

## FAMILY BUSINESS

# Ten Keys To Success In Family Business

*Here are traits that profitable, enduring family firms have in common.*

By Sharon Nelton

**W**hen David Bork moved his family-business consulting practice from Frederick, Md., to Aspen, Colo., several years ago, it meant moving the case files for 250 families who had been his clients.

He recalls saying to himself, "You know, there must be something in these boxes." There was. Reading through the files, Bork began to identify qualities that are shared by successful families in business, and he drew up a list of 10 such traits.

"These qualities are critical to ensuring success, profitability, and longevity of the family business as well as the happiness, fulfillment, and future of the individual and the family unit," says Bork, who has been working with family firms since 1970.

Last summer, Bork and a team of other family-business consultants launched the Aspen Family Business Conference, a program based on the traits that Bork found. The conference will be repeated in April and again in July.

Here, in brief, are the qualities that Bork feels are essential to families in business:

**1. Shared values.** Usually this means shared values about people, work, and money. And if you have the same views and attitudes about these three areas, says Bork, you can have a shared vision. "If you as a family have a shared vision of the future of your company," he adds, "then you go forward together."

When you look at business families that fall apart, such as the Bingham newspaper family of Louisville, Ky., Bork says, you find that family members do not have a shared vision. As a result, they tend to fight about all three issues.

"So one of the tasks at hand for each and every family in business is to develop a shared vision in order to focus on the future," says Bork.

**2. Shared power.** This is not the same as "equal power." According to Bork, it means respecting one another's talents and abilities across generations, between spouses, and among siblings. "If I am the brother that has the best

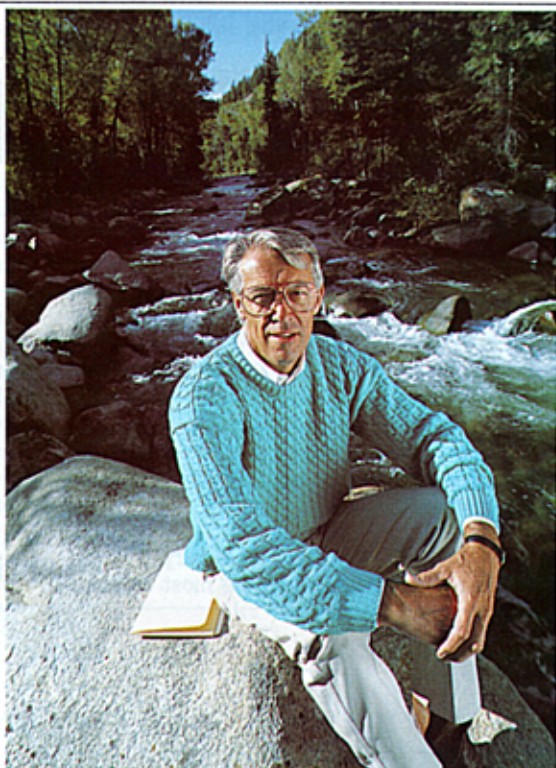


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*Consultant David Bork of Aspen, Colo., has identified qualities shared by families successful in business.*

financial understanding and you are the brother or sister that has the best operating insight, then you should defer to me in my area of expertise and I would defer to you in your area," says Bork.

**3. Traditions.** Every family has traditions that set it apart from every other family, Bork maintains, and it's important to renew those traditions because they keep your family bonded together.

In his own family, Bork and his siblings grew up liking cranberry sauce on top of pumpkin pie because their father liked it. (Bork calls it an "extraordinary combination.")

During a family gathering last year, Bork arranged for family members to have the dessert that his late father so enjoyed—pumpkin pie with cranberry sauce on top.

"We sat around the table and told stories about my father, and there

wasn't a dry eye at the table," he says. "It was part of our tradition."

**4. Willingness to learn and grow.** "The family that is open to new ideas and new approaches is one that, as a group, can solve virtually any problem," says Bork.

He recalls one business family he worked with where there were three married daughters in the second generation and nine young cousins in the third generation. Bork encouraged the cousins in the third generation to form a "cousins' council" and also to initiate a "learn and grow" process.

Under the latter, the family had a gathering during which it brought in a marine biologist just so the family could learn something different together. At later meetings, they brought in anthropologists, archaeologists, and other specialists.

One daughter's husband died unexpectedly. In the subsequent stress, old conflicts between two sisters re-emerged, resulting in one trying to force the sale of the

\$150 million company. But the cousins decided they could not let the warring between their mothers result in the sale of the company. They banded together and successfully prevented the business from being sold.

"Because those nine children had been able to learn together and to learn about how they learn, they were able to confront a crisis situation and to find a reasonable, rational solution," says Bork.

"As families," he adds, "you can find many delicious opportunities to learn and grow together, and that carries you through the times when you have differences of opinion."

**5. Activities to maintain their relationships.** You can't talk about business all the time, Bork cautions. Essentially, families that play together stay together. Taking time to have fun together, he says, is like putting "money into the bank in terms of your relationship with your family members so that you can draw on the currency when the times are tough."

The enjoyable times can, for example, help family members sustain their rela-



tionships when their opinions differ.

**6. Genuine caring.** This means openly expressing feelings of concern for other family members.

One way to let others know you care about them is to give them your undivided attention from time to time, says Bork. "That's the best gift you can give to a family member." He suggests taking time to write a postcard, telephone someone, or stop for a cup of coffee with another family member.

**7. Mutual respect.** "If you don't have mutual respect, you can't do a business together," says Bork.

In his view, mutual respect is built on the trust that comes from knowing you can depend on other family members and they can depend on you.

**8. Assisting and supporting one another.** "Family members that stay connected to one another assist and support one another, especially during times of grief, loss, pain, and shame," Bork maintains. Even if you don't like what another family member has done, you can still be supportive of that person. "Families that run from the family member who's having trouble don't stay together," Bork says.

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—Consultant David Bork

**9. Privacy.** Families in business are notorious for their togetherness. But Bork says it's essential to respect one another's individual privacy as well as the privacy of each family unit within your extended family.

If one family member steps over the line in asking you about personal concerns, it's OK to say, "That's a private matter."

**10. Well-defined interpersonal boundaries.** Perhaps the most common

family-business relationship problem occurs when there is a conflict between two family members, says Bork.

One member involves a third, saying something like, "Do you know what Charles did to me?" The third person, needing to resist getting caught in the middle, can establish a boundary by saying something such as, "I'm really sorry he did that to you, but you know, you're going to have to work that out with Charles."

**Y**our family may have many of these traits, or it may have all of them to some degree. By understanding the ones you have and the ones you'd like to add, Bork suggests, you can begin to strengthen your family bonds and your business success. **MB**

*The Aspen Family Business Conference will be held April 7-10 in Aspen, Colo., and July 18-21 in Snowmass Village, Colo. For more information, contact the Bork Institute for Family Business at Aspen, 117 Aspen Airport Business Center, Suite 201, Aspen, Colo. 81611; (303) 925-8555.*



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