Hold To A Higher Standard

Non-family members can bring out the best in your closely held company.

GETTY IMAGES

Family members in business together face unique challenges stemming from the nature of their relationships. Parents are, at first, authority figures who raise children then work side by side with them as colleagues in adulthood. Siblings who have grown up together in a social context later interact as coworkers in a business environment.

The transition as family members into business partners and the assumptions and expectations that come with having a family relationship can lead to communication challenges, poor treatment of one another and even conflict. In short, being family can sometimes bring out the worst of people in business together.

One way to minimize the negative drama of family members in business together is to engage people who inspire the family to better behavior and results. The presence of someone who wasn't raised in the household, doesn't have a long history of interaction or isn't dependent on a family relationship can cause family members to interact differently. Consider the following types of outsiders who can add value.

> KEY NON-FAMILY EMPLOYEES

With today's tight labor market, when you have a non-family team member who performs well in the business, you want to do everything in your power to keep him or her. A business in which people don't communicate or family co-workers treat one another poorly creates a difficult work environment. Granted, every business struggles with communication, and the "grass is always greener" somewhere else. But, if there is visible conflict among family members, you run the risk of encouraging your best workers to look elsewhere for long-term career satisfaction.

> PROFESSIONAL ADVISERS

The key advisers to your family business—your accountant, wealth manager, lender, attorney and possibly even your crop adviser, veterinarian or livestock nutritionist—can offer a perspective that both includes and goes beyond his or her technical expertise. They see other family-owned businesses and often spend time in a more professional atmosphere. Having those advisers participate in family business meetings can focus the family on business issues. Furthermore, family members often don't want to embarrass themselves in front of outsiders, so they behave differently with advisers in the room.

> PEERS AND OTHER BUSINESS OWNERS

As family agriculture businesses become more professional, they often turn to advisory boards and peer groups to help in the journey. These are other business owners and friends who have faced, and overcome, similar challenges. Talking and listening to others who have "been there" can be very helpful, even therapeutic. Just like an athlete tends to perform better because of a coach, a family business can perform better by heeding the wise counsel of peers.

> IN-LAWS

While in-laws might technically be considered family members and bring a different set of challenges, they also have the benefit of not being raised in the same household. They bring a different style of interaction and a different way of handling conflict to the culture of the family business. They can sometimes bridge differences, suggest alternatives or see opportunities the family members might not grasp. The right level of interaction with a skilled in-law can help the family business improve.

Better performance in the family business takes effort on several fronts. Financial strategies, operational excellence, technology investments and labor strategies all have their place. But, if a fundamental indicator of success is the working relationships among family members, a trusted outsider in the form of an employee, adviser, peer or in-law could make all the difference.

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