

Family Business In-Laws

By: John Ward, The Family Business Consulting Group

Some call themselves outlaws because they feel so remote from the family's business.

Parents, feeling helpless, cross their fingers and hold their breath. They worry that unpredictable and uncontrollable spousal additions to the family might disrupt the already challenging task of family business continuity. They remember the oft-noted adage, In-laws are the Achilles heel of the family business, and wish for the days of arranged marriages.

But we urge business-owning families to view the situation from the perspective of the in-law. With empathy, understanding, acceptance and education, business-owning families can help spouses support the family business rather than distrust or even disrupt it.

Culture Shock

In-laws may experience culture shock when they enter their new business-owning family. Unless they come from the same environment, they have very little basis to understand what to expect. As one new daughter-in-law put it, The family business is the central topic every time family members get together. If you aren't closely involved in the business, you feel left out. I know my husband's brother-in-law agrees. It's like they have a secret language!

This feeling is common. Most business-owning families have used the business as the center of conversation for decades. Talking about it and relating to it are instinctive. The in-laws, most likely, come from a very different background. They are more likely the offspring of schoolteachers or government workers or doctors than of entrepreneurs. They don't have experience that prepares them for the dominance of a business in people's lives.

Differences in values and expectations can create marital conflicts. A business-owning family's expectations related to observing holidays, free weekends or regular dinnertimes can lead to real strain in a marriage if the spouse's expectations differ significantly.

Conflicts can be magnified when the in-law struggles to maintain equivalent relationships with his or her own family of origin. The business-owning family often has greater influence over where and how the young family will live. The business family has business reasons to be in touch nearly every day. And the successful business family usually can be more generous with holiday gifts and vacation support. Sometimes in-laws resent the great influence of the business family on their lifestyles.

We offer a few basic recommendations:

- Spend patient time educating in-laws about the family's business.
 - Explain business finances and requirements for business success.
 - Involve in-laws in regular family meetings and encourage lots of basic questions.
 - Ask new in-laws to clarify their families holiday and vacation traditions. Work to honor traditions on both sides. Sometimes unselfishness or creativity is necessary.
 - Establish times when discussing the family business is off limits.
 - Encourage in-laws to share their interests and encourage occasions when the business-owning family can appreciate what new family members can contribute.
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- Be open with family member compensation policies and facts so no one is guessing or assuming that there are reasons for secrecy.

Prejudice

Spouses naturally see their mates as competent, fair and generally the best. Whenever there are differences of opinion in the business family or conflicts between family members, expect in-laws to support their spouses.

Business-owning families can work to avoid negative effects that can result from the loyalty and support one feels toward one's own mate. With sensitive communication and attention to interpersonal relations, spouses can be helped to maintain constructive perceptions.

After a tough day, the business family member often comes home complaining about some relative in the business. While it helps get the day's frustrations off the chest, the more lasting effect is the creation of spousal anger and resentment.

Perhaps it is natural to promote oneself to one's spouse to highlight one's strengths and the weaknesses of others. In so doing, however, the in-law becomes increasingly less tolerant of the spouse's relatives. In-laws begin to look for those relatives ascribed traits in non-work environments. When validated, differences in personality or style between family members can widen and become more significant.

To minimize the injury such schisms can cause, we suggest the family consciously develop agreements about what behavior is encouraged. Some families even put these agreements into a family code.

- Don't complain about each other to your spouses.
- Recognize that to do so is usually unbalanced, unfair and destructive.
- Promote the strengths and importance of family members to spouses. In most cases, the family business is stronger because of complementary skills and orientations. In-laws need to understand that when the family team is stronger, all are better off.
- Include spouses in family meetings and/or shareholder meetings where they can come to their own conclusions and see everyone's imperfections including those of their own mates.

Divorce

In today's world, not dealing with the possibility of divorce would be unrealistic. Practical advice related to prenuptial contracts or restriction of stock ownership to blood family members can create hard feelings with in-laws. Family rules or expectations should be established before new loved ones enter the scene. Then the business-owning family can inform all potential in-laws of the family's policies without them being taken personally.

The long-term strength of the family business depends on the support of in-laws. The ability of the family to be sensitive to new family members backgrounds and to include in-laws on the family team not only is good business, but also sets the stage for future generations mutual respect. After all, the outlaws are parents to the next generation of family!

To learn more about our firm and how we serve families like yours, call us at (773) 604-5005 or email us at info@thefbcg.com. There is absolutely no obligation.

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