

## Aligning the Family Enterprise: Should We Meet In-Person or Virtually?

By: Barb Dartt and David Karofsky, The Family Business Consulting Group

In planning your next family business-related meeting – be it a board meeting, shareholder meeting or family retreat – you’re likely to run across a dilemma: should this meeting be in-person or virtual?

This choice, especially if it will be made by an owner or family group, is a logical one to tackle by consensus. And, because folks are forming opinions about the personal and group safety implications of gathering in person with a lot of emotion – fueled by widely varying levels of knowledge, understanding, risk tolerance and fear – this decision has the potential to be very divisive.

To support you and your family business systems as you review and consider this decision, we offer the following framework:

- Factors to consider in making this decision, and;
- An outline of fair process to use as you come to a consensus decision

### Factors

There are several factors to consider when deciding to have a meeting via video or in-person. For the purposes of this article, we have grouped them into “hard” factors (regulatory and health status, purpose of the meeting, state of the business) and “soft” factors (communication, validation, power and trust). Each medium (video or in-person) has strengths and limitations and any successful decision on which medium to use will consider both the hard and soft factors.

#### Hard Factors

##### Regulatory and Health Status

Of course, you’ll need to follow applicable regulations

in planning your meeting. If any attendees have compromised health, an in-person meeting that meets all regulatory guidelines might not be a reasonable choice. Within the factors and decision-making framework below, we’ve assumed you’ve cleared these two hurdles and must have a more nuanced discussion.

##### Meeting Purpose

The first question we encourage families to think about is the purpose of the meeting. If the purpose of the meeting is to review some data and make decisions on the business, video may actually be the most productive medium.

We have found that attendees are often more focused on efficiency during video meetings. Meetings that used to take an hour are getting completed in 30-40 minutes. This increased efficiency is sometimes because the medium doesn’t provide a comfortable venue for “small talk.” When attendees talk at the same time, we usually lose what everyone is saying. Also, any technology lag makes us unable to respond to the body language or voice cues.

At the same time, the difficulty in engaging in a comfortable back-and-forth makes it hard for some folks to be heard. Over a series of video meetings, we may miss important details in individual perspectives in exchange for this increased efficiency. As such, if the purpose of the meeting is address critical strategic initiatives balanced with the complexity and differing perspectives of an ownership group, the meeting may be better served in person.

## State of the Business

When conflict is hot or the business is facing severe financial or operational challenges, families are sometimes willing to tackle conversations in any medium.

When held from individual screens and from separate rooms, we have found that video can offer some real advantages to talking about contentious topics. The physical distance of video can make it easier to share perspectives and opinions with less emotion.

With appropriate preparation and facilitation, video meetings can advance discussions, even when pain and urgency are high.

## **Soft Factors**

### How Well Does the Family Communicate?

While we know we can always get better, we also have to be honest and aware that effective communication is difficult regardless of the medium in which we are using. We encourage you take into consideration the ability for the family to validate each other, the power dynamic in the family and the level of trust among those in the meeting when choosing the most effective medium.

### Validation in Communication

In working with family enterprise clients, we often emphasize the importance of validation when communicating with a family member. Validation, the feeling of being heard and understood, can come in physical (the nodding of the head and eye contact) as well as verbal (repeating back what you heard) forms. Although you may not agree with each other, this validation can create a positive back-and-forth dialogue that allows the conversation to move forward vs. being shut down and not progressing. Some phrases you might use to validate others include:

- If I'm right, what I hear you saying is ...
- As I understand it, you're feeling/thinking ...
- You must have been surprised when ...
- So, if I could summarize, it seems to you that ...

In addition, if the technology doesn't allow folks to talk simultaneously, verbal validation can be a bit more awkward. During in-person meetings, we are more skilled at having multiple people communicate at the

same time, both verbally and non. Technology, as sophisticated as it may be, simply does not provide for that level of flexibility. Ethan Becker, CEO of The Speech Improvement Company and author of Mastering Communication at Work, says, "that one of the biggest challenges with video conferencing is that the focus is on one person which is the equivalent to having a board meeting in pitch black with a spotlight on the person speaking."

### Power Dynamic

The power dynamic in a family business is often obvious and longstanding, particularly when in person. At times it can help lead the family and business down a path of success and growth while other times it can represent tremendous challenges and drastically impact the ability for the family to communicate well. When thinking about the communication medium in which to have a family business meeting, we encourage you to take this power dynamic into consideration.

