

Working with Family

Working in a family business has both its rewards and its challenges.

There is an art to running a company with close family members.

BUILD POLICIES FOR EVERYONE TO FOLLOW

When it comes to keeping your family members on track in the business, planning is critical. Create and communicate responsibilities so everyone is clear on their role.

If you're in charge of setting up job descriptions or hiring new employees, be sure to match each person's skills with a specific need. Some family businesses can set themselves back by plugging in family members who may not be great fits for their roles. Sit down with your leadership team and identify gaps in the operation. Be strategic about bringing the right people into the mix, family or not.

Create an organizational chart, no matter how large or small the operation is, so you can establish clear lanes or responsibility and leadership. As you grow the business, be sure to update your organizational chart to reflect additions or losses of employees. This will prevent any argu-



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ments about who is in charge of what in the office.

HOW TO HANDLE SUCCESSION PLANNING

Approximately 58% of small business owners have no succession plan, according to a recent study of 200 privately held businesses by Wilmington Trust. About 78% of those

without a plan blamed it at least partially on enjoying "managing their company too much to start thinking about a future transition," the survey stated.

You and your relatives have put a lot of energy into building your company. When it's time for someone else to take over, it's important that you

are prepared to navigate the transition. That way you ensure seamless operations while also avoiding any dramatic moments that can naturally come with a disjointed succession.

Here are some key questions to discuss with your leadership team when it comes to succession planning:

- Who has the potential to run the company successfully?
- Are we financially stable enough to hand the company over?
- Should we consider an investor or owner from outside the family to carry on the business?

Typically, succession is something you'll need professional help to correctly plan for. Sit down with your local business lawyer or accountant to craft your plan. Keep your succession policy handy and updated throughout the years to make sure everyone stays on the right path.

CONNECT OUTSIDE THE OFFICE

Running a business, especially with your family, can be a stressful experience, especially if you're spending large amounts of time at the office. One of the keys to create a positive, encouraging business environment is getting away from work from time to time — together.

Set aside time for family outside the office. Do activities that help you bond and relieve stress, including outdoor activities like golf, hiking or swimming.

Find things that you all connect on and devote some evening or weekend time to reconnect.

You may just find that doing so helps generate new ideas and better attitudes at work.



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By the Numbers

62%

expect upcoming family members gain outside work experience

58%

have succession plans, however most are informal

47%

of next generation leaders take on non-senior roles in the business

39%

sit on the board of directors

Source: PwC

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