Family Business Resource Centre - Book Review - Who Will Drive the Bus?

Who Will Drive the Bus?
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Guidance for Developing Leaders in Family Enterprises

Introduction
- Book addresses Leadership Transition
- US Family Business Statistics - similar to Australian studies
  - Contribute 50%of US GDP
  - 35% of Fortune 500 Companies
  - 60% of Public Companies
  - 60% of total US Employment
  - 55% of CEOs planning to retire in next 5 years have NOT chosen a replacement

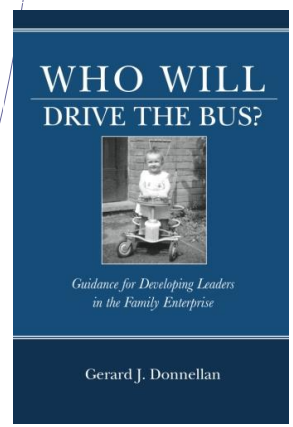
Interesting Quotes
- *'Successful family businesses grow from families that manage to retain their values, aren't too crazy or out of control, and are pretty good at dealing with conflict and reining in big egos.'*
- *'Pettiness, self-centeredness, politics and money make for a combustible mix, and it is usually the family business that blows up.'*
- One of the great gifts the founding generation can bestow on the children is *'sharing knowledge, expertise and most importantly, passion for the enterprise.'*
- Watch out for the *'Complacency Spiral - the tendency to assume that all will remain the same.'*
- The objective is not to be without conflict but that family members *'truly care for one another, are committed to the values of the family and work with each other to get through difficult times and issues*
- *'The family is an emotional system...as an emotionally charged system, it does not always act rationally.'*

Useful Tools and Exercises
- What kind of Family Business are You?
  - Two Dimensions -
    - United or Conflicted
    - Create or Consume Value
  - Orderly & Dependant
  - Divided & Dependant
    - Least healthy
  - Divided & Industrious
  - United & Industrious
    - Ideal Family Business
- Develop One Page Plans for...
  - The Family
  - The Business
  - The Owners
  - Senior generation
  - NextGen Development
    - Coaching
    - Education

Family Governance Structures
- Business
  - Boards
- Family
  - Councils, Forums & Assemblies
  - Functions
    - Educate about the duties of FB ownership
    - Clarify boundaries - family v business
    - Forum for family to talk about business issues
    - Forum for developing a common vision for family & business
  - 4 Components of Trust in a Family Business
    - Character
      - Integrity, honesty & credibility
    - Competency
      - Skills, expertise, good judgement & decision making
    - Predictability
      - Follow through, keep promises and consistency
    - Caring
      - Genuine interest, empathy & understanding

Family Culture
- is the glue...
  - within the family
  - to the business
  - between generations
- 4 Elements of The Dynamic Family Enterprise
  - Culture
    - Strong or weak
      - Strong = +ve impact
    - Family
    - Business
    - **Is Business Culture in line with Family Culture?**
  - Connections
    - Role Clarity the key
    - Between Family Members
    - Family to Business
    - Between Generations
  - Transitions
    - Transitions test durability and depth of relationships
    - Business Leadership
    - In the Family
    - Market and Industry
  - Conflicts
    - Need strong conflict management strategies
    - Family Loyalty v Cash
    - Roles - Business & Family
    - 'What is Expected' v 'What I Want'
    - Conflicts inevitable

Communicate, Plan , Act
- Vision linked to strategy
- Based on family valuues & culture
- The first step is the hardest
- Talk -
  - to each other...more than you think necessary
  - to other family businesses
- Work with trusted advisers
- Establish a time table
  - Goals & Objectives



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