Three Family Keys to Multi-Generational Business Success

By: Craig E. Aronoff, Ph.D.
The Family Business Consulting Group

As we’ve suggested many times in The Family Business Advisor, family challenges are more likely than business challenges to lead to the demise of family businesses. We’ve observed three related characteristics of families which achieve multi-generational business continuity and success.

Families that stay in business together over generations have an articulated sense of family vision, values and goals. They have an answer to the question: “What do we hope to accomplish as a family?” They see their business as a critically important means of serving their larger goals, not as an end in itself.

Second, families who own and operate businesses together over generations develop mechanisms which allow individual family members to choose freely to participate in building relationships, careers in the business and ownership status. Having provided freedom of choice, however, successful families work hard to make belonging attractive in ways beyond financial return. By “standing for something,” by stimulating pride, excitement and interest, by providing opportunities for contribution and leadership, as well as by providing solid rates of return and access to liquidity, family businesses seek to become the “first choice” of family members. Vague promises that “someday this will all be yours” simply do not have the same stimulative effect.

Finally, the culture of families enjoying multi-generational success foster individuals’ sense of responsibility and accountability to something larger than one’s self. Rather than thinking “what’s in it for me?,” family members seem unusually willing to sacrifice short-term self-interest for what is perceived as the long-term greater good.

Craig E. Aronoff, Ph.D. is a co-founder and principal with The Family Business Consulting Group, Inc. He can be reached at aronoff@thefbcg.com or 678.277.9865.

To learn more about The Family Business Consulting Group 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.

The copyright on this article is held by Family Business Consulting Group Publications®. All rights reserved. All forms of reproduction are prohibited. For reprint permission, contact editor@thefbcg.com.

THE FAMILY BUSINESS CONSULTING GROUP, INC. and FBCG are registered trademarks and the FBCG logo is a trademark of The Family Business Consulting Group, Inc.

Reprinted from The Family Business Advisor®, A Family Business Consulting Group, Inc.® Publication