

Building a Multidisciplinary Advising Team for Your Family Enterprise

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What do a multidisciplinary advising team (MD Advising) for family enterprises and a Formula One racing pit-stop team have in common?

A lot more than you might think.

A pit-stop team is a group of specialists who work together to service race cars as quickly as possible and get them back on the track for a given racing event. Each person has their specific job/expertise and together they can address a range of vehicle and driver-related issues — from a flat tire to a malfunctioning engine to driver fatigue. They must communicate closely and work as collaboratively as possible.

In the same way, an MD Advising team is made up of specialists with the shared goal of helping a family enterprise “speed” toward continuity and positive outcomes for the business and family. They also must communicate effectively and collaborate across disciplines for the best results. This article is designed to help you, the client, understand what makes a good MD Advising team and how to build one specifically for your family enterprise.

The Concept of Multidisciplinary Advising Teams

Multidisciplinary teams consist of a variety of experts who support family enterprises in the continuity process including estate planning specialists, accountants, attorneys, wealth managers, insurance specialists, family therapists, coaches, business strategists, and others. Each of these experts serve a specific need for a family enterprise in their continuity journey. No one advisor can possibly serve all the needs of a family enterprise. A variety of services are generally needed, including establishing governance practices



to developing a shareholders’ agreement to building policies that help manage the relationship between family and the business.

When an advisor works in only one area of the family enterprise based on their given technical expertise, their purview is limited to that specific aspect of the family enterprise. This limited perspective may lead them to make incorrect assumptions or have an incomplete view of the family’s needs for solutions. Much like the proverbial blind men touching just one part of an elephant, advisors who only see one domain of the enterprise — whether related to the family, business or ownership — often fail to embrace solutions that serve the whole enterprise.

Multidisciplinary advising is about moving from a traditional single-discipline approach to a wider-enterprise view of understanding a family’s needs particularly as it relates to continuity planning. In this approach, an MD Advising team works closely with both the family and with fellow advisors of different disciplines to deliver more effective, whole-system enterprise solutions. Think of a multidisciplinary

approach as that taken by a group of professionals varied by complementary experience, qualifications and skills that contribute to the achievement of common family enterprise goals.

Benefits of an MD Advising Approach

The MD Advising approach has multiple benefits for families and advisors alike, including:

- **Full complement of knowledge and skill:** Because no one advisor is fully equipped to address all family enterprise issues, the MD approach can deliver the full complement of expertise and tools needed to address the complexities related of family enterprise continuity.
- **Sharing of information:** With an MD Advising approach, the family no longer must serve as the “clearinghouse” of all information given by a set of independent advisors. Advisors can share information among themselves for the family’s benefit and present a coherent and comprehensive plan.
- **Synergistic problem-solving:** Family enterprises are complex. The MD approach enables not just sharing of information among advisors but integration of ideas and solutions, each informed by the others, such that the whole is greater than the sum of its parts.
- **Collaborative, stimulating professional experience:** Working with family enterprises can be rewarding but solitary experience, with minimal interaction with colleagues. In contrast, MD Advising affords advisors the opportunity to work closely with fellow family enterprise experts, learning from them while delivering more effective, creative, integrative enterprise solutions and having a more enjoyable experience based on the team interaction.

For all these reasons, an MD advising approach offers great value. However, doing this right involves working through some inevitable challenges and a deliberate preference on the part of a client.

Challenges of MD Advising

Sometimes advisors don’t see the issues a family faces outside of their technical discipline because their training builds a particular lens that trains their eye, or

they feel protective of their clients and don’t necessarily want to bring in other professionals. Some advisors think they can provide all their client’s needs themselves even if it is outside of their wheelhouse, or they may not have other resources to offer. The following summarizes some of the key challenges faced by MD advising teams:

Finding the right team: It’s often challenging enough to find one effective provider of family-enterprise advising, let alone a whole team. Indeed, many advisors may not know where to turn to find complementary specialists when dealing with tricky enterprise issues. So often the first challenge is identifying the right MD Advising team members, whether through an established network or referrals. A second challenge is related to finding skilled team members who bring not just technical expertise but also capabilities related to effective teamwork, an understanding of good process, and strong interpersonal and collaborative talents.

