

# THE EXTRA POINT

BY JERRY ROBERTS



## # 450 Foundations of a Family Business That Will Last

Most businesses in Guam are operated by families, and family business can be good business. It can be rewarding business. It can also be tough business. I'm Jerry Roberts and let's talk about leadership in family business, next on The Extra Point.

Over the years, through Guam Training and earlier with Directions magazine, we've visited the issue of owning, growing, succeeding with, and developing a succession plan for a family business. This included a two-day conference and other learning opportunities with one of the world's leading authorities on family enterprises, as well as arranging private consultations with local companies that had a pressing need to pursue solutions that got them beyond interpersonal conflict and ensured the future of the organization.

Running a family business can be complicated. Decisions made at the conference table can be resurrected at the dinner table. Harmony is often elusive, and relationships can be lost for years over choices of who runs what and who gets what. Living in a small island, many of us know people who have battled siblings, cousins, parents, even grandparents over the control of the company that pays the bills for everybody.

It's a fact that relatively few family businesses survive to the third generation. Very few get beyond it.

If you've got a family company you can avoid a lot of the pain by establishing some guidelines and holding fast to them.

1. Run the business like a business. All family members are not guaranteed jobs. They have to be a good fit for the company.
2. If a family member does work there, their last name doesn't mean they get to cruise, goof off and still get a paycheck. If anyone exhibits a sense of entitlement, you correct it early on.

Their managers, both family and non-family, need to ensure they meet company standards. My personal opinion is that family employees should work harder than non-family. That won't always happen, but it should.

3. It's a good idea that younger generations of family employees gain experience working outside of the company.
4. Accountability and rules apply to everybody, equally. Discipline has to be uniform. If you reprimand a non-family worker for a breach of policy or poor performance, yet you let a family member go free for doing the same thing, you're setting a bad precedent that can come back to bite you.
5. Take good care of non-family workers. They know there's a natural ceiling for their growth if they stay with you. The top executive jobs won't be available to them. Train them, promote them on merit, make them feel valued.
6. Let all employees — family and non-family alike — make decisions on community projects and activities to participate in. This will help build a sense of teamwork, trust and shared leadership.

7. Get with a family business specialist to help you plan for growth and succession, so that your vision and your company maintains a strong position in the market long after you move on. If you need to connect with one, let me know and I'll hook you up with one of the best.

That's The Extra Point. Get out there and make something good happen today. For 93.3 and the Ray Gibson Show, I'm Jerry Roberts.

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For information on training and consulting services with Jerry Roberts, please click this link: [guamtraining.com](http://guamtraining.com)

