



# Choose Your Partners

## Siblings may or may not be the best fit

BY LINDA H. SMITH

*You don't let your parents choose your spouse; why would you let them choose your business partner? Yet that is just what happens on many farms, where parents simply assume their children will enter the business, says Henry Landes, president of the Delaware Valley Family Business Center, Sellersville, Pa., and a long-time family business consultant. "Even when you choose your own spouse, the odds are only 50/50 the marriage will work out," he notes.*

It is natural for families to submit to the seduction of working together, he acknowledges. "There are forces at work in the family for siblings to end up as partners—both monetary and emotional. After all, it is a way to extend the warm family period. This is more true on a farm than in other family businesses; it carries the Norman Rockwell aura, you have warm childhood memories in which home and farming are entwined, perhaps even adult reunions. There's also the legacy aspect—perhaps the farmstead has been in the family for generations."

It can work really well if the kids are well aligned and choose that route, Landes adds. But it's important to ask yourself whether your family meets three criteria: there is a strong sibling bond, the siblings have complementary work skills, and all family members are in alignment about stewardship and ownership. For a simple test to rate your family's