Communication and perspective-related challenges: Any working group will face communication challenges and potential conflicts rooted in divergent perspectives. But the very concept of MD Advising relies on integrating different areas of expertise and points of view. The idea, as such, is to look for team members who can identify and manage emotional and interpersonal dynamics, and take a proactive approach to communication, such as regular check-ins, and development of a team culture rooted in transparency, honesty and respect.

Ego-driven issues: Related to the point above, team-member egos can influence group dynamics as well, especially if you bring successful individual advisors into a team setting. Specialists who are accustomed to having the family’s “ear” or favor may feel threatened by sharing advice-giving with others, so expect some bumps along the way and take a strategic approach to communication and broader culture.

Developing a trust-based working relationship: Even if you find what seems to be the right group of advisors to collaborate as an MD Advising team, creating a strong working relationship amongst them will take time — time collaborating on integrative solutions and working through interpersonal issues. The goal, then, is to start with the end in mind: creating a long-term alliance of advisors to tackle the challenging family-enterprise issues.



Build a High-Performing MD Advising Team

It's vital for the client to take a strategic approach to building the highest-performing MD Advising team. Successful MD Advising teams utilize key structures that help them start off on the right foot including:

- A commitment to common objectives
- Defined roles and responsibilities
- Clarified decision-making, communication, and work procedures
- Good personal relationships and communication

These elements may seem simple but bringing them to life and sustaining them requires ongoing effort and intentionality, with all team members dedicated to positive collective outcomes. There are multiple ways to work toward the ideals of MD Team Advising.

Here are three strategies that have worked well for multiple advising teams:

Strategy 1:

Ask Your MD Advising Team to Build a Charter

It can be helpful to start with a written charter that lays out key team agreements that help team members discuss and align around how they are going to work together including:

- Purpose/Objectives
- Communication strategy
- Conflict management agreement
- Team member roles and responsibilities
- Fee arrangements
- Confidentiality agreement
- Process for progress updates
- Peer feedback process

Although the charter serves as an important reminder of a team's agreements, the discussion itself is often the most valuable part of the exercise. A charter does not need to be long. Often a page or two will suffice if it is succinct.

Strategy 2:

Create Psychological Safety

Team psychological safety has been shown to be one of the most critical factors in team performance and team-member satisfaction. As Harvard Professor Amy Edmonson (1999) describes, "Psychological safety is the belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns or mistakes."

In other words, a strong MD Advising team will be like a supportive family, where high-value contributions are expected but members are consistently made to feel valued, acknowledged, and respected, including when they are facing challenges.

Strategy 3:

Foster Straight Talk and Authenticity

Closely intertwined with the psychological safety concept is the idea of fostering authenticity and honest, frank dialogue. Team members should be able to bring their "real selves" to the work and admit when they are facing professional or personal challenges that may affect their contributions or feeling frustration at how the team is functioning or progressing.

Here, key practices to aim for include:

- Make a commitment to yourself and your team members to be honest and open about what is working and not working about the process — with respect and sensitivity of course.
- Create a foundation of trust by showing acceptance and respect for others' perspectives or ideas, even when they differ from your own.
- Demonstrate leadership by raising your hand for key responsibilities or processes such as monitoring team progress or initiating team feedback.
- Admit when you make a mistake and acknowledge the impact it may have on teammates or client families.

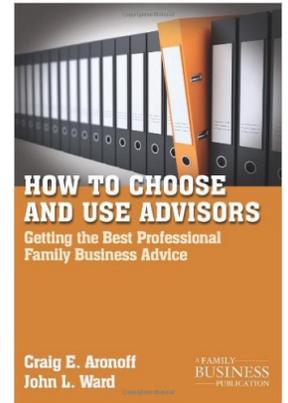
Conclusion

An MD advising approach serves family enterprises well given their complexities and need for a variety of technical (both process and content) expertise. Following the ideas presented here can yield large benefits both for family enterprise across multiple generations and for the teams themselves.

Recommended Reading

How to Choose and Use Advisors: Getting the Best Professional Family Business Advice

In *How to Choose and Use Advisors*, authors Aronoff and Ward establish benchmarks for excellent advisory services and they show business owners how to benefit from advice ranging from legal and financial to executive search and organizational development



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