

Look for Harmony in Your Family Business

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If you are involved in a small business that is also a family business, you've probably heard warnings about the pitfalls of working with relatives. Operating a business with a spouse, parents, siblings, children or other family members presents many potential pitfalls over and above the usual problems business owners face.

To help ensure survival of a family-run business, you will need to seek a harmonious balance between the needs of the business and the needs of the family. The characteristics of a healthy business may not always be compatible with family harmony.

When bringing family members into a business for the first time, especially as investors or in a startup situation, you should consider putting the business relationship in writing. Family members sometimes buy into the excitement of a business startup without a clear idea of their role once the business is underway.

In an ongoing family business, it's important to treat family members fairly. While some experts advise against hiring family members, that sacrifices one of the great benefits of a family business. Countless small companies would never have survived without dedicated family members. But avoid favoritism. Pay scales, promotions, work schedules, criticism and praise should be evenhanded between family and non-family employees.

Don't become the employer of last resort for every distant relation who calls. Base employment on the skills or knowledge they can bring to the business. If your kids will be joining the business, make them get at least three to five years business experience elsewhere first to help them gain perspective of how the business world works outside of a family setting.

Problems and differences of opinion are common in a family business, so it's important to keep lines of communication clear. Weekly meetings to assess progress, air differences and resolve disputes work well for many family firms.

Drawing some lines between business and family life will also help. For family business operators, it's tempting to talk shop day and night. But constantly mixing business, personal and home life can lead to trouble. Limit business discussions outside of the office or at least save them for an appropriate time — not at a family get-together.

To learn more about operating a successful family business, contact SCORE "Counselors to America's Small Business." SCORE is a nonprofit organization of more than 10,500 volunteer business counselors who provide free, confidential business counseling and training workshops to small business owners. Call the Greater Woodinville Chamber of Commerce at (425) 481-8300, or 1-800/634-0245 for the SCORE chapter nearest you, or find a counselor online at www.score.org.