



PHOTO: JIM PATRICO

Clarify Your Culture

Fine-tuning business intricacies strengthens internal operations and external perception.

Each family business has its own culture—a unique combination of beliefs and actions that shapes the way the business understands itself. This family business culture, while neither right or wrong, reflects the way members speak and act, what they consider most important, how they respond to crises and how they deal with the future.

The culture of your family business creates a feeling about your family, an impression of your organization on everyone from in-laws and employees, to vendors and neighbors. If you asked a new employee, “How would you describe the culture of our family and business?”, what would he or she say? Would they answer in a way that recognizes and honors your intentions?

A useful method to understand and clarify your family business culture is to ask yourself four questions. These questions are important if you want to grow your business, hold assets together or attract and retain quality staff, including family members. How would you answer the following?

DO YOU TALK ABOUT PROBLEMS? The most frequent critique I hear of family businesses is that the participants won’t talk about some of the issues causing problems in their family or business. These issues often involve either people (family or staff) or profitability. The reasons for staying quiet might include their discomfort with conflict, the inability to see a solution or the fear that talking about it will make it worse or give the appearance of failure. But, rarely does avoiding discussion help the family in the long run, as the frustration eventually disrupts the working relationships.

DO YOU TALK ABOUT THE FUTURE? Another communication marker is the family’s willingness to talk about a plan for the future. How will the farm or ranch transition to the next generation? Who will manage it? How will off-farm heirs be treated? How will we adapt to low grain or milk prices? An unwillingness to discuss the future causes everyone to work from unspoken assumptions, which creates disappointment if those assumptions do not materialize.

HOW DO YOU GO ABOUT YOUR WORK? If you had to describe a day in the life of your organization, what words would you or your team use? Would they say you are organized or chaotic? Ahead of the game or perpetually behind? Laid back, trusting and fun, or intense and micromanaged? The point is that if the description does not fit your intent, you should work to change the culture.

HOW DO YOU DISCUSS MONEY? One of the challenges family business members often face is how much to discuss their finances. Should you tell your children your net worth and at what age? Should your key employees understand your profitability? What you share—or don’t share—influences how people see your business. If you buy new equipment and vehicles frequently, or if your key staff members don’t understand your income and expense structure, people may assume you are always performing well. If you don’t talk with your adult children about your finances, they may be ill-prepared to carry out your estate and succession plans.

On the other hand, discussion of your financial picture—which you can do at a high level without disclosing all of the details—can create a stronger sense of psychological ownership of your business and of the family asset base.

Organizational culture is a popular topic in business literature—and for good reason. How people see your business influences whether they want to be involved. How you deal with concerns and conflict, how you approach the future, the feelings people have about your workplace and how you talk about finances will sharpen and clarify the distinctive culture of your family business, and either help or hinder your family’s future work together. ●



**LANCE
WOODBURY**

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