

When a Hope is Not a Promise



It was a tough conversation, but Sandy couldn't put it off any longer: "When I went to work for you, Dad, you told me I would eventually take over the business. That was 13 years ago. How long do I have to wait?"



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As hard as this was for Sandy, it was just as difficult for his father to tell him, "I guess every father hopes to see his son follow in his footsteps, but I'm not ready to head out to pasture yet. And I'm not so sure that you're ready to take over."

Not surprisingly, Sandy didn't find this answer reassuring. In fact, he began to wonder if his father would ever think he was ready. Maybe this was just Dad's way of holding on, perhaps indefinitely. Sandy was 36, with kids of his own. Was he going to work for his Dad forever? He knew the business – he'd spent his whole working life there – and felt sure he was ready to step up to Dad's job. Why couldn't his father see that?

Dad had cherished the dream of handing the business over to his son, and had put his whole working life into building up the enterprise with that end in mind. But there were a lot of mitigating factors that troubled him. The competition in their marketplace was fierce, and the market itself was changing rapidly. Technology and regulations affecting their business seemed to change daily. And their banker wasn't all that friendly any more.

More concerning to him, though, were Sandy's own

shortcomings as he saw them. Sandy's outside experience and preparation to deal with the business were limited. He certainly didn't put in the hours that his father had. Determined to be at his kids'

ball games and other events, Sandy didn't think he owed the company the 64-hour weeks that had always been his father's norm. Too often, his work was sloppy, and his attention to detail lacking. And even though Dad was willing to admit that,



at 67, he'd probably worked long enough, he still needed the income from the company to support himself.

Dad had hoped that his son would step into his shoes at some point – but that promotion was always contingent on Sandy's ability to handle it. He never intended his "hope" to be interpreted as a "promise." Sandy, meanwhile, heard

his father's expression of hope as a commitment to him. It is something he had been waiting for, and to which he felt entitled.

As consultants to many family businesses (and as a family business ourselves) we've seen how destructive this kind of miscommunication can be to the relationships involved and to the business itself. How can this father and son work through these issues, and arrive at a solution?

1. Both parties need to clarify their understanding of what Dad intended as a "hope" and Sandy heard as a "promise," and the expectations that created for each of them. Dad has to explain to Sandy that leadership succession is not an entitlement.
2. Together, they should discuss the "big picture" and determine what makes up the essence of their business. What are the relative needs in terms of technology, government regulations, competition, and finance?
3. Sandy's knowledge, skills, and experience in those areas need to be assessed in view of his limited outside experience and prior training. Sometimes key non-family managers, who possess greater objectivity, can lend insight and commentary to both Sandy's skills and Dad's perceptions. It's time for a 360 degree performance appraisal.
4. Father and son should discuss what trade-offs and compromises can be negotiated so the needs of the business can be satisfied along with Sandy's need to spend quality time with his family.
5. Dad needs to share with Sandy his financial concerns and fear of being dependent on a business whose leader may lack essential skills, and he must build a plan to attain financial security.
6. Sandy, with his father's guidance and valuable feedback from his 360, should prepare a career development plan, listing the specific competencies and skills that need to be attained, how they will be learned, how they will be measured, and an appropriate time frame for re-evaluation.

It is not unusual for members of the senior generation to express the hope that their children will come into the family business. It is equally common for their offspring to interpret that hope as a promise. While more open discussion and Sandy's career development plan do not guarantee Dad will have the necessary confidence in his son to turn the business over to him, a shared commitment to make it work are prerequisites to preserving both the relationship and the enterprise they both value so highly.

For more tips and resources from David and Paul, visit www.fambizconsulting.com.



**Out of respect for their clients, the Karofskys have altered the names and personal facts of their clients.*