

Marketing

Choose to solve family conflict



Family Business

By LANCE WOODBURY

WHAT should we do when family members or business partners are in conflict?

This question comes up frequently when I speak in a group setting. When your family members or business part-

Key Points

- All families have conflict. Not all families choose to resolve it.
- One strategy to solve conflict is to focus on the business's future.
- Discussion of pitfalls can lead to brainstormed solutions.

ners are in disagreement about something — and at some point in the life of your business, they will be — you have some choices to make.

You can ignore the conflict, essentially sticking your head in the sand, and hope it goes away or gets better. (It usually doesn't.)

Another choice is to engage in occasional fighting, never really working out a solution but effectively yelling at each other every few months. People can go on for years in this type of relationship, but over time they lose their trust in one another and eventually lose their interest in working closely together.

Yet another option is to try to get

to the bottom of the issue. This often seems like the most painful option because you actually have to admit a problem exists. For successful conflict management to occur, everyone must be willing to admit that something needs to change. If someone who needs to be part of the solution denies that there is even a problem, you will be wasting your time.

All families have conflict

We know from experience that all families have conflict. The list of arguments in a family or closely-held business is a long one, not limited to but often including: compensation and benefits, family member's work ethic, treatment of employees, management styles, estate plans, asset purchases, past financial gifts, treatment between parents and different siblings, the role of in-laws, treatment of spouses, and the impact of divorce.

Sometimes the best way to get people to admit there is a problem is to get them to agree that things need to be different in the future. It is often easier to talk about potential agreement in the future rather than the problems of the present or past.

For example, you can talk about a compensation structure that reflects each person's contributions, instead of focusing on how little you currently receive. You can suggest that your parents need an estate plan that recognizes the sweat equity of the person that stayed on the farm, instead of only talking about your current ownership percentage. You can agree that it is important to "get on the same page" about the owners' expectations of employees, instead of criticizing how your sibling is handling your new hired hand. In other words, work for agreement about the need for change, rather than jumping to your own perspective about the solution.

Opening communication lines

Once others agree that there may be some issues in the business that could prohibit future success, you can begin to brainstorm, discuss and probe for solutions and plan for the future. In a sense, you can get people to "own" the need for a resolution to the problem.

The key is to recognize that all businesses and all families have obstacles and conflicts to overcome in order to improve their effectiveness, and that the solution takes input by all stakeholders. When everyone recognizes the need to work on business or family issues, the fighting can be a lot more productive!

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