

# **C.H.A.L.L.E.N.G.E.S.® inc**

**Working with Families in Business**

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**April 2009 Newsletter**



**Question from one of our readers:**

***Our family struggles with talking negatively about other family members to employees and sometimes customers. Any advice you can share?***

You are not alone in this concern. Nothing will change until each family member involved in the business truly understands the negative impact this habit can have; not only upon the business, but also upon the interpersonal relationships of the family members.

To illustrate this impact, I will share a story that may be something for you and your family to consider. We will call this family the Jones family. Dad Jones is an extremely competitive person. When he started the company over 40 years ago his personal motto was, "I will work harder, sell more, and be better than the competition." He usually was. He expected his two sons, both who joined him in the business, to do the same. He wanted both of them to be the aggressive salesmen he had always been. He would constantly tell his sons the only way to succeed in business was to be tough and never let anyone "take advantage of you." Dad was also constantly telling his sons, often heard in the halls of the company, what they were doing wrong and why they needed to be more like him. He expressed to others how his sons were "slow learners" when it came to being ready to take over the business.

Even when he went to the bank for new loans the conversation always turned to how hard of a time he was having getting his boys to really understand the business. Dad pitted the sons against one another by telling one and then the other how his brother was holding them back. The sons have been involved in the business for over twenty years, have obtained solid, profitable customers but just don't sell the way dad does. Dad kept many business relationships and a lot of the company information as part of *his* duties stating, "the boys needed more selling experience." The sons began resenting one another and started believing everything Dad was telling them was true including that they were holding each other back. The resentment passed on to the spouses. They looked at what each possessed and thought it appeared one brother may be making more than the other. Resentment grew.

Six months ago Dad was tragically in a car accident. Business started to take a dive. One of the reasons being the current economy. Because Dad was no longer actively involved in the business, and may never be again, some of their old time customers began to leave. The sons began to blame one another for not living up to Dad's expectations. The old customers were leaving because they heard over and over again how neither of the sons were ready to take over the business. The bank shut off the line of credit because Dad was not there to keep things running and the sons "certainly were not ready" as they had been told by Dad. The bank was not going to risk dollars on inept sons running the company.

The brothers fought more and more. Some of the key employees also believed what they had heard and left the company to go with competitors.

Decisions were not being made and employees were lining up with the brother they thought would eventually come out on top. In six months the business revenue had dropped 55%! In a survey completed with past clients that accounted for 80% of the reduced revenues, these clients mentioned two issues that influenced their decision to change suppliers. One was that Dad was no longer involved in day to day operations and the second was they did not believe the sons were qualified to take over the business.

This may be an extreme case but it is amazing how many families continue to “talk down” about one another to employees, vendors and even clients. What you say to others is believed by those listening. Even family members begin to believe you are what they have been told. “He is lazy.” “She is irresponsible.” “He never listens to anyone.” “She is holding you back.” These statements hurt the business and drive wedges between family members.

This is a good time of year to reflect and possibly change how we describe our family members in business to others. This must be discussed in an organized, open family meeting. If you need help doing this, get it. It is too important to leave unaddressed. As a business matures, as economic times change, who you say the other members of your family business are, if negative, can create havoc on the family and business relationships.

Now is the time to for every family member to commit to protect the reputation of the family and the business. This does not mean you have to lie, as some of you may be thinking. It means you will not pass on or allow to be passed on negative stories about the family or business. If you hear it from others address them by stating, “We do not appreciate anyone talking negatively about a family member. If you have a problem with a family member go talk to *them* about it, not everyone else.” Stop the negativity. Even your non-working in the business spouse can spread a lot of negative feelings toward the family business if they do not understand the impact this can have on their life because of reduced business. If there is a problem with a family member in business the working family members must deal with it outside of the ears of the employees, vendors, suppliers and customers. Only by showing a unified front to eliminate discussions of family issues in front of others will the family and the business achieve successful growth.

Don’t put it off. Take this newsletter and make copies for each family member. Ask them to read the newsletter and if they believe that it sounds like your family, address it *now*. Delay, even more in today’s environment, will cause severe damage to the business and the lifestyles of each family member.

If you and your family need help in addressing and resolving this issue, contact us and we will help find the right solution for your family and business.

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