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Family Business

Unique Benefits and Some Tricky Challenges



Linda Swerling

Women are not only starting their own companies at record pace, they are also becoming increasingly involved at the senior management level in their own family's company. While the individual dynamics of each situation is unique based on the people and industry involved, women who hold leadership roles can increase their effectiveness and protect their relationships by understanding why and how family businesses are different.

The first, most important and permanent element is that key people are related to one another. Unless family members understand and are committed to preserving these relationships, the business can destroy them. Yet the business also has to function profitably. Women often use their experience in juggling activities, negotiating peaceful settlements among siblings and acknowledging different needs to help resolve conflict.

Roles and Responsibilities

With family relationships as the constants, developing and defining individual roles and functions can help immeasurably to run and grow the company successfully. Conflict most often arises from lack of clarity around responsibilities. The tendency in family-run businesses is to manage casually and informally, which can cause problems as the business needs to change.

Surprisingly enough, using the disciplines that any well run company uses – that of managing workflow, job duties and responsibilities across functions – can help each person understand how he or she contributes to the organization's overall success. And problem solving is then focused on resolving the business issue rather than pointing fingers.

Focus on the Positive

Working in a family business can be unique and rewarding in many ways.

- Family ties tend to create enmeshed goals and implied trust among the various functional positions.

- Not only do families have built-in teams, they often have a common philosophy of management, culture and ethics.

- And no amount of time can replace the sense of familiarity that family members bring to the workplace.

Recognizing and fostering these positives at times of conflict can result in easier resolution of issues.

Understand and Manage the Obstacles

And with the unique benefits come unique problems as well. If worked out effectively, the business will be able to thrive. Problems can include:

- Family businesses can have multigenerational and gender imbalances that can keep some members too long at the job or act as a barrier to entry for others;

- Severed relationships can adversely affect the bottom line;

- Often the family member who is supposed to be the leader cannot take on that role effectively.

Being able to separate the issues from the relationships creates more satisfied customers and happier employees.

Seek Help in Traditional Ways

Women who become leaders in their businesses generally know that they do not need to face these obstacles alone. Consultants who understand family businesses can help immeasurably in moving businesses to more structured, traditional management methods. Setting goals and planning implementation can bring family businesses greater benefits. And mentors and peer-to-peer networking can help family members learn of other models that work.

Linda A. Swerling is the principal of Level II Solutions, Brookline, a consulting firm specializing in operations and financial management and offering part-time COO services to growing businesses worldwide.