

# Standards for Evaluating Family Business Practice and Behavior

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I recently attended a long-time-client's board meeting. Having helped the business transition from its second to its third generation, I was now seeing it move on to its fourth generation of family ownership and management.

Having observed this family and its business from a full generation's perspective, I was mightily impressed. In a highly competitive industry, the family members constantly pushed themselves to be better and tried to be the best they could be. At various times along the way, they fell short or made mistakes that cost them dearly. They learned from their mistakes and pushed on.

With a deeply value-driven culture, this family business exemplifies habits and practices that can make any organization—or individual—great. As I observed the board meeting, I tried to sketch in words what I saw. I recognized thirteen concepts being rigorously applied at the meeting and over the long term. And over the long term, the rigorous application of those concepts has led to very satisfying results for the seven owner/managers in the room.

The standards that I saw in action included:

**Discipline**—owner/managers consistently maintain control over themselves, sustaining their rigor and resisting distraction from the tasks at hand.

**Focus**—always identifying key areas and issues and directing energy toward dealing with these matters.

**Responsibility**—personally accepting the burden for behavior and resources without excuses or rationalization.

**Continuous improvement**—constantly seeking better ways to do whatever needs to be done in the areas of efficiency, effectiveness and relations with key constituents.

**Thrift**—regularly exercising care with fiscal resources and seeking to maximize financial productivity.

**Knowledge**—using all sources and experiences to gather new information and insights relative to the owner/managers' fields of expertise.

**Risk**—always being aware of the possibility of loss and doing everything possible to mitigate it.

**Accountability**—being eager to set the highest possible standards and to be held accountable to those standards by themselves, each other, and respected and knowledgeable others specifically engaged for that purpose.

**Communication**—sharing information openly and in a timely fashion and consistently seeking ways to accelerate and improve the sharing of knowledge.

**Planning**—thoroughly thinking through strategy and tactics in advance and establishing clear goals, policies and procedures to maximize efficiency and effectiveness.

**Relationships**—recognizing the importance of human connections and always seeking to establish, build or maintain feelings of mutual support, interest and compassion.

**Perspective**—maintaining the ability to see all things in context with a sense of humor and of the relative importance of all things in relation to each other.

**Integrity**—being committed to determine what is right and to do it.

My clients are not perfect people by any means, but not for want of trying. I found myself wishing that all businesses and organizations would accept and hold themselves to such standards. They make a formidable list that any family business can use to evaluate its own practices and behavior.



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