

# C.H.A.L.L.E.N.G.E.S.<sup>®</sup>

Working with Families in Business

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*“Egoism is the anesthetic that dulls the pain of stupidity.”*

– Frank Leahy

## Rule #8

**Don't allow “egoism” to enter into the family business.  
Keep the priorities right, family first.**

I like egos. I like people who have healthy egos. They really *know* themselves. They have a solid foundation of self-awareness and their ego actually governs their rational actions in the right direction. Egoism is something very different. This is where the individual is selfish and only has his or her self-interest at stake. With this individual everyone else comes a very distant second to the interests of “what is best for me”. We meet too many people in family businesses who display egoism. In many cases it is the inflexibility of these types of individuals that set up the family business for failure as the rest of the family can no longer deal with, or are tired of dealing with, the selfish motives of this one individual.

How does a family deal with this type of issue? The first thing is for the family to understand and commit to is the definition of “Family First.” The best definition that we have developed with our clients is as follows: “Family First” is a conscious act committed to by each member of the family. It is each person's first thought before finalizing a decision that asks the questions: “How will this decision affect the other members of my family in business?” and “Will this decision be in the best interest of the family and the business as a whole?” If the final decision will be hurtful or have a negative affect on another family member, even in a stressful way, then the decision will be “passed on” for the good of the family. What if it appears that the decision would have had a positive impact upon the business? That is always a concern but the question before this one should be, “if all my family partners cannot buy into this decision will it be

properly supported and generate the best results for the family and the business?” If there is stress or a negative impact on a family member you can be pretty sure that the decision, if moved forward, would not be as successful as it could. It may even fail due to a family member who is not willing to take on an added burden or stress and will not be fully engaged in the success of the decision.

Does that mean all decisions that cause stress or an added burden on a family member should not be promoted? No. What it does mean is that the concern of the family member must be addressed and resolved as part of the decision making process. The lack of addressing the concerns of family members is one of the biggest reasons for the blockage of new ideas and the delay of implementation of new decisions. Egoism must remain out of the “Family First” philosophy.

How do you keep egoism out of the family business? Rules! Establishing a code of conduct for how family members interact with one another in the workplace, listing the rules of how meetings are conducted and really identifying the responsibilities and accountability of each family member are some of the important ingredients to the “Family First” philosophy. This is more difficult to do in a family business that has been established and running for a number of years but it can be done. We often find it is these more “mature” businesses members who are now feeling the strain of the years of the lack of the rules. They are the ones who are searching for a way to ease the stress and added burden of inconsistent decision making and now desire to become more professional in their decisions and more sensitive to how it affects the family and the business.

Moving “egoism” out of the family and replacing it with humility, patience, and respect for one another with defined rules, responsibilities and accountabilities does work. This all works best when the family has a solid base of love for one another, able to forgive and seek forgiveness and possess a true desire to work in the best interest of one another. Without it just remove the word “family” and you will be left with just a business.

**We can help your family business develop the “rules” that are the right fit for your family and your business.**

**Jim & Ann Marie Kwaiser**

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