

COMMUNICATION & CONFLICT RESOLUTION: CASE STUDY

CNC Software: Improved Family Communication Helps Business Move Forward

Brian Summers, Meghan West and Mark Summers of CNC Software.



Aerial view of CNC Software's facility, a leading provider of CAD/CAM software solutions for manufacturing industries.

Challenges and Opportunities

Meghan West grew up immersed both in the family business, CNC Software, and in the tight-knit, loving family that ran it.

But the family's closeness did not guarantee a smooth generational leadership transition when Meghan took over from her father, Mark Summers, in 2015. Mark had run the company since its founding in 1983, and his brother, Brian Summers, had

been involved for most of that time. Mismanaged expectations and a lack of clear communication about the transition led to tensions in the family.

"I wish I had been better at recognizing when other people weren't really expressing what they were thinking," Mark said. "I probably could have asked a few key questions to draw out more information."

With no one asking those questions, tensions grew among the family members who were leading the company – and those tensions did not stay contained in the family. Meghan decided they needed help from a neutral party.

At a Glance:

BRIEF COMPANY PROFILE

CNC Software, founded in 1983, is the maker of Mastercam, the most widely used CAM software in the world. President and CEO Meghan West remains the second-generation family leader of the business, which was acquired by Sandvik in 2021.

FBCG SERVICES

- Communication and conflict resolution
- Succession planning
- Ownership alignment

BENEFITS TO FAMILY & BUSINESS

With better communication and avenues for resolving conflicts, the family got healthy, which in turn made the business healthy. The family was better aligned and able to make a clear-headed decision when approached with an acquisition offer.



CNC provides tool and die manufacturing software solutions to meet the high-precision demands of industry.

"It was starting to bleed over into the operations," Meghan said. "It seemed like we needed to address the issues so we would be able to be the most effective company."

Choosing to Work with FBCG

Meghan turned to her network to ask for recommendations for a family business consultant. Her connections from YPO suggested The Family Business Consulting Group (FBCG), and they connected with David Karofsky, a principal consultant with the firm.



Meghan West, President and CEO of CNC Software

It was a good match. David was near enough – he works out of Massachusetts and Meghan and her family were in Connecticut – to facilitate frequent in-person meetings. And he had deep experience consulting with multigenerational families on communication and conflict management, experience that helped him ask the probing questions that Mark and other family members had not.

"It's a valuable thing to consult with an outsider who might have a different perspective that could help you – especially somebody like David that has gone through this with many family businesses before," Mark said. "I'm sure he sees patterns, and he's been at it long enough that he knows what solutions are effective."

David also met one of Meghan's key criteria for a family business consultant: He was someone who would handle the family dynamics with care.

"All of our issues are rooted in love and in wanting the best for the company," she said. "David has a very calm and grounded presence. It was important to me that Brian and my dad would feel supported and not attacked."

Co-Creating Solutions: Setting and Achieving Goals

Difficulties in communication and succession planning are common in family businesses, and addressing these proactively can be important to help a business move forward. The goal of this engagement was to help the family move beyond issues from the past so they could take advantage of opportunities in the future.

"The challenges faced by the Summers family are familiar to many families who are in business together," David said.

Families making decisions about succession planning and other pivotal issues for their business face a dual challenge: Their decisions will affect the future performance of the business – and they will also change the dynamics of the family. Meghan, Mark, and Brian had not fully reckoned with how the leadership transition would affect their family relationships.

"A lot of it had to do with me struggling to navigate the dynamics of being elevated to a role in the business hierarchy that put me above somebody that had been my uncle and guide and life coach for my whole life," Meghan said. She has

childhood memories of Brian – who at the time she took over was vice president and a partner in the company – making her pancakes and teaching her how to ski. “I think the situation was almost exacerbated by the fact that Brian and I had such a strong relationship before.”

The work with David uncovered an additional factor that contributed to the issues: The family did not have much practice disagreeing.

“For my entire relationship with Brian, we never had to develop tools for how to manage conflict,” said Meghan. “He was the best uncle I could have ever asked for – fun-loving, a very attentive, present person in my life. When we were managing the company together, when we both had the same vision or idea, it was great. When we didn’t, we didn’t really know how to talk about it.”

The friction that had been developing was “difficult for the family but brutal for the rest of the business,” David said. “When family feels excluded from a process, regardless of what the answer is – even if it’s the right answer – conflict can ensue and at times catch non-family employees in the middle of family challenges and dynamics.”

A Structured Process

To help bring the family into alignment and the business relationships back to health, David used a multistep process to work with the family on conflict resolution and communication.

Discovery

As is typical for this type of engagement, David started with discovery: interviewing all key family members and other stakeholders. “I’m looking for themes around family dynamics, challenges, opportunities – where they align and where they aren’t aligned,” David said.

