

Communication is at the Heart of Potentially Good Results

Position your company for success by knowing how best to interact with diverse stakeholders

This article and its quotes are based on the Family Business Forum “Learn from the Best: Challenges and Successes of the 3Gs (Generations)” hosted by the Institute for Family-Owned Business on June 17, 2015. For more information see www.fambusiness.org/services.

By Steven Tenney



Decisions at a family business often require a careful balancing act. The blend of family relationships and office politics can make it hard to avoid conflict while still managing to serve the interests of your family members, employees and other stakeholders. “Being in a family is hard without the family business,” says Kevin Hancock, president of Hancock Lumber Co. “Then you add the dynamics of money, power, business and control, and it can be very difficult.”

Open communication is critical to managing these dynamics successfully. Ultimately, strong communication practices can help your family and your company operate smoothly and sustainably.

Identifying good communication practices

Strong communication can help your organization define and pursue common business goals. But poor communication creates opportunities for different expectations to come into conflict with one another. To foster success, communication at a family business should be:

- *Open and fair*, giving every individual an opportunity to be heard even if the decision doesn’t ultimately rest with them.
- *Consistent*, in order to avoid having stakeholders develop different sets of expectations after receiving different messages.
- *Standardized*, so that family members and employees understand when they will have a formal opportunity to communicate their ideas.

Achieving good communication

Effective communication doesn’t have to be hard, but it does require a concerted effort on the part of management. Try to make every

communication a two-way street. Solicit feedback from your employees, and put a system in place to encourage continued discussion between leaders and staff members. When it comes time to make key business changes, don’t just announce them—explain the reasons behind your decision as well as how they support the company’s goals.

Finding common ground can be a useful step when addressing controversial areas among disagreeing parties. Once people realize they share the same end goals, the discussion can build in a constructive direction. One way to get staff members on the same page: Get them out of the office. Take your group offsite, to a neutral environment that invites participants to think and speak more clearly about where they stand. Consider bringing in an outside advisor to provide an

“Being in a family is hard without the family business. Then you add the dynamics of money, power, business and control, and it can be very difficult.”

– Kevin Hancock, Hancock Lumber Co.

objective voice in the discussion. Gene Geiger, CEO of his Lewiston-based family business, remembers one particular external advisor who helped his family through the years. "Everyone was respectful of him and his opinion," Geiger explains. "When there was a real problem, he came in and could get everyone

to talk. He helped to massage solutions in a way you couldn't when just one-on-one with the family."

Strong communication won't be the solution to every problem your company may encounter. But by promoting an environment of open

interaction between parties, you can lay the groundwork for better collaboration and strategic planning—two elements that are important to the long-term success of any family or family business.

Steven Tenney and his team, Family Wealth Management Partners at UBS Financial Services Inc., use wealth management and advanced planning to help bridge the gap from business owners' current reality to their intended legacy from their office in Portland, Maine. He can be reached at (207) 791-5559 or steven.tenney@ubs.com.

Steven Tenney is a Financial Advisor with UBS Financial Services Inc. a subsidiary of UBS AG. Member FINRA/SIPC. Any information presented is general in nature and not intended to provide individually tailored investment advice. The views expressed herein are those of the author and may not necessarily reflect the views of UBS Financial Services Inc. UBS Financial Services Inc., its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax or legal advisor. As a firm providing wealth management services to clients, we offer both investment advisory and brokerage services that are separate and distinct differ in material ways and governed by different laws and separate contracts. For more information please visit our website at ubs.com/workingwithus.