That's right, vertically! Why the emphasis on vertical? Because one of the photos has to be on top of the others, a place of seemingly greater love and affection from mom and dad for sure!

We actually have a pretty good laugh when we are all visiting, and mom and dad play along by rotating the photos around over time, giving one of us a reason to crow from high above the other two. The same hilarity holds true for the infamous Savlov Family Twisted Soup Ladle Saga.

When we were kids something happened at the dinner table that triggered my dad into an angry state – quite possibly having something to do with me. He turned reddish-purple, the muscles in his face bulged, and he grabbed a soup ladle that happened to be within reach and twisted it into a pretzel. Things became silent; we untwisted the ladle and served the soup. Forty years later, we use that ladle every year when we all get together and hold it up for all to see. Then we launch into a recounting of the Top Ten Savlov Family Crazy Moments, laughing until we can hardly breathe. Dad laughs as hard as any of us when we display the infamous ladle.

We have found a way to appreciate our family “crazyiness,” acknowledging the reality of less-than-ideal moments while moving on with a strong sense of family connection and a dose of humor that brings us closer.

What is the lesson? Enterprising Families: Take some time out to rummage through the family history and have a good laugh as you all cherish the crazyiness you have been through together. The perspective will pay dividends in doses of family harmony. You'll be surprised how the passage of time softens the anger and actually gives everyone a chance to laugh together.

One Step at a Time...

“Governance” can be a daunting term for enterprising families. It tends to conjure up images of a large group of grey-haired “suits” sitting around a long table, staring at an executive, expecting some fancy graphs with lines shooting up and to the right.

The fact is that governance is simply a process for having discussions about how things are done (which are often difficult when family is involved) and then making decisions everyone can stick

to. Research shows clearly that healthy, effective communication is essential for the multi-generational success of family businesses.

For some of you, this may be relatively new. Maybe you've read about it, heard about it and thought about it, but haven't taken many (any?) steps yet. For others, you may have a number of governance structures in place. In either case, here is a list of simple ideas to get started or move further along. As with anything new, take one step at a time and add more as you feel comfortable.

Have a meeting with all family members who work in the business and discuss:

How well is conflict managed and can it be improved? (Remember, conflict is unavoidable; the trick is in how you manage it.)

Is it clear how the decision is made for another family member to enter the business?

Are compensation policies in place for family members and are they fair and transparent? For family members committed to the business, are there development plans with mentors assigned? If not, are you willing to put these in place?

Gather all the family shareholders and go over the shareholders' agreement. Discuss the terms and clauses and, if necessary, compile a list of questions for your attorney to explain and discuss with you. Then list issues for discussion and have a follow-up meeting.

No shareholders agreement? Agree on someone to do research and present a summary to the family. Start a discussion about topics such as when shares can be sold and to whom as well as how they will be priced.

Family members by marriage (spouses, brothers-in-law, etc.) can feel left out when not included in business decisions that greatly affect their lives. They may have gems of insight into how the business can be improved (especially as it relates to family/business interplay). Gather them, along with family members in the business, and have a meeting to get feedback from them. Brainstorm ideas for making improvements. Make sure these "non-related" relatives are felt welcome in word and deed.

What is the lesson? Enterprising Families: Just because you have a meeting to focus on decision-making, doesn't mean decisions need to be made at each meeting. Particularly with important decisions, take enough time so all stakeholders feel heard and understand the issues. If things feel too intense, reach out for an experienced professional to help you through it.

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