



# Business Mentors

## Success in Business is Relative

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Success in business is relative. Relative to what and relative to whom?

For family members in business together, the experience can be rewarding or challenging. Before I go further, I would like to qualify my partnership with my son, Phillip, as being a great joy in my life. When I grow up, I want be just like him.

Fathers and sons/daughters, brothers and sisters, husband and wife, and all other combinations are out there. The statistics would probably surprise us.

Like any partnership, this can be "the best of times or the worst of times." More than 50 percent of the businesses we work with have these types of relationships. I worked with my father and in later years, with my wife and three sons.

What are the more typical relationships?

- **A husband and wife working together.** This usually starts out as a smaller business and grows. The wife could be part-time or full-time. She could do the books and run the office, or she might be involved in a cleaning division. Often the wife is under-valued in her role, and can actually be more capable than her male counterpart.
- **Two siblings working together.** Frequently, this situation evolves from a parent-owned company, and it is not always the oldest who is the most capable. The best scenario is when siblings have complimentary talents.
- **A parent/child business.** This could also involve both parents and more than one child.
- **Other relatives working together.** The best example of this being a successful and synergistic relationship is Nick and John Paoella of Jon-Don Distribution.

### What does it take to have a successful family business?

The single most important trait is mutual respect — regardless of talent. Talent is important, but we have to be in the right position or job description to apply our talent. Just because you are the largest stockholder (or dad), does not mean that you should be running the company. Besides shares of stock, the position and job description in the company can often be held because you



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are the oldest sibling or have worked there the longest. The correct formula is to place family members according to experience and aptitude for their positions. Being humble about our talent can help facilitate the correct positioning. Pride about our position can hold back success and even cause failure.

Communicating is important. Hold regular meetings with agreed formats. Allow each person to request subjects to be discussed. Then practice mutual respect. Look for the positives in each other. Be generous in your forgiveness, and of course, be fair in compensation for performance.

One last non-family type of business worth mentioning is a partnership. Keep in mind that most of the information above applies. When frustrations arise, effective communication suffers and can lead to deeper issues. If partners cannot communicate wholly and completely, problems may grow. Sometimes a mediator can remove barriers and facilitate relationships.

In relationship businesses it is also important to prepare for generational and other types of transitions. It is not always wise to "pass-on" the family business. Sometimes the next generation will move the business beyond previous achievements. Maybe the new management is more in tune with changing times. Other times, the sons and daughters are only capable when supported by the parents. This is usually because the children used their parent's position to gain favoritism while working in the business.

In summary, mutual respect, honest evaluation of aptitude for job titles and open communications facilitate a relationship-type business. If all of these aspects are working, this type of business can be very fruitful.

Frequently the limitations in small businesses are not systems and procedures, but rather it is due to relationship issues. Clarifying roles and opening the lines of communications are the first step in creating a successful business.

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