

SKM Associates LLC

Family Business Consulting
Developing High Performance
Leaders and Organizations

What Is Needed In A Family Business Leader

Management guru Peter Drucker was referred to as “the man who invented management” by Business Week magazine. He has been influencing leaders with his theories on modern business as one of the greatest thinkers on management in modern times. Your family enterprise can still benefit from his ideas.

Drucker’s HBR article, *What Makes an Effective Executive?* explained his study of many CEOs and found they had eight practices in common. Applying these practices to family enterprise leaders and family members can help establish a solid foundation for success.

Drucker’s 8 Practices of The Effective Executive

Ask what needs to be done: Get the knowledge you need by asking what needs to be done, and take the answers seriously. Failing to ask this question will render the leader ineffective. Once you know the to-do list, set priorities and stick to them.

Ask what’s right for the enterprise: Don’t focus on what’s right for individuals (i.e. owners, family members, employees or customers.) What is right for the enterprise may not be right for individual stakeholders or family members.

Develop action plans: Set a plan that specifies results and constraints compatible with family and organizational goals. Create check-in milestones and revise your plan as necessary to reflect new opportunities or insight.

Take responsibility for actions: Ensure each decision specifies the person accountable and the appropriate deadline. Define whom it affects and whom to keep updated and informed.

Take responsibility for communicating: Make sure to clearly explain your action plan and information needs. Share the plan with your family council, family members, staff, and employees and let them know what you expect of each person.

Embrace change: Don’t treat change as a threat. Instead, exploit opportunities and explore changes inside and outside that will benefit your family enterprise.

Run productive meetings: Clearly articulate the purpose of each meeting and end it once you have accomplished the meeting goals. Follow up with a meeting summary and include new assignments, deadlines, follow-ups, and expectations.

Say “we” not “I”: To get the best results, always put your family enterprise needs ahead of your own. This means thinking and seeking the needs and opportunities of the family, the family enterprise, and others before one’s self.

The need for effective family enterprise leaders is too great to be left to chance. Effectiveness is a discipline. And, like every discipline, it can be learned, but it must be earned.

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