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Communication Strategies for Families in Business

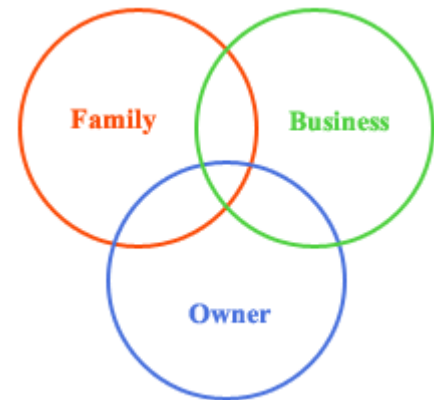
If your family business has communication problems, you're not alone. There are an estimated 24 million family businesses in America, ranging from your corner gas station to corporate giants like Walmart and Hallmark. Regardless of size, however, many family businesses rank communication among the most significant, persistent issues they face being in business together.

Good communication is a key ingredient in the health of a family business. No matter what the issue - choosing a successor, planning for retirement, dealing with family compensation matters, thoughts of selling - families in businesses find it difficult to move forward when they aren't communicating well with one another.

Communication in its most basic form is the process of giving and receiving information. Sounds simple enough, yet each of us knows from personal experience that communication can be a complicated process. And communication in a family-owned business can be even more complex and filled with conflict than in other types of relationships or organizations.

In the family business, three distinct parts make up what is known as the "family business system": the business, the owner(s), and the family. Where these parts of the system overlap, conflict and communication difficulties often can occur. Frequently, the demands of business can affect family life, and family concerns can have an impact on the running of the business.

Some say that trying to separate business, ownership, and family issues is like trying to unscramble scrambled eggs. When family members are connected in a family-owned business, a unique dynamic is created, unlike that in any other type of business. Thus, when working on communication, it's important for family businesses to acknowledge that family, owner and business issues are interconnected and communication difficulties may stem from multiple sources within the family business system. Building more effective communication first begins with acknowledging the unique nature of the family business.



Next, every family should create its own set of communication guidelines. Here are four guidelines that many family businesses have found helpful.

- **Quality and quantity are equally important.** Quality of communication means that clear and undistorted messages are given and received. Many misunderstandings can be avoided when family members learn to accurately express what they mean and listen carefully to understand what others are saying. Quantity of communication means that it must be regular and ongoing, not just reserved for special events or crises. Though not all family members may be directly involved in the business on a day-to-day basis, all should have some knowledge about what's happening.
- **Openness and willingness to communicate.** Families who can express themselves freely find it much easier to discuss problems as they arise, which prevents conflict later on. Open communication is always present in healthy families, and successful businesses.
- **Each family member is unique.** Our personality characteristics are influenced by many things, including inherited traits and personal experiences. Even when there is underlying agreement about family business values, each family member will have a slightly different way of expressing

- thoughts and feelings. To ensure fruitful communication, we must look beneath the surface of individual communication styles.
- **Flexibility is critical.** Flexibility is a priority, especially when trying to resolve difficulties with other family business members. When family members are able to compromise and bend, it further enhances the trusting relationships among family members, which in turn, leads to improved communication and the ability to take appropriate action.

A family that is effective in its communication will still have disagreements. But in a healthy family business, the disagreements are constructive and focused on solutions rather than problems. Open and effective communication takes time and energy, things that are sometimes difficult to come by in our busy work and personal lives. But it's well worth the effort, since improved communication is good for the family, the business and all the individuals who are part of them.

McLean, Koehler, Sparks & Hammond helps owners and business leaders become more successful by providing innovative financial, technology and management solutions for every stage of their organizations' life cycle. MKS&H's organizational consulting division, Tandem Partners, specializes in people strategies that drive business results. For more information on this article or MKS&H, please contact Margaret Wilson at 410-296-6200 or via email: margaret@mksh.com.

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