

Family Enterprise Superpowers Offer Strength in Tumultuous Times

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Family firms have special characteristics and abilities that make them stand out in a crowd. You might think of these qualities as family enterprise superpowers. During times of intense disruption, family firms can deploy their superpowers to build strength for the future – not just for themselves, but for all who depend upon them. As former Chicago Mayor Rahm Emanuel, paraphrasing Winston Churchill, advises: “You never let a serious crisis go to waste. And what I mean by that it’s an opportunity to do things you think you could not do before.”

Strong family firms succeed across the generations because of a commitment and ability to grow through adversity. They reinvent their businesses when industries change. They harvest and redeploy assets in family offices as good stewards of what they have been given. They create foundations to direct their wealth into important initiatives that benefit us all. These are the results of special characteristics shared by family enterprises around the world.

The following special characteristics (AKA superpowers) characterize many Family Firms:

Caring, involved presence in large and small communities, where the family enterprise supports local hospitals, parks, religious and arts organizations as well as numerous individuals and families.

Long-term time frame that leads family firms to perceive and pursue opportunities for superior performance that are overlooked or invisible to public firms forced to show short-term, quarter-to-quarter results.

Legacy values guiding decision-making, which allows family enterprises to make decisions and take actions that place moral, ethical and human considerations as important priorities.

Contrarian strategies that family firms pursue because they can perceive opportunities for service and innovation (and profitability!) that are invisible to others.

Both/And thinking where family firms develop a superior ability to address stubborn problems and can find ways to prioritize both family and business, employee safety and critical operations, care for the individual and care for the community.

Each of these superpowers offer tremendous support and wisdom in times of crisis.

Islands of Calm in a Storm of Uncertainty

When family firm leaders state their commitment to the long haul, it’s not just empty words, it’s their proven way of operating. When they say they will continue to be guided by their legacy values, they have decades of history backing up their claims. When they sit down to navigate seemingly impossible dilemmas, they have generations of experience addressing similar tensions successfully. It’s not the first or last time they will address seemingly unsolvable problems with novel approaches. In tough times, family enterprises, long known in their communities for bold and successful action, can be sources of inspiration and reassurance for a range of stakeholders.

Many of our clients are in critical industries such as food, infrastructure, housing and medicine, and they are continuing to operate during this crisis. We hear that they are swamped and challenged beyond anything they’ve experienced before. Others have been forced to close their doors and send employees home without knowing when or how they will reopen. Many are committed to continuing to pay loyal staff as long as possible. Others have continued to provide health insurance to

furloughed staff. Some have cut their own ownership benefits for the short-term in order to maintain operations and employment. Whatever the details of the situation, all of these organizations have stakeholders looking to them for information about what's coming next and how next steps will be managed.

In their words and actions, leaders and owners of family firms have the opportunity to be islands of caring and calm in this storm. As they take the podium, craft the email message, open the zoom call, or speak directly to anxious community members, these leaders can draw support and wisdom from their unique family enterprise superpowers.

Some of the ways our clients have approached communications with critical stakeholders are listed here in the hope that you will benefit from the success of others.

- Establish a regular time and format for communications to create dependability in a time of unpredictability. Consider a weekly or even daily call or email to stakeholders. One of our clients has been holding morning stand-up meetings for 30 minutes at the start of each day, to provide updates and presence for a workforce working remotely for the first time.
- Set a tone of calm, hope and practicality, combined with realism and honesty. Include stories and images as well as facts and numbers. Speak to people's head and hearts, in a way that is optimistically realistic. Inspire with lessons from your history that demonstrate proven competence.
- Draw a clear line between your actions and your stated values. Although the connection is obvious to you, it may need to be made explicit to others.
- When communicating with family shareholders, emphasize the special advantages of being private and ways you are taking advantage of a long-term perspective. Share the actions and accomplishments of the leadership team, whether it's in the Family Office or operating business, to reassure owners, especially those that may be dependent on dividend streams to support their lifestyle.
- Use existing Family Councils or other family

governance structures in support of family communication and cohesion. Your Family Council can help organize ways to keep family members in closer touch with each other. Shareholders not active in the business or governance may feel great love for the enterprise and want to offer support from afar. The Family Council could take this opportunity to be a vehicle for family members to express their support and appreciation to business or family office leaders who are addressing the tough issues of this crisis.

Stay Strong to Stay Calm

You can only take advantage of your superpowers if you make time to take care of yourself and keep yourself strong, calm and healthy. It appears that this crisis is not a sprint, it is a marathon. Here are a few concrete actions we've seen others take to stay strong and positive for the long term:

- Prioritize physical exercise, regular meditation, time in nature and/or other spiritual practice so you can be stay grounded and strong for others.
- Even as you respond to emerging, urgent demands, do your best to preserve time and attention for the long term. Continue your work on important/not urgent issues such as mentoring future leaders, drawing lessons from the current situation and spending quiet time with loved ones.
- Whatever lifts your spirits, makes you smile or laugh - make time for it! Be on the lookout for small opportunities to pause and be grateful for everything that is going well at this moment. Make a quick phone call to someone that will give you an encouraging, loving response. Nurture your internal landscape with positive, energizing thoughts and images as much as possible.

Treasuring Each Day, a Personal Note

Teach us to treasure each day, that we may open our hearts to Your wisdom.

This beautiful interpretation of Psalm 90:12 popped into my mind during my morning meditation this week, and I knew it was a key to finding some peace and grounding during this difficult time. I realized that I have been regularly taking several simple actions to manage the

stress and anxiety of the global pandemic. Although none of them are brand-new or earth shaking, perhaps collecting them in one place would be helpful. So, here goes:

Visualize

Can you use your mind for good? If you can be aware of what is in your mind, you can regularly nudge your mind in a positive direction. Over the past weeks, (inspired by teaching from Grandmaster Nan Lu) I've been revisiting times when I felt strong, happy and supported. I think about holding my grandson while he slept or watching my children and their spouses cook a meal together or hiking by the ocean. I fill my mind and body with those happy memories. I feel a smile come to my face and positive energy floods my body.

Alternatively, I've been visualizing future events that I'm looking forward to. I image the whole family gathered next Thanksgiving, happy and healthy around a table groaning with food. I imagine stepping off the plane to visit my family in Berlin, sharing hugs and kisses after this long separation. Once again, I am filled with happiness. I feel stronger and more capable to manage whatever is coming my way.

Connect

Our extended family has a weekday zoom call during lunchtime. Different people drop in on different days, stay as long as they can, then drop off. We are located all over - Berlin, Oakland, Southern Illinois, Chicago,

Chicago suburbs, but online we come together very easily. I see the grandkids light up when they see the faces of their aunts, uncles, cousins and grandparents, even if just for 5 minutes. These calls offer stability and connection for all of us. We have no fixed structure, but just seeing each other's faces and hearing each other's voices creates support and nourishment.



Be Still

Finally, I make time to be quiet and still every day. Because I've had a meditation practice for many years, it comes fairly easily. In stillness, I can hear my heart beating, and know this is a miracle. In quiet I can hear the furnace kick on and feel gratitude for its warmth on the chilly spring day. When I'm sitting on my meditation cushion, I may feel sad, or anxious, or lonely, but as I remain still and calm in the midst of those swirling emotions, they usually lessen and eventually release. What's left is a simple feeling of being alive, breathing, in this wonderful moment.

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