

Is your family at war?

Business history is littered with the debris of family wars – where companies and families have fallen apart because they couldn't control the emotional forces within them.

Family firms make up the largest number of firms in the UK, employing over 9.5 million people, according to a recent Institute for Family Business report.

Managing the problems that arise when families are working together in business is therefore an issue of strategic importance to the three million enterprises that make up the family business sector.

Indeed the millions of family firms that get it right are a formidable force, bringing together long-term strategic thinking and fast decision-making in an environment where owners and managers are aligned in the pursuit of their business plan. These are some of the reasons why the sector makes such a powerful contribution to the UK economy and accounts for over 30% of the nation's GDP.

In *Family Wars*, written in partnership with Nigel Nicholson of London Business School, one of our most highly

Family firms are still the mainstay of British business. But how can you prevent the infighting and succession issues that often plague them? Grant Gordon explains what to watch out for.

respected business psychologists, we focus on exploring the root causes of conflict in family business, and how to deal with them. So what are the most important lessons to learn?

Watch for warning signs

First, conflict can arise like a storm from a clear blue sky – and because of the very make-up of the business, conflict can be very destructive. But there are warning signs to watch out for.

Second, don't make assumptions about your family culture. Each new generation member is unique, and one needs to focus first on what is their unfolding interest, rather than expecting them to serve someone else's grand plan. Getting emotional ownership and buy-in from the next generation will be as important as any financial rewards they can earn or may inherit over time.

Third, watch out for games, in their set-up and how they are played. The dangerous set-up is when people with different personal goals are put in harness and whipped up to pull the

chariot in a single direction. The dangerous play is dirty politics – secret deals, alliances and deceptions to secure their goals. It is legitimate to have different goals, so get them on the table and look for win-win solutions, even if that means killing a sacred cow or two.

Fourth, beware of stories. People easily fall into naïve belief in cartoon caricatures of each other, simplified portrayals of motives, and fictionalised dramatic accounts of events.

Assume that people are basically okay but flawed, and that we do best to cultivate open dialogue and understand the reality of other people's feelings and experiences, even if they are messy and full of contradictions, just like our own. Love and forgiveness are needed in all families!

Structure does matter

Fifth, don't be fooled into believing that structure doesn't matter. Many dynamic businesses founded and built by powerful entrepreneurs are often very light on what they might consider