

Creating High-Performing Multidisciplinary Teams for Family Enterprise Advising

By: Wendy Sage-Hayward

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 racecars 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 have to 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 about what makes a good MD Advising team and how to build one. First, the concept of multidisciplinary teamwork in the context of family enterprise advising will be defined. Next, the challenges of working as a MD team will be explored. And finally, the strategies and practices of how to build a high-performing MD advising group will be presented.

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 are experts serve a specific



need for a family enterprise in their continuity journey. No one advisor can possibly serve all of the needs of a family enterprise. They require a variety of services from establishing governance practices to developing a shareholders agreement to building policies that help manage the relationship between family and the business.

In many cases, a given specialist works independently, meeting with family and other enterprise leaders to tackle a given challenge or goal, with the aim of becoming a trusted advisor to the family. Or may sometimes just serve as a transaction-driven service-provider.

The challenge is that each advisor works in only one area of the family enterprise based on their given technical expertise. Consequently, their purview is limited to that specific aspect of the family enterprise which may lead them to make incorrect assumptions or have an incomplete view of the family’s needs or solutions to the same. This is much like the proverbial blind men touching just one part of an elephant. The advisors only see one domain of the enterprise — whether related to the family, business, or ownership — and thus fail to

embrace solutions that serve the whole of the enterprise more fully.

Multi-disciplinary 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, and 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 of these reasons, an MD advising approach offers great value. However, doing this right involves working through some inevitable challenges, as is discussed next.

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. Sometimes advisors feel protective of their clients and don't necessarily want to bring in other professionals. Sometimes advisors think they can provide for some of their client's needs themselves even if it is outside of their wheelhouse. Sometimes advisors may not have other resources to offer their family clients. 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 brings not just technical expertise but also capabilities related to effective teamwork, an understanding of good process, and strong interpersonal and collaborative talents.

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 as noted below. 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.

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 high-EQ team members who can identify and manage emotional and interpersonal dynamics, and to 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.



Build a High-Performing MD Advising Team

It's vital to take a strategic approach to building the highest-performing MD Advising team.

One framework that can help achieve this is [Tuckman's Stages of Team Development](#) which includes the following stages:

- **Forming:** Assembling a team using your knowledge of what skills and areas of expertise are needed, and finding the right people to provide those while bringing strong collaboration experience and skills as well.
- **Storming:** Thinking about how the team can function at the highest levels and work through intra-group challenges, such as by developing a code of conduct and set of values that will inform the team's culture and interactions.
- **Norming:** This can be partly about creating a multidisciplinary charter covering key team goals and practices, as discussed below. But more broadly it's about setting group norms as you gain experience together, including those related to explicit and implicit team values.

- **Performing:** The three elements above come together to help the MD Advising team deliver optimal performance for the benefit of client families and advising team members alike. The focus is on monitoring progress and making strategic changes for continuous improvement.

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.

Three Strategies for Success

There are multiple ways to work toward the ideals of MD Team Advising. Here three strategies are shared that have worked well for multiple advising teams.

Strategy 1: Build an MD Advising Team Charter

Teams will have a range of approaches to deciding their charter, some more formal than others. It can be helpful to start with a written charter that 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 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. Researchers have suggested four stages of psychological safety:

1. Inclusion Safety: Feeling safe that you will be included in the group — such as being kept informed of the MD Advising team’s efforts and progress.
2. Learner Safety: Feeling safe about learning in the context of the group — such as learning about family-enterprise needs and how the team can approach these.
3. Contributor Safety: Feeling safe about contributing ideas — such as sharing expertise and not being judged or made to feel like your contribution is inadequate.
4. Challenger Safety: Feeling safe about challenging the status quo — such as pointing out group issues or obstacles.

Keep those stages in mind and work toward developing them with a new or ongoing MD Advising team, to maximize performance and morale.

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.

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.



Wendy Sage-Hayward is a senior consultant with 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. 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

