



FAMILY

CIRCUS

Common-sense solutions can help you walk the high wire of family business HR issues.

> A high-strung aunt. A no-good cousin. A dearly loved grandma who should have retired, well, ages ago.

These are just some of the touchy HR issues that come up at family businesses. While employee issues can and do arise at non-family businesses, the particular blend of DNA and long-simmering emotions can sometimes lead to unnecessary drama in a family biz — and when that happens, everyone suffers. (Sometimes for years.

Who wants to sit next to the uncle who fired you at Thanksgiving?)

This month we turned to Floral Management contributor and HR expert Glenna Hecht of Humanistic Consulting in Dallas and asked her to tackle some of the top family business issues, so that both business and families can prosper. Her advice: Be consistent. Put things in writing. And when things go wrong, be prepared to take action.



I hired my cousin for sales, but ... she's a disaster. What should I do?

> Before you bring any new family members into the business, you have to ask yourself: Do the rules — all of the rules — apply to them? Are you prepared to measure their performance against the performance of non-family members? If things don't turn out well, are you prepared to let them go? A great CEO will say, "yes, absolutely," to each of these questions. "Treat everyone like employees."

In fact, these are questions that apply to all potential hires, not just family members, but because of the emotional involvement, it's especially important for family businesses to establish those expectations up front. And remember that a handbook and job descriptions (more on those later) can clearly detail those expectations and help you communicate the rules to everyone.



My sister is the store manager but also the primary caregiver for her kids. Does it set a bad example for our employees if she leaves early or comes in late because of family commitments?

> Some family businesses do have special rules or make allowances — within reason. They're not so much a family business as a family-run business. Maybe you're more lenient about people dashing off to ballet recitals and the like (or more willing to give sweet cousin Sophie a fourth or fifth chance). If that's the case,

be honest, particularly with non-family member employees. The same rules may not apply to everyone, but all non-family members need to be treated in the same manner. And non-family members may have questions: Should they expect the same kind of leniency? Will your focus on family members affect the upward mobility of non-family? In these situations, it's about managing everyone's expectations.



My nephew is very popular with our wedding clients, but he behaves horribly in the design room. He's built such strong customer relationships ... Is he irreplaceable?

> Here's another question that could easily apply to family and non-family business. In short, no one should be irreplaceable. I once worked with a pair of restaurant owners who were basically being terrorized by their sushi chef. He was a talented, creative type — probably a bit like some floral designers. He had a horrible temper and could be very threatening. I kept telling them, you need to fire this fellow as he will create issues and he is not representing the culture you are trying to achieve. For years, they wouldn't do it. They thought he was too special, too creative, to be replaced. Finally, after years, they had enough and let him go — but they let him basically run that business for all that time because they didn't have backup, someone in the wings who was trained to replace him.

My parents are in their late 70s and should be thinking about retirement. They're not. How can my siblings and I initiate the conversation?

> First of all, don't say to them, "You have to go now." Instead, work together with your siblings to start a dialogue.

A good place to start is goal-setting for the coming year. Let's pretend that for 2015 you want to dramatically improve your Web presence — really grow your social media campaigns, your mobile apps, etc. — write those down in clear, measurable goals, to present to the family. ("We want to improve Web sales by xx percent by Dec. 2015," not "We want more Web sales.") Chances are, if your parents are not tech-savvy, those goals will not appeal to them. The goals are out of line with their skills. That will start to shed a light on the need for them to reconsider their roles. Ask what they want to do. Then determine if there's a role that adds value to the company that they can enjoy doing. If so, can you create it for them?

Step two is to start carving out a role for them. Returning for a moment to the restaurant client I mentioned, one of the owners there was the matriarch of the family, a woman in her 70s. Her daughter knew that there were certain things mom couldn't inherently do anymore, but mom still wanted to be involved. She became a kind of glorified hostess, and was really good at greeting customers ... but the daughter had to take the time to very clearly define this new role and what it entailed and what it didn't.

In some situations, you may have to sit your parents down and be very explicit. The restaurant matriarch, for

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instance, started sharing HR information with people who had no business discussing the issues. Her daughter had to tell her, "Mom, you can only talk about xxx and yyy issues with me." In that case, the conversation resolved the issue.



My daughter desperately wants to move into a role I know she's not quite ready for. How can I manage the situation?

> Every business should have very clear job descriptions for every position. Otherwise, when it comes to hiring, interviewing, reviewing and providing coaching to people ... it's a complete moving target. Everything flows out of the job description. If you have a clearly defined, results-focused job description, with expectations and goals along with job requirements, you can show that to your daughter and talk about a plan for her to train and move into that job, eventually.

My husband and I work together all day, and then talk about the business deep into the night. How can we strike a better work-life balance?

> If the business is all you have together, and it's all you talk about, it's not a healthy relationship. You need to set some ground rules regarding how to have both a business and a relationship. Ask each other questions like: Should we plan to have business meetings two or three nights a week, and then agree not to talk shop on our "off" nights? Is there a time each day or night when we postpone conversations about the business until morning? Some business owners decide that the moment they sit down for dinner the business "shuts off." Should we schedule a date night? Nurture your relationship, as the strength of that impacts the business, the employees and the brand.

I worry all the time about "having all our eggs in one basket" as a family business. What if something terrible happens to my husband? Or we're forced to close the shop for an unexpected emergency?

> You can ease some of the stress by ensuring that you have the right legal paperwork and insurance policies in place, to protect yourself and your family. For instance, all couples should have a partnership agreement. Unfortunately, there may be a time when someone wants out — these things happen. You also want to be sure that you have the appropriate disability or key man insurance in place.

The Ringmaster: Making a Command Performance

Author Glenna Hecht made her SAF debut as a speaker at SAF Marco Island 2014 to a captivated audience, who said, "bring her back!" She'll be a featured speaker at SAF Amelia Island 2015. SAF members: watch your email for early registration incentives.

We haven't even begun to tackle succession at my third-generation store. Where should we start?

> First of all, you're not alone. In my experience, very few people talk succession—whether it's a family business or not. It's a real mistake to ignore this important issue, for lots of reasons, including one I mentioned before: No one should be irreplaceable. Eighty percent of the people who leave a job are leaving for reasons entirely unrelated to that job—a spouse is relocated, they fall in love and move or a child or parent becomes sick. Many of my clients have been in the following situation; see if it sounds familiar to you: A key person leaves and you realize that you didn't have a clear understanding of their job and how they did it. Make certain you have processes and procedures documented so that you can move forward if an unexpected situation occurs.

Have a regularly scheduled meeting with key stakeholders. A big part of that meeting should include discussion about the future, for example: "Here's what we need to do or learn in the next year so that we're not in deep water if something happens. Who wants to do this?" Give people specific tasks, such as "my sister Mary is going to learn to xxx and yyy by such-and-such date, and document her progress along the way."

Remember, succession planning can be a very casual process, and it needn't be intimidating. Also, it isn't just about disasters or transitioning ownership. It also includes discussions about current employees, considering who wants to move up and is motivated to do so: Susie really wants to succeed here, so what can we do to help her? 🌸

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