Once he had a sense of what was working and what was not in communications, conflict resolution and decision making, David gave the family a summary and recommendations – offering a roadmap for turning the challenges into opportunities.

Learning to Communicate

Next came a two-day intensive communication workshop with the core family members: Meghan, her parents, and her uncle and his wife.

“The outcome was really to teach them how they can communicate more effectively with each other: understanding triggers, what they appreciate about each other, how to validate each other,” David said.

With David moderating the conversation, the family members were able to express themselves freely and envision a new way of communicating. One concrete outcome of the workshop was a code of conduct that the family developed and agreed on.

“It was really effective,” Meghan said. “Our family is not really good at conflict management. We all held feelings in and made assumptions – which would eventually lead to resentment.”



Established in 1983, CNC Software is one of the oldest businesses in the CAD/CAM industry.

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Meghan said.

“If you have an important decision or change coming up, think about the benefit of getting an outsider in there,” Mark said.

“The trick is to know and understand when you need help, because I didn’t always know that until afterward.”



CNC Software is consistently voted as one of the top places to work in Connecticut.

Continuing the Work

Once the family had the tools to communicate and work through disagreements, the focus turned to the future. David worked with the family about one full day per month for about 10 months, meeting with different combinations of family members and ending the day with all five key family members together. Phone calls with Meghan, Brian, and Mark filled gaps between meetings.

“This created a whole open, green space to talk about ownership, board structure, decision making – all of that – without the past getting in the way for them,” David said.

A Healthy Business

Bringing the family owners into better alignment was critically important to the business. Employees knew all the key family members well, and they could sense when there was tension. Conversely, healthy communication among the family members involved in the business signals that it’s OK to acknowledge and then resolve conflicts.

“Team members know my dad, my uncle and me. When there is unrest, it impacts them on an emotional level and an operational level,” Meghan said. “The more you can talk about conflict, the more confident your employees are that you’re making the right choices. We have to lead by example.”

Developing as Owners

As the work with David progressed, the family started to focus on ownership to tackle questions such as: What types of decisions do owners make? How do we create strategy at the ownership level? How can Mark and Brian, as owners, support Meghan in her role as president? How can Meghan keep Brian and Mark informed?

David encouraged the three voting owners – Meghan, Brian, and Mark – to start meeting on their own as an ownership group, and they began doing so, every other week.

A Turning Point

Soon after completing their work with David, the family and the business faced two monumental challenges: first, the COVID-19 pandemic, and second, a decision about whether to sell the company. At the end of 2020, Sandvik approached them with an acquisition offer.

We had kind of found our footing again, as a family and as owners,” Meghan said. “We were faced with the biggest decision with which a company is ever faced.”

After many conversations, Meghan, her parents and her uncle held a Zoom meeting to make a decision. Meghan was in Hawaii, where her family had relocated during the pandemic, and the others in Connecticut.

"After playing out different scenarios, we realized that while it was going to be painful, the best decision for the company was to sell," she said. Sandvik has a people-first culture and passion for manufacturing that make it similar to CNC, said Meghan. Today, CNC is a separate business unit of Sandvik, and Meghan remains president and CEO. Her father and uncle are advisors: Mark meets regularly with the company's technical staff, and Mark and Brian hold quarterly advisory meetings with Meghan.

"I'm not sure that process would have been as smooth if we hadn't gone through our work with David," Meghan said. "If there was still a lack of trust and an inability to communicate what we felt, I think the whole process could have been very contentious – and it wasn't."



Powerful Dynamics

The improved communication among the family leaders helped them work together to make business decisions – which in turn reduced the stress on the company's employees. It also helped the family work through the inevitable changes brought about by the pandemic and the leadership transition: Meghan, Mark, and Brian were used to having spontaneous in-person meetings in the office. These would not have continued forever as Mark and Brian stepped away from day-to-day operations, but the pandemic brought them to an abrupt halt.

Their work with David helped them find a new way of communicating and working together in the face of these changes.

"If you have an important decision or change coming up, think about the benefit of getting an outsider in there," Mark said. "The trick is to know and understand when you need help, because I didn't always know that until afterward."

Although the sale and its aftermath have required a new set of adjustments, the sale has been a success from a business perspective.

"The victory in this is that it positioned the family to be in a really good place to make some really cool decisions – and some hard ones," David said. "Without the family dynamics getting in the way, it freed them up to have open, honest, transparent conversations — and do what's best for the business and the family."

Let's Start a Conversation

To learn more about The Family Business Consulting Group and how we serve families like yours, call (773) 604-5005, email info@thefbcg.com or visit www.thefbcg.com.

With improved communication skills, Brian, Meghan and Mark became aligned as owners to navigate change and make important business decisions together.

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