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FAMILY BUSINESS, RISKY BUSINESS?

An interview with family business consultant David Bork.

"UNFORTUNATELY, it sometimes takes funerals to make progress in a family business," maintains renowned consultant David Bork. He also confides that nothing in his training (he earned a bachelor's degree in bacteriology, taught high school math, then moved to education research) prepared him for counseling families. "I hung out a shingle in 1970, but didn't really know what I was getting into. After listening to my first few clients, I called a psychiatrist friend to ask what the hell was going on..."

"Because bottom line, I can craft the most elegant business solution to almost any problem but the key is the psychology of the

family. With help, they can learn to adjust their roles and expectations but under pressure, they generally revert back to old patterns. So the kid with an MBA in finance will ask his mom (who used to pay the bills) how to handle a major financial problem and of course she has no idea. This upward delegation is not sound business practice: one has to learn not to be seduced by old patterns..."

Bork's Aspen Family Business model, based heavily on psychology and family dynamics, took six or seven years to pull together. "I'm hardly a genius," he modestly maintains. "I'm just a creative kind of guy who asks for help. When I needed to

know something over the years, I'd simply call the topmost expert in the field (attorney, accountant, therapist) and hire him to teach me what he knows."

Among Bork's more controversial initiatives: his insistence that young people work outside the family business before they officially become part of it. "Since there's no correlation between gene pool and competence, it's essential for young people to gain outside experience. If they don't, they'll never know if they've got what it takes; they'll keep getting the same feedback from the same family members. Self-differentiation is key."

Lately, Bork has been doing lots of consulting internationally. "It's the cultural differences that I find so fascinating. And challenging, since of course the business model needs to be modified to fit the culture. For example, I have 15 clients in Turkey who are dealing with so many complex issues: inflation, devaluation, a complicated social structure. Recently one prominent Turkish family, a powerful conglomerate, came to me for advice. They told me, "We own this company and should earn plenty of money for the next several generations but the business really belongs to our nation." So I thought about that for a while and then proposed a 100-year-plan so that the business will remain a strong economic force in Turkey for the next century. The essence of the plan is simple: all business decisions must be based on whether or not the move in question will provide employment, opportunity and growth for the Turkish people as a whole."

Ironically, Bork's entrée into business consulting in Turkey was not an auspicious one: His first Turkish client had heard him speak at a YPO (Young Presidents' Organization) meeting, followed him to South Africa and then invited him back to Turkey to meet with his father. Given a car and driver, Bork's first request was to see the Black Sea; upon seeing it, he immediately undressed and dove in. "The client was an elegant businessman in his mid-50s who wondered what kind of crazy person he had brought over there..."

But it's precisely David Bork's spontaneity and sense of adventure that make him so good at what he does. "I pursue the art of the possible; I am hopelessly optimistic and I take risks. But bottom line: you've got to do the work. I guess I learned that ethic from my father who was a mail carrier in rural Minnesota. It's



David Bork's
Top Three Rules for
Family Business

1. Convert oral pacts to written ones, including buy-sell agreements.
2. Create a family employment policy so that entry is based on competence.
3. Establish a formal mechanism for the family to interact with the business.

essential that businesses do the work of planning for the future. It won't happen on its own, which is something many young people don't understand these days. You've got to be patient and stay with it to the end, finish what you start. That too is advice from my parents (although I wish I hadn't taken it so literally: I stayed in my first marriage a little longer than I should have...)

"I guess the essence of my character is believing in the possibility of this moment, this hour, this day. But sometimes in family business, it's beyond help and in that case, if it's that far down the tubes, it's my job to say so. I recently sat in on a family meeting that was obviously a disaster: the father was pounding on the table, cursing, yelling, and the sons were cursing and yelling back. When I told them at the end of the meeting that I didn't think I could help them, they looked at me like I was crazy. "But that was the best meeting we ever had," they informed me. "The first one in which no one walked out, everyone stayed..."

For a guy who's seen it all, it's interesting that what most surprises David Bork these days (other than the popularity of George Bush) is the number of women heading up companies. "When I started out, there were very few; today, more and more women are heading major businesses and doing a great job of it." Another surprise is the level of sophistication among clients seeking help. "When I first started, they'd just say 'fix me;' now, they request a forum, a constitution, a family council. The level of knowledge is so much greater."

As an expert in family dynamics, has he ever invited his own children (Sarah and David, ages 40 and 37) to join him in the consulting business? "Of course we've discussed it but it's not their calling. My daughter is an actress and an amazing photographer; my son has a degree in mechanical engineering and builds houses (after majoring in shooting pool, drinking beer and playing the guitar...)"

Although Bork has cut down considerably on his consulting work of late (we caught up with him on a two-week bike trip in California; he bikes about 6000 kilometers a year), he's the first to tell you how much he's loved every minute. "At my recent 50th high school reunion, I was talking to former classmates who reminded me that when I graduated, half the faculty thought I'd head south to the university, while the other half thought I'd go north to the State Penitentiary... So I guess I've done okay. In fact, I've been blessed to derive so much benefit and pleasure from my work. Were I to die today, I'd be really pissed, but I've had a helluva run." ●