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PETER LEACH LLP
ADVISING FAMILY BUSINESSES

IFB 10th June 2010 Communication Workshop

Vignette 1: Retirement

When is he going to retire? I've done as much as I can. I can't see how I can add any more value without full responsibility for the business. I'm going to have to leave to make my mark if he doesn't make room for me soon.

I'm not ready to be pushed out of the business that I created and built up. And anyway, what would I do with my time? I've no other interest beyond the business.

Well my plans are pretty much to carry on as usual. I'm feeling great and the future of the business is very important to me.

Dad I've been working here for 20 years now. I've been thinking a lot about the future. I'm 43, my son is off to university. I know the business pretty well and I'd like more responsibility, a chance to make a bigger impact. What are your thoughts about the future, now you're 65?



Vignette 2: Joining the Business

I want to get on with my career. I want some real responsibility. I think my best chance is in the family business and I'd be in a privileged position in the family business. I could even take over from Dad longer term.

I don't want to show any favouritism. I'm keeping my distance. She's got no real experience or skills yet so I'm not sure how she'll contribute, or even if she's thought this through.

Well that's marvellous. Come and join the marketing department. I'm sure there some projects you can get involved in there. I'll talk to the head of marketing and see what we can arrange.

Dad I've just finished my graduate training scheme at Tesco and its been great, learning about different departments but I'm ready for some real responsibility. What I want to do is run a business and as the family business is doing so well, I've decided I want to come and help you.



Vignette 3: Succession

This isn't about who gets what in the inheritance. Its about succession in the business and I want it made explicit. I will take over and I should start doing that now. If he doesn't recognize my contribution in building up this business properly, I'm leaving. I can take my experience and earn a hell of a lot more elsewhere.

I can't choose between my kids. It's just not right. I'm not getting into succession planning beyond this. When I die my children can sort it out the way they want.

Well I've told you many times, you'll get equal shares. I know you're MD but you and your 3 sisters will get equal shares. You get a salary as MD, so equal shares is the fairest thing to do.

Dad after your health scare, I'm worried about what's going to happen to the business if something should happen to you?





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TIPS AND PRINCIPLES

Example using Vignette 1: Retirement.

TIPS AND PRINCIPLES

Vignette 1: Retirement.

What do you really want to achieve?

I want to know when I am going to be able to take over the business. I want to know if and when my father is going to let me do this or not.

If he's not going to let me, I need to let him know without hurting him, that I need to go and work somewhere else.

TIPS AND PRINCIPLES

Vignette 1: Retirement.

What stops you? What are your concerns?

This is my father's baby, it's been his life and I recognize it's going to be difficult to hand over to anyone else, including me.

If he does want to hand it over to someone else, I will be upset but I need to know and he needs to know too.

Vignette 1: Retirement.

What strategies can I develop to achieve my intention taking into account the main sensitivities?

I need to acknowledge what my father's achieved. I also need to make sure he has space to participate in the business going forward.

I need to make sure my father understands my feelings and position.

If he wants to appoint someone else, I need to be mature enough to handle that so that we still have a good relationship.

TIPS AND PRINCIPLES

Vignette 1: Retirement.

What responses might I receive and how might I respond to sustain and deepen the conversation in a constructive way?

“I don’t want to discuss this.”

“So you think I’m past it?”

“How do you think you will feel at 65?”

“I don’t think you’re the right person.”

“I’m pleased you’re raising this.”

Keep calm, listen and acknowledge, stick to your purpose.

Keep the conversation on a joint problem solving basis.

Principles for Open & Transparent Conversation

- **Be honest about your purpose.**
- **Name the topic and invite a conversation .**
- **Acknowledge feelings (yours and theirs) and what's at stake, without judgment.**
- **Set the scene as an opportunity to problem solve together.**
- **Keep calm, listen, learn and respond empathically.**
- **Problem solve together.**