

SKM Associates LLC

*Family Business Consulting
Developing High Performance
Leaders and Organizations*

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What's the Plan?

Will this plan unite or divide the family when Mom and Dad are gone?

A recent survey by the National Bureau of Economic Research's Family Business Alliance found that only 15% of family enterprises had anything in place that resembled a succession plan. What's a family to do?

How does a family business owner avoid reaching the golden years, having worked as hard as he or she did, with no plan for transition? It starts with the three basic questions: where are we now, where are we going, and how do we get there.

As owners, families need to chart out their plan for success and be willing to adapt as they go. The competitive advantages of a family business are many. The family culture is one distinct advantage, and a well-functioning family is grounded in trust. This includes trust between the generations, between family branches, and with non-family employees. Survival of an organization, and more specifically a family business, is dependent on this trust.

First, the family needs a vision. What will success look like for the business? What does success look like for the family? Are family members willing to let go and let new people innovate to keep maximizing the use of the family's resources? Part of this includes talking about who you are. Your identity and core values are bigger than the business and bigger than its success or failure.

Second, the family needs to work through how each family member wants to be involved (or not) in accomplishing that vision. Is anyone in the family interested in the business? Are the interested family members qualified for the roles they want? What other strengths do family members bring to the table to help maximize and manage the family's resources?

Finally, as you go out and pursue that vision, remember to be flexible. Part of what makes a business successful is executing a plan but staying flexible to adapt as you go. Be comfortable, as a family, operating at the nexus of the strategic strategy and the emerging strategy.

Success may be different for each family member. Define what success looks like for the entire family and begin charting a path to get there. Develop a plan, communicate the plan, and keep asking:

Will this plan unite or divide the family when Mom and Dad are gone?