For in-person meetings, this dynamic often plays out with where people sit around the table. For rectangular, boardroom-type tables, the leader of the family or business often sits at the head of the table to assert his/her position with the group. At times he/she can also dominate the meeting by controlling the content of the meeting with who and when people speak.

This power play in video meetings becomes more difficult because everybody is "equal" with how they are seen on the computer. The person in perceived power may not be hosting or controlling the meeting and thus, giving way to others to "run" the meeting and control the agenda. Finally, video meetings from more intimate home settings tends to humanize us all. The senior generation are sometimes challenged in getting connected, taking away some of their inherent standing. Interruptions from pets and kids (especially of the most buttoned-up family members) can remove tension and level the playing field in a way that would never happen in a conference room.

### Level of Trust

When trust is high and the concern of ulterior motives is low or non-existent, the medium becomes much less of an issue. High trust lessens the issue of the power dynamic and often leads to better validation and

communication. However, when trust is low and conflict is prevalent, the benefit of the doubt is often not given, and we can sometimes question others' motives. This is when choosing a communication medium becomes very important.

In high conflict and power-imbalance situations that are often found with families in business together, the video mode can offer some significant advantages. Having each attendee join on his/her own screen levels the playing field in ways that are impossible when stakeholders are all around the same table. We have seen members of the next generation step up to responsibilities and more conflict averse individuals speak their minds when on video in ways we haven't when the same group has met in person. Deep-seated and long-held disagreements are sometimes diffused and depersonalized by not physically being in the same room. This sometimes provides the space to discuss very difficult issues.

## Decide How You're Going to Decide Before You Have to Decide

We began this article by pointing out that the choice of medium for your next meeting – in-person or video – has the potential to be very divisive. It also provides an opportunity to unify and align family

business stakeholders. The factors we outline above are great discussion points. To fully realize an alignment opportunity, the group needs to clearly define their decision-making approach – before diving into discussion of the above factors.

Perceptions of fairness in family decision-making are critical to family unity and commitment and design of the decision-making process is fundamental to the perceptions of fairness.

Even if you have well-defined decision-making processes and policies in place, we believe the wide-ranging opinions and emotions involved in an “in-person or video” meeting decision make it important to back up and get very clear on your process. You may need to have a video meeting to review and verify this decision-making process before you advance with an in-person or video meeting for your original purpose.

In-person or virtual? The decision itself might be a short-term challenge. But the depth of emotion and potentially wide-ranging stakeholder perspectives complicate what might seem to be a simple choice. Use this as another opportunity to create (or brush up) your decision-making approach. Practicing the elements of fair process is one of the most meaningful contributions you can make to support family enterprise continuity.

## Steps for Fair Process

Here are the steps to design a fair decision-making process from the ground floor.

### 1. Make sure there are No Surprises

Everyone who will participate in the decision:

- Has a chance to voice their opinions in a time frame that allows them to prepare and present their views; (You might share this article with the decision-makers, for example. This could be considered “fact-based” background that grounds the group with a similar foundation.)
- Knows ahead of time there will be a call to a decision;
- Knows who “owns” the final decision; and
- Knows how the decision will be made (e.g. consensus, supermajority vote, unanimous, etc).

### 2. Hold discussion with Sincere Care

- Ensure each participant feels respected and heard by creating and utilizing your code of conduct or creating and following ground rules. (The factors outlined above could provide both pre-reading and a list of discussion topics for the decision-making group.)
- Various techniques should be employed to find a win-win solution before a decision is made. (The above factors are a nice list of topics but there are no simple answers to each.)
- Consider utilizing a third-party facilitator to help you design and steward the process as well as the decision-making approach. Any facilitator must be skilled and objective.

### 3. Ensure no Conflicts of Interest

An example of a conflict of interest in this setting may be someone's individual risk tolerance. While the group may know that none of the potential attendees has any compromising health conditions, if an individual is feeling very risk averse about travel or about technology, they may "lobby" for one

medium or another. Work to understand attendees' underlying interests if they seem to have a bias towards a medium that you don't understand.

### 4. Follow up

- Communicate
- Support the decision

---

Barb Dartt and David Karofsky are principal consultants of The Family Business Consulting Group.

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](mailto: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](mailto: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.