

What to Think About Before Joining Your Family's Business

The Family Business Consulting Group

Dear Advisor: I've heard some horror stories about promises made to family members who joined the family business and then not kept. Any advice before I jump in?

Joining the family's business is never a decision that should be made lightly. The rewards can be great: a clear shot at the top spot, financial security, a chance to work with people you love while building on your family's legacy and more. But the risks are great too. If things don't work out, both the economic and emotional costs can be huge. Blurred lines between family and business roles and goals create complexities that can result in family-rending conflicts and business disasters.

Before joining the family business, members of the younger generation should ask themselves a series of questions. Remember, you are taking a job and just because it's in your family's business, it doesn't assure that you are making a good career move. Here are some questions to think through:

- Why am I doing this? Your answer should focus primarily on business-related reasons. If you are thinking "my family needs me" or "working in the family business will be easier than working elsewhere," we recommend thinking again. You may be walking into an unintentional but painful trap.
- Does it offer the career I want? Does it fulfill my personal goals? Do I like what the business does? Will I find the work meaningful and challenging? Before you join the family business you need to

think clearly about yourself, your goals and what you find fulfilling. If your family business offers a way to apply your passions to your career, go for it. If not, consider another calling.

- Can I make a real contribution? Can I bring meaningful skills, talent, knowledge and experience to the business? Businesses thrive because of value added by each employee and the company as a whole. If you bring real value to the table and the capability to build more, bring it on. Other rationales such as blood, family expectations, ease of getting the job and a sense of entitlement are not sustainable and lead to trouble.
 - Can I work with my family? Do we communicate openly, honestly and effectively? Can we resolve conflicts that inevitably will arise? Do I understand that being a "good son or daughter" is different from being an effective manager? Some believe that strained family relationships can be improved by family members working together. More often, the opposite results. If you lack good relations and solid communication, joining the family business can put you in real jeopardy.
 - If things don't work out, am I confident that I have other opportunities and the freedom to seek
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my fortune elsewhere? Dependency is a horrible trap and an invitation for abuse. You should be of independent mind and psychologically and economically prepared to leave if frustrations become too great.

- Do you understand what you are getting into? A potential successor should enter the family business in response to a specific, formal offer to fill a job that exists. If responsibilities are cloudy or a position is being created for you, steer clear. Conditions and criteria for advancement should be explained, as should the methods for determining compensation and the opportunity to become an owner.

Don't join the family business because of promises or expectations. Plans go awry under the best of circumstances. Even if you inherit a business, in reality you must earn it through work, commitment and contribution. Following in the footsteps of a parent is a tricky and difficult challenge. Know what you are getting into and be thoughtful about the seriousness of the commitment you are making. If you are satisfied you've done your homework and you still want to proceed, you have a shot at a career that combines the best — or the worst — of all worlds.

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.

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