

The Dispatch

October 2020: The Ingredients of Progress

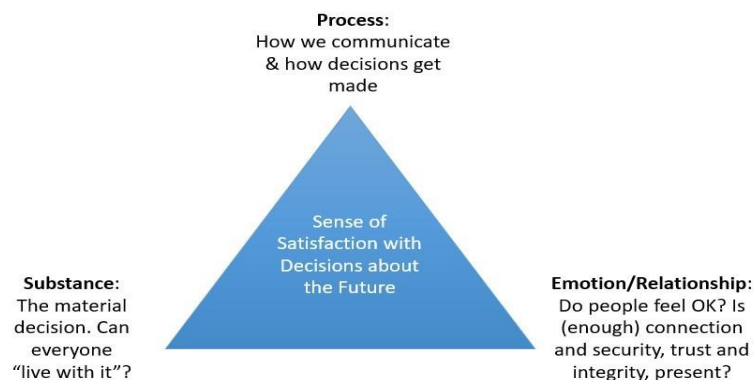
For the last several months many people have been "treading water" or "standing in place." Yet, we also see opportunities to move forward in family business. In this issue of the Dispatch, we look seriously at the issue of moving forward or advancing your business. Lance introduces the idea of the "Satisfaction Triangle" to determine if a decision is helpful for you. Davon speaks of advancement possibilities through virtual connections. Finally, Bill adds both a serious and lighter tone to the discussion. Let us know if you have any responses to this month's Dispatch!

The Elements of Advancement

By Lance Woodbury

Despite the uncertainty and upheaval of the last few months, many family businesses are making progress with the important ownership issues they face. Whether you are planning for a transition of ownership or rethinking the structure of your family partnerships, the last year has brought focus to the question: "What structure will help us move forward?"

One of the models I learned early in my studies of conflict resolution from [Chris Moore](#) was the "Satisfaction Triangle," which suggests that a good agreement consists of three components: 1) satisfaction with the specific terms of a deal or decisions, 2) how the agreement or decision was reached, and 3) the emotional feelings about the deal, including the relationship with the other parties involved.



The model is useful for families approaching ownership transition decisions. For example, reaching a decision on an update to your estate plan involves reaching an effective solution (the substance), such as the use of certain types of trusts and the timing of gifts. It also includes reaching the decision through a good process, including ongoing consultation with advisors and repeated communication with family members. A good plan also involves having an element of trust and psychological contentment with the parties involved – those advising you and the people involved in the results of the plan including your spouse, your children and perhaps certain charities.

Making progress in developing your future ownership structure is not just about the steps you take, but how you take them, and with whom you are walking! Try looking at your decisions through the satisfaction triangle to further enhance your sense of progress.

Moving Family Business Forward - Virtually

By Davon Cook

Lance introduced the triangle concept--that a successful interaction pays attention to three things: process, substance, and relationship. How are families getting things done, or what process is working? We've all experienced the uptick in virtual interactions; I don't need to elaborate on their mechanics. My focus here is on the opportunities they provide to continue building strong family business dynamics.

We help many clients develop consistent governance—whether it's via family stakeholder meetings, advisory boards or boards of directors. Despite travel restrictions, I haven't seen the effectiveness of those miss a beat. Many farmland-owning families have owners that live far away, and keeping them engaged at the appropriate level is key to long-term family harmony and retention of their “patient capital”. Since even the least technology savvy leaders have participated in multiple virtual interactions at this point, the taboo has been lifted. There's no need to wait for the hard-to-arrange once per year gathering--which is often coupled with a holiday, adding to the opportunity for tension--to conduct business. We're seeing more frequent and more productive interactions. And beyond typical business reporting, some families are comfortable covering virtually what they know will be more tense topics. The benefit of progress, and not delaying, outweighs the risk of virtual being less than ideal.

Similar to governance meetings, many are seeing they can conduct a lot of business virtually with professional advisors, vendors, and customers, too. Once trust is established, routine transactions can use everyone's time more efficiently.

Now don't get me wrong...I am not proposing to move all interaction online! There is definitely value in face-to-face. But, being able to choose the ideal venue to optimize for participation of various stakeholders, progress on timely topics, and cost considerations provides the space to consistently move forward. And that's our goal...moving family business forward.

New Opportunities to Participate – or Not!

By Dr. Bill Long

In the midst of so many challenges that have presented themselves to us in the last seven months, I thought I would talk about two positive things that have unexpectedly come my way. The first is serious; the second is a bit tongue-in-cheek.

Most people know by now that my home state, Oregon, was ravished with wildfires in September. A powerful shifting wind, coupled with already tinder-dry forests, created a conflagration and smoke the likes of which I have never seen. While the fires were raging and people were being evacuated, the fire-fighting authorities, along with the county sheriff, the natural resources director of the Native Tribes in the area and others had a Zoom meeting where they could give updates. For an hour, I was deeply touched as hard-working and dedicated public servants showed us maps, explained the course of the fires, delineated challenges and expressed support. I had never before “met” the people most

responsible for dealing with a major catastrophe in our midst. I will always remember that meeting and its questions.

On a lighter note, I realized that the changing rules of meeting with people meant that all my “regular” meetings were either cancelled or rescheduled. I found myself now with a convenient excuse for NOT taking part in meetings in which I was a marginal participant or which I simply attended out of courtesy. I found, also, that our new situation allowed me to disengage from some people I probably should have disengaged from five years ago. We accumulate many people and things over our years, most of which are good, but some ought to be dropped. I was able to do that with a completely clear conscience.

I hope your gains have outweighed your losses in the last seven months. If you don’t think they have, try thinking about it again. . .