

At Odds With The Business—And Her In-Laws

Bob Miller is torn by a growing rift between his wife, Carol, and his three sisters. Bob, 55, and Carol, 51, are owners of Miller's Gifts, a small retail chain. They make the business their whole life, "something I would never want to do," she says.

In fact, Carol has budgeted her money for a trip to Paris to visit a friend. She feels the business is no longer so bad off. But Bob knows his sisters resent Carol's plans. "They complain that she doesn't understand her role as an owner," he says. He wonders what he can do to make Carol more responsive to his sisters' complaints and the needs of the business.

Individual Goals Are Important, Also

At first glance, Carol's vacation plans appear to reflect a selfish disregard for the business. On closer examination, however, her trip may be a reminder that a family business is composed not only of a business system and a family system but also of individuals within the family.

To remain vital, a family business must have ongoing communication regarding the goals of the business, the goals of the family, and the goals of each individual family member. If Carol believes that she does not want to make

her life, that must be open and discussed by the business. Perhaps this family has been so focused on the business going that it has lost sight of planning for the business.

Carol needs to bring in a family-business consultant to assist the Millers in a family-council meeting. The meeting should include all family-business members and address the following questions:

1. How do we see the business in five years? How do we see our involvement? 2. How do we see Carol's role in the business by herself? If not, what alternatives?

3. How do we see our children coming into the business? How can a formula be developed to adjust individual family members' responsibilities based on their time commitment to work?

If the consultant creates the context for the Millers to begin group discussions, regularly scheduled family-council meetings can continue without outside help. The topics for discussion may change, depending on current problems and success. What remains the same will be the opportunity for each family member to share hopes and plans for the business—for the family as a whole and for the individual.



PHOTO: EKEN TOUCHTON

Patricia Cole, visiting assistant professor and director of the Institute for Family and Business at Nova Southeastern University, in Fort Lauderdale, Fla.

recession hit, Bob had a heart attack. His sisters became very protective of their brother, not wanting him to worry about money or time. "Carol and I took a lot of money out of the business and then bought the original shop from Bob's mother and then, under Bob's leadership, expanded to four more locations. Bob is the chief executive officer, and Carol, as executive vice president, fills in wherever she is needed. Bob's sisters work for the company; two are store managers, and the third is chief financial officer.

When the business expanded rapidly, debt built up quickly, and little money was set aside for hard times. Then, just as the

workload so that Bob can continue to be healthy. "I'm really lucky to have such devoted and hard-working sisters," he says. Carol, however, tells him his sisters took time off so I could avoid the stress of running the business," Bob recalls.

In the years since, the family members have cut back on bonuses and benefits, and Bob's sisters have increased their



ILLUSTRATION: DAVID CHEN

Confront Two Primary Issues

There are two primary issues here: the confusion surrounding Carol's role and the one involving the continued protection of Bob several years after his illness. Until both issues are confronted, the resentment and discord are likely to continue.

Questions for Bob and his family to consider include: Does Carol understand what is involved in running Miller's Gifts? Is she an owner, an operator, or both? Is Bob's health still an issue, or is he being overprotected by his siblings? Are his sisters content to continue working long hours?

The challenges within this family business can be addressed by using a technique called "accountability charting." This process calls for several meetings where family members, with the help of a facilitator such as a family-business consultant, identify the key responsibilities involved in running the business. Then, based on their individual abilities and interests, responsibilities are divided among family members. Through dialogue, Carol could be confronted and her role defined, and Bob's health and future could be discussed.

Accountability charting offers many benefits. First, Bob can increase responsibilities as his health improves or can begin succession planning. Second, Carol learns what is

involved in running the business and receives her share of the responsibilities. If she chooses a lesser role, compensation should be altered accordingly. Third, Bob's sisters can redefine their roles—they may not want to make the business their whole lives. Finally, family members' tendency to "keep score" will be reduced.

Clarifying roles and responsibilities will help establish a framework for addressing situations like Carol's and events like Bob's heart attack.

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This series presents actual family-business dilemmas, commented on by members of the Family Firm Institute. Identities are changed to protect family privacy. This month's editor is Robert Cottor, M.D., a consulting partner in the Family-Business Roundtable, Inc., in Phoenix. The authors' opinions do not necessarily reflect the views of the institute. Copyright © by the Family Firm Institute, Brookline, Mass.