

The (Yellow Brick) Road to Success

Do you have these three qualities in your approach to family business?



**LANCE
WOODBURY**

My oldest daughter recently participated in a production of “The Wizard of Oz” as one of the munchkins, a City Father who pronounces the Wicked Witch of the East “undeniably and reliably dead.” Near the end of the play, the Wizard of Oz hands out brains to the Scarecrow, a heart to the Tin Man and a badge of courage

to the Lion. Upon further reflection, I realized these are also essential qualities for a successful family business. Consider the following:

Family Business Smarts (the Scarecrow). Family agriculture businesses require a focus on multiple cognitive skills. The up-and-coming generation must possess a basic knowledge of agronomy and farming practices, seed selection, inputs and equipment. Those wishing to lead the family business must also understand economics, accounting and finance. They need to comprehend markets and risk-management tools. Perhaps most importantly, to grow beyond a one-person show, they must grasp the science of motivating and leading people.

This knowledge can be acquired; some can be learned at college or technical school, at seminars or through farm involvement. The best learning, however, often comes from working for someone else. Off-site experience provides a crucible in which the

next generation melds its analytical skills, decision-making capabilities and approach to management.

Family Business Heart (the Tin Man).

Nurturing the heart of the family business requires at least three talents: caring for others, communicating well and knowing your impact. Start with caring. While we generally expect family members to care for one another, one irony of families in businesses is that they often take such caring for granted. Working daily in close proximity exposes family members to some of those irritating qualities that, over time, cause them to not want to spend as much time together, making it appear they don’t care. A good family business makes a point to reinforce that people do care for, and enjoy, one another.

Another skill, communication, is like the technical crew working backstage at the theater. You don’t necessarily see them,

but they are critical to the production. Communication doesn’t need to always be formal meetings and written reports. Short calls, informal talks, even a regular meal together provides for smoother operations and a sense that people are up to speed on what is happening.

Knowing your impact on others helps to ensure that your actions are perceived as you intend. Family businesses and relationships with in-laws are often rife with false assumptions, wrongly perceived behaviors or unintended offenses. Being aware of how you contribute—positively or negatively—will do wonders for family business efficacy.

Family Business Courage (the Lion). There may be no more difficult or rewarding job than working with people you love. But it takes real courage to work through the overlap of relationships, management and ownership. Some areas that summon a good deal of courage in the family business: having discussions about the future even when you aren’t clear about your plans; differentiating between an equal division versus a fair division of assets, knowing it may upset someone; passing control of the farm, even when you know the next generation will make mistakes.

The next time you think of that multilayered story of “The Wizard of Oz,” think of the leading characters not simply as comical or endearing but as standing for essential qualities for success in your family business. I know of few other working environments that call forth the need for smarts, heart and courage in equal measure. ●

Write Lance Woodbury at Family Business Matters, 2204 Lakeshore Dr., Suite 415, Birmingham, AL 35209, or email lance@lancewoodbury.com