

C.H.A.L.L.E.N.G.E.S. inc

Working with Families in Business

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**“Happy Families are all alike; every unhappy family is unhappy in its own way.
Leo Tolstoy (Anna Karenia, Chapter 1)**

“Great interpersonal tragedies can be eased and undone!”

Every family has “rifts” from time-to-time. Some are over quickly and others remain for a life time. Sometimes these “rifts” start out as little unaddressed agitations that quietly build and end up as verbal (and sometimes physical) feuds separating parents, children, brothers, sisters, cousins, grandparents, aunts, uncles, and in-laws. When these “rifts” take place in a family business they not only disrupt family relationships but usually affect the financial performance of the company as well. Long standing “rifts” can end in tragedy for the families and their businesses as illustrated by the following real stories:

(Family Business Magazine) The Gucci family: the founder’s son Aldo Gucci built a global fashion powerhouse but resented brother Rodolfo’s 50% share and tried to divert profits elsewhere. Aldo’s son, Paolo, blocked by his father, ratted on his father’s huge tax evasion, sending Dad to prison in his 80’s. Paolo’s cousin Maurizio lost control (of the business) and was gunned down outside his Milan office.

(Family Business Magazine) Family owners of Rite Aid: Founder Alex Grass built a retailing Goliath, then older son Martin pushed him out in a boardroom coup in 1995 and stripped the office of his father’s memorabilia. Martin was ousted by Rite Aid’s board in 1999 for improperly pledging corporate assets to secure a bank loan for the company, then falsifying board minutes concerning the pledge.

(Even families not in business can take a lesson in handling family rifts!)

(Pittsburgh, PA Post Gazette) Two of Martin Luther King Jr.’s children have filed a lawsuit against a third, embroiling the family in a legal dispute over the civil rights icon’s estate. Bernice King and Martin Luther King III filed a lawsuit Thursday in county court to force Dexter King to open the books of

their father's estate. The lawsuit claims that Dexter King, the estate's administrator, is refusing to provide his two siblings with documents concerning the estate's operations. That includes financial records, contracts, financial affairs and other documents, the lawsuit said.

With the New Year upon us it is a great time for each family member in business to review their spoken as well as "unspoken" family rifts. Doing this review must include a personal commitment from each family member to be "open enough" to earnestly work on finding the common ground that is in the best interest of the family and the business. This includes keeping those spouses, and other necessary family members, in the "loop" as to what is going on with the family in business relationships. Not just the bad things that you don't like, with but the good things as well. When you don't speak of the good happening in the family business, inter-family relationships suffer and as demonstrated by the stories above, usually carry over into the business environment whether you want it to or not.

How about this as a New Year's resolution: "To earnestly work on finding the common ground on all family business issues in the best interest of the family and the business." With this resolution as a guiding creed of the family, many of the great interpersonal tragedies facing every family business can be avoided, and the pain of the past can be eased. The longer a family in business procrastinates on this commitment the harder it will be to ease and undo the interpersonal tragedies of the family in business.

Have a Happy and Blessed New Year!!

We know how to help families in business ease and even undo many great interpersonal tragedies. Contact us. We can assist your family in business.

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SOMETHING NEW!

E-mail us your questions concerning your family business and we will begin to answer them in upcoming newsletters.