

# Newsflash

FROM LINDA SWERLING

**March 1, 2000** - I am taking a different tack with this issue of my News Flash and focusing on the topic of family businesses. I have worked with many over the years and want to share some insights.

## FAMILY BUSINESSES: UNIQUE BENEFITS AND SOME TRICKY CHALLENGES

### ALL SHAPES AND SIZES:

According to the Family Firm Institute ([www.ffi.org](http://www.ffi.org)), over 90 percent of all business enterprises in North America are family-owned. More than 30 percent of all family owned businesses survive into the second generation; 12 percent will still be viable into the third generation, with 3 percent of all family businesses operating at fourth generation level and beyond. So whether you are a wife and husband, parents, children, in-laws, siblings, or cousins running a business, you are not alone.

### FOCUS ON THE POSITIVE:

The benefits to running a family business should be the primary focus when frictional personal relationships threaten to shake the company's foundations.

- ◆ 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:

- ◆ 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.

Before trying to resolve any of these issues, family members must realize their **personal relationships are the constants**. The business needs to function in a way that doesn't jeopardize those relationships. Separating the two creates more satisfied customers and happier employees.

### SEEK HELP IN TRADITIONAL WAYS:

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.

As always, Level II Solutions is a resource for operations, finance and accounting, cash flow management, information technology, human resources, problem solving, strategic planning, and business start-ups. Until the next News Flash . . . My best wishes to you for a profitable first quarter!

## LEVEL II SOLUTIONS

business and operations development  
for growing businesses worldwide

209 HARVARD STREET SUITE 501 BROOKLINE, MA 02446 USA  
Tel: 617 277-0222 fax: 617 734-0077

E mail: [linda@level2solutions.com](mailto:linda@level2solutions.com) Website: [www.level2solutions.com](http://www.level2solutions.com)