

Finding the Magic in Family Business Leadership – Bill Hindle, April 7

Working together in a multi-generational family business is difficult. In fact, there are many forces working against you. However, when the magic is found, and the family is working together in unison, mutually respecting each other, there are no limits and the joy is like no other.

Unfortunately, studies show that the succession success rate for family business is 30% for generations 1 to 2. The rate falls to 15% for generations 2 to 3, and only 8% of family businesses will pass from generations 3 to 4. These are very poor odds. Why?

Family business leadership with multi-generational members requires the mastering of 2 very special skills. The first is complete understanding and adherence to the rule of consensus. The second is the ability to recognize and function properly in an irrational world. The difficulty is that in family business leadership, it is not just about the business. Oh no, we bring along all the emotion of many years of child rearing, growing up and challenging each other long before we work together. And when we work together, the relationship must have flexible that allows individual growth, benefitting the other and never at their expense.

It is easy to say, but very hard to do. And, obviously it is not achieved by many. Let's talk about what vision we need to see, recognize and master these skills of consensus and irrational behavior. Then and only then, possibly we can find the magic in family business leadership.