

# CONSULTING FOR FAMILY BUSINESS

## Did you know?

Every privately held business is family owned – whether only one family member holds the shares or multiple members already participate. The decisions, opportunities, crises and outcomes end up having an impact on every member of the family. Every year we talk with clients about how to prepare, engage, exit, add and productively manage family members.

## **Make sure your family understands what owning and running a business is all about.**

Whether they work in the business or provide support from the sidelines, it's essential that family members have insight into the challenges and prospects of ownership. Make sure they don't take the business for granted, or underestimate what it takes to succeed. Engaging the next generation to work in the business is only one part of the puzzle. Make sure they're well prepared to manage, they understand the ins and outs of running a business. Get them to earn the respect of their peers because of their ability to govern, not just because of their family name. Be certain that everyone at the table knows how to grow revenue and stability. After all, when more family members join, there will be more shareholders at the table.

When it comes time to talk about exiting a family member, make that conversation as productive as possible. Don't get caught up in drama as you try to accomplish multiple objectives in what can become an emotionally charged negotiation. Find a smoother path to outcomes that will serve everyone's needs.

## **Thinking of bringing employees to the table as owners?**

Employees in many businesses are almost like family members. They've been around awhile. They've earned the right to have a voice in how to run the business. They work hard to help the business succeed. They exhibit great loyalty. They care mightily about how the business does. But they are still just paycheck players. Maybe it's time to bring some of those employees into the fold as partial owners. Ownership can have some great benefits. It ties good employees to the business in a way that a straight paycheck never does, so well that ownership is often referred to as golden handcuffs. While employees may have earned a right to something more than a paycheck, that doesn't mean they're prepared for the responsibilities of ownership. Find out what it will take to build an ownership program to prepare key employees and up-and-comers for the possibilities and accountabilities of moving up. Done right, sharing ownership with employees can lead to an exit strategy for an owner looking ahead.

**Next Step? To find out more about family business building call us at: 203-952-0000, or email us at: [info@StrategyLeaders.com](mailto:info@StrategyLeaders.com)**