



# A Family Business Consultant:

## An Option Worth Considering

By Greg McCann

I was working with a relatively small family business that only involved the father and son as employees, though two additional family members were also owners. I met with the patriarch a few times before the engagement began. When I asked him what he felt I as a consultant could do to help him, he said he felt he needed to make some decisions related to succession. His wife wanted him to take more time off; his son, almost 40, wanted more responsibility; and he suggested he wanted to pull back from his daily involvement, a fairly typical setting for succession. The patriarch had come to talk about how to get the process started.

### Comparing an Expert Adviser with a Process Consultant

To create a framework for our discussion, allow me to use the term “adviser” to mean any professional with a field of expertise that both drives their relationship and defines their service to a family business. An example would be an estate attorney. Continuing this line of thinking, the term (family business) “process consultant” implies someone who helps family businesses with transitions by managing the process and accesses the

family’s collective wisdom through facilitation to deal with the transition. This distinction aligns with current trends in thinking in the field, including that of the Family Firm Institute, a global organization of advisers, consultants, and educators.

Anyone in business is familiar with what an expert adviser does. An accountant can help find deductions for business related activities, an estate attorney will help transfer the family wealth to future generations, and a banker/corporate financier may help find ways to fund a buy-sell agreement. The epitome of expert advisers may be the surgeon who discusses options with the

	Expert Adviser	Process Consultant
<b>Example</b>	Estate Attorney	Family Business Consultant
<b>Role</b>	Provide answers	Provides framework & structure
<b>Issue</b>	Often readily apparent	Usually below the surface
<b>Client</b>	One person (or company)	The entire family business
<b>Focus</b>	More transactional	More relational
<b>Primary resource</b>	Expertise in subject matter	Design and facilitation of the problem-solving process
<b>Success</b>	Partially defined by expert	Client defines success

patient, but usually in the midst of surgery the patient trusts the surgeon's judgment to solve the problem. It might seem absurd for a surgeon to merely help solve an appendix issue, but that highlights this distinction.

Though there are usually shades of grey in the real world, for sake of our discussion, let us compare these two approaches to helping family businesses.

So as my colleagues and I worked with the family mentioned in the opening paragraph, we were not there to solve their management problems nor would we advise on estate issues; in fact, advising is something which process consultants do little if any of. Process consultants specifically avoid this. Instead, process consultants usually start with a curiosity about what is going on with the family business (or would be prone to think of the entire family business as one, more complex system-see box below on what to look for in a family business consultant). In other words, what is the

real underlying issue here and why is this family stuck? The clients of process consultants are typically families that work together to effectively solve problems all the time, so the role of the consultant is to help them explore why they are now seemingly unable to do so.

So the first distinction noted above is that consultants see this system as the client, not any one person and not just the company. As such, consultants go in and remain a neutral party, not "dad's guy" or anyone's advocate. As with most consultants, there will be a meeting with all family members before commencing the engagement to explain what process consultants do, check in with the family, and explain this often unfamiliar process to the family. It is imperative that a consultant get everyone's buy-in and understanding before commencing.

Each engagement is varied and tailored to the unique circumstances of the client, with the goal of achieving success as the client defines it.

## Stage One – Information Gathering

Stage one would typically be centered on confidential one-on-one interviews with key family members, including spouses, key management, and key expert advisers. The client helps develop this list. This process not only gives the consultant a more complete understanding of perspectives that the adviser (by the very nature of her relationship with the client) can not get at, but also enables consultants to work with people to

- 1 explore assumptions,
- 2 consider having more direct conversations with others, and
- 3 prepare for the next stage of meetings, usually with family members.

Here, I want to share two profound truths that families remind us as consultants of again and again. First, most families can accept most decisions if the process is fair. Second, because of the commitment most people have to family, they are very likely to find a way to make things work. This is why family business issues are profoundly different than two unrelated co-workers who work at say, British Petroleum. The father and son mentioned earlier were very close and both were committed to finding a way to sustain both their business and personal relationship.

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## Stage Two

### – Crafting an Action Plan

This is often a series of meetings, usually with a focus on key family members talking with one another. In the case mentioned, it began with the entire family talking about what the business meant and their concerns about how the father and son got along. That led to a series of meetings with the father and son talking along with management meetings that included the two of them as well as other top management. Stage one helped crystallize the father's concern about his son's readiness to assume the helm; flushed out some real financial and legal constraints; and got dad to admit he was ambivalent about stepping down from the leadership role so soon. They were now dealing directly and honestly with the issues that had kept them stuck for so long. They now had a clearer vision about how to proceed. That segues to the typical goal of stage two: crafting an Action Plan.

## Stage Three

### - Implementing the Action Plan

As many of us have lived through consultant's reports that lead to little implementation, an Action Plan is a short document capturing what the family agreed to in terms of who will do what and by when. The role of the consultant can vary here, but generally positions them as there to help as the family needs them. The intent is to help the family develop the skills to work through such issues on their own in the future. The above-mentioned family, for example, has continued to utilize us to facilitate some meetings on an as-needed basis, to gain some ongoing feedback, and to generally help them keep this succession process as a priority.

## Conclusion

It seems curious that family businesses arguably are as old as civilization itself, yet the role of a profession dedicated to help them with predictable transitions (e.g. succession) is relatively new, evolving, and becoming increasingly well-known. If you find that your family is struggling to proactively deal with succession or any predictable transition, consider talking with a family business process consultant.

## First, most families can accept most decisions if the process is fair

### What to look for in a Family Business Process Consultant

There are emerging programmes to educate, train, and certify people in this work. As the market sorts out the value of each, let me suggest some things to consider:

A consultant should understand systems thinking: a family that owns a business is more complex than just a collection of individuals.

The ability to put empathy ahead of expertise is very important: can this consultant listen, understand, and probe deeper to get below the surface issue?

Relatedly, can the consultant cultivate trust from the family and act as a neutral party?

Can the consultant manage the process and encourage the family to do the work? This person should bring out the wisdom in the system to help the family solve the issue

Experience in life and in business helps. A good consultant can come from a variety of fields of expertise (e.g. accounting, law, finance, therapy), but the driver in the consulting process needs to not be this expertise.