

353 views | Apr 3, 2019, 03:30am

Don't Let The Family Drama Vortex Shatter Your Family Business Legacy

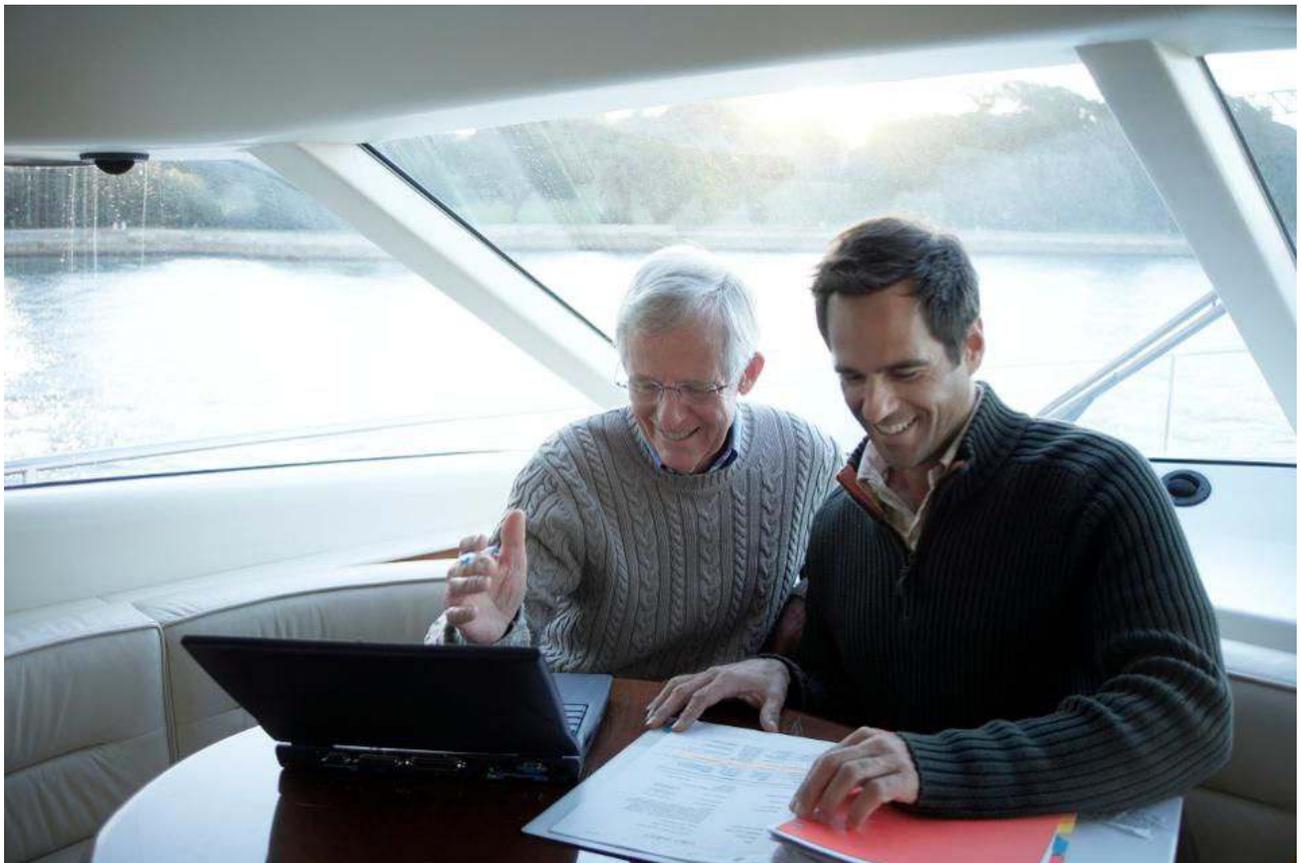


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There are **30.2 million small businesses** in the U.S. They account for 99.9% of all U.S. businesses, 47.5% of employment and 1.9 million new jobs. And for all businesses, family-owned businesses account for over 64% of U.S. GDP. That's good news.

