

# Dirty Little Secrets of Family Business

## The Tricky Task of Passing Leadership to Next Generation



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After years of hard work, you've built the family garage door and gate business into a great success. But the day eventually comes when it's time to turn the reins over to the next generation. That moment can be exciting or anxiety-ridden, depending on how you've prepared.

### The Delicate Balance

"You don't want to paint an overly rosy picture to the next generation," said Henry Hutcheson, author of the new book, "Dirty Little Secrets of Family Business."

"That could create a sense of entitlement and the false perception that running a business is easy, and all you need to do is count the money and show up every now and then."

But if you overly emphasize the difficulties and stresses of running a door business, your sons and daughters might not clamor to be first in line to take over.

### Start Early

Ideally, it's best to start grooming the next generation long in advance, Hutcheson said. Give them summer jobs while they are in high school and college so they can start testing their abilities.

When they join the family business full time, find initiatives for them to work on that involve group dynamics. But also hand them individual projects in which they bear sole responsibility for the results.

"When you select the next leader, it's critical to realize that it's not all about who will lead,"

Hutcheson said. "It is also about ensuring that those who are not selected are in support of the decision and can work as a team with the new leader."

### Four Key Ingredients

Hutcheson said there are four key ingredients for grooming the right person to take over your door business.

#### #1: Independence

Next-generation leaders must have confidence in themselves, their thoughts, and their beliefs. "Much of this can be developed by constructing and leading significant projects in the family business," Hutcheson said.

One shortcut to bolstering confidence is to suggest or require that family members work for some other company first. Many multi-generation family businesses make it mandatory.

#### #2: Competence

Competence is more than just being able to do the work. It means developing bottom-up experience — by doing fundamental tasks like installing doors and operators. Doing installation work can pay dividends down the line.

#### #3: People Skills

"It's not enough just to be smart and confident," Hutcheson added. "They need to be able to work with people."

In the book "Emotional Intelligence," Daniel Coleman outlines two studies that measured the success of high school valedictorians and Harvard graduates. Those who were able to perceive the emotional state of others and react to it appropriately proved to be the most successful.

#### #4: No Special Privileges

The person in line to take over the family business must be willing to show up to work on time, stay late, take on special projects, and be measured by the same metrics as everyone else. "This will show that they are part of the team and that they want to be judged on the merits of their work, not their bloodline," said Hutcheson. It will also help them gain the respect of co-workers. ■

*Henry Hutcheson, president of Family Business USA, specializes in helping family and privately held businesses successfully manage transition. He grew up working for his family's business, Olan Mills Portrait Studios. Holding an MBA from Columbia Business School, he is also a Certified Family Business Advisor (CFBA) and a Certified Management Consultant (CMC).*