

Family Business

THE GUIDE FOR BUILDING AND MANAGING FAMILY COMPANIES

From CEO to Author: One Family Business Person's Journey

By Don Silver

Sixteen years ago, I was named CEO of Penn Ventilator Company, an \$80MM business started in 1928 by my grandfather and his brothers. Since the 1960s, it had been paying dividends to my extended family, but by the time I became President, our manufacturing costs had spiraled, our once-broad product line was narrow and we were losing money. After the promotion, I remember watching the movie, *Titanic*, with my daughters—the scene with the captain gripping the wheel while the windows came crashing in—thinking I was not going to let the business go down on my watch.

Over time, we reduced our losses, but we had tough competition, lots of debt and a weak management team. There was tension between the second generation, including my father, over changes I thought we needed to make, and I didn't have the confidence to quit or the backing to make them. As a minority shareholder, I had little incentive to push for a sale, and besides, it had been a long time since I'd done anything else, and I doubted my ability to be successful starting over. I believed my chances of becoming a writer—a dream I'd nurtured since I was a little kid—were nonexistent.

There are the familiar clichés about family business. The first generation sacrifices for their children. The second-

generation works hard to prove themselves and deliver the vision of the entrepreneurial parent. By the third generation, there's either a high-functioning, performance-based culture or a company that's rotting. Rags to riches to rags, goes the old saw. Once in a while, you imagine overhearing someone refer to you as the idiot son.

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My generation was raised cushy. None of us paid for gasoline or long-distance telephone calls. We depended on dividends to pay for home additions, private school, and nice vacations. Yet, once the dividends stopped, I was just another Joe in a job I couldn't stand.

In the fall of 1997, the bank called our line of credit and insisted we hire a turnaround firm. The same month, my wife and I separated and I had an epiphany, which looked frighteningly like a breakdown. I replaced advisors who counseled us to throw in the towel with new ones who recommended calling the bank's bluff. We found a strategic buyer—someone willing to pay more for

our assets than we owed. And I enrolled in a part-time Masters Degree program in Creative Writing.

After the sale, I became Director of Temple University's Family Business Alliance and started coaching CEOs, many in family businesses. I worked nights and weekends on my novel. Last fall, I found a literary agent who sold my manuscript for a nice advance, which allowed me to complete my transition. *Backward-Facing Man* (Ecco/HarperCollins) is a harrowing tale of criminal activity and betrayal in a second-generation family business, unrequited love, politics, and characters who came of age in the Sixties. It was released this past September to critical acclaim. When I get the chance, I like to remind people that there can be life—a full and rewarding one—after the family business.

Don Silver is currently working on his second novel. He enjoys speaking to groups and, when his schedule permits, working with family businesses. More information can be found at www.donsilver.net.

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