Here's the bad news: **According to** popularly cited research by John Ward in *Keeping The Family Business Healthy*, "Only 13% of successful family businesses last through three generations. Less than two-thirds survive the second generation." So why are family-owned businesses so vexed to succeed as multigenerational enterprises?

The answer is simple. While it's hard enough to work with co-workers and colleagues, it is exponentially more difficult to work with family members and all the relationship baggage.

An additional complication is the overlap of family, business and ownership roles. Amplifying these challenges are nonexistent skills to create trust-based communication, lead with influence, and clarify expectations. These hidden forces condemn most family-owned businesses to a one-generation life cycle.

Now consider just how our economy – not to mention the individual success of your family-owned business – would benefit by solving these challenges. Overcoming these unique family business challenges will restore harmony, create a lasting competitive advantage and unite generations.

Restoring The Harmony In Multigeneration, Family-Owned Businesses

A multigeneration family-owned business typically begins because of the founder's passion and entrepreneurial spirit and then grows organically with increased customer demand. But family business founders are too often so

passionate about working *in* the business that they become distracted from working *on* the business. The result is that they are unaware of naturally occurring conflicts that arise.

Over time, this nearsighted focus leaves business, ownership and family issues unresolved. Your business may be teetering on the edge of this growth abyss. And when it occurs, you are sucked into the Family Drama Vortex and vulnerable to years of people conflict, which can shatter the business legacy.

Is The Legacy Of Your Family-Owned Business Threatened ... By Family?

Family-owned businesses face a unique set of challenges that can threaten the existence of the business by virtue of being family-owned. You must grapple with all the traditional business challenges, but also face the additional challenges associated with family dynamics that can damage both relationships and the family business legacy.

At the core of this dilemma is the fact that it is simply not possible to separate or ignore the collision and friction that occurs when you overlap business, ownership and family *among family members*.

The result is dysfunction and paralysis within the business as competing needs fracture family members into tribes that advocate for their paths and generate roadblocks for others. Everyone talks about the problems, but nothing gets resolved because relationship factions paralyze the capacity to work *on* the business.

Further alienating the factions and entrenching separate positions is the continued directive to “do it my way” from the founder. The result is that existing problems don’t get resolved, and new problems just go on the to-do list. The business lurches forward, and nothing gets resolved.

As the business grows, leaders attempt to solve the growing complexities and challenges by adding people. Adding more people without solving the underlying business and family issues only makes the problem worse. Over time, accumulated problems diminish business functionality and further fuel family member issues that are affecting the business. At some point, the legacy of the family business is in jeopardy of survival.

Is Your Business Teetering Into The Growth Abyss?

Family-owned businesses follow a predictable trajectory. The founder is an entrepreneur with the belief that hard work fosters success. The business is born with a few family members or close associates. In the early stages, communication is easy because there are few people, and the relationships are long-term. But as the business grows, the founder needs help. The obvious solution is to bring on other family and close associates. This is the beginning of the all-consuming problems associated with the collision of overlapping roles, responsibilities, needs, wants, desires and personal baggage of family members endeavoring to work together.

Bringing in family members rather than solving problems is a trap because it inextricably entangles the business in a litany of issues, including long-standing grudges, unresolved wounds and lack of trust between family members, plus poor conflict resolution skills and the inherent behavioral dysfunctions permeating family relationships. Complicating matters is the natural behavior of family members to actively seek others as allies to their particular viewpoints. This creates separate and competing voices that distract and challenge others in the business.

As chaos grows and productivity is challenged, the founder tries to rein in the mayhem by demanding others "do it my way." This works in the beginning but fails as the business grows and more people are added. That's because this is not effective communication in complex organizations.

Adding more people only increases the distracting relationship collusions that further push the business into the growth abyss.

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