

Family Business Matters

An Independent Place at the Table

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Family businesses can be wonderful organizations. You have a chance to do what you love with your family, achieving the benefits of both flexibility and control that come with owning your own business.



An independent voice is someone whose connection to you transcends financial relationships. (Thinkstock photo)

But family businesses also can be difficult. Decisions can become clouded by family perspectives. Relationship problems spill over into management and ownership discussions. A high degree of familiarity can breed a less-than-professional culture. Spouses bring different perspectives that are sometimes difficult to integrate. And families can be notoriously "inward-looking," focused too much on drama, individual financial benefits, or maintaining the status quo.

Enter the independent voice. What I mean by an independent voice is someone whose connection to you transcends financial relationships. It is a person who will tell you what they think regardless of how you might take their comments. It is someone who will be honest and "call you out" when making a mistake, or will push you into a zone of discomfort when you need to go there.

Being independent does not mean this person has no history or relationship with you. On the contrary, they may have a very deep, personal relationship with you or other family members. This care for your relationship is what allows them to push you; they are an advocate for your family's progress despite your (or other family members') occasional missteps or blind spots. They will be a source of unwavering support when the going gets tough.

There are some professional advisers (for example, accountants, attorneys, lenders, insurance agents or wealth managers) who may be quite good at giving you the nudge you need. If you are lucky to have such an adviser, you may not need another voice at the table. But engaging someone who has a history with the family and good general business experience (perhaps even involvement in another industry), but who does not bring a specific technical perspective, can often help you see the forest for the trees.

Inviting an independent voice to be part of your family business discussions is not easy. You may find that airing your dirty laundry to an outsider is uncomfortable. They may ask questions that you really don't want to answer, or point out problems that, down deep, you know you need to fix. They may take your excuses for prior inaction off the table.

As you continue to grow your business, there are many different kinds of resources to help with the family business dynamic. Books or articles about family business create awareness of issues and solutions. Educational conferences and seminars provide knowledge and tools. Professional advisers offer perspective on how problems might be solved. Peer groups provide confirmation that other people are struggling with the same types of issues.

But an independent voice, someone you trust and respect who will hold your feet to the fire, can really move the needle if you are open to change. They can propel your enterprise to new levels. They can encourage reconciliation in the family, help you contemplate a new entity structure, poke holes in your business ideas, or pressure you to complete your estate plan. They can be a true friend to the family at those times when an independent voice is most needed and most helpful.

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Editor's Note: Lance Woodbury is a Garden City, Kansas, author, consultant and professional mediator with more than 20 years' experience specializing in agriculture and closely held businesses. Email questions for this column to Lance@agprogress.com. For more on this topic, see DTN's Minding Ag's Business blog. Find Woodbury's past columns online at <https://www.dtnpf.com/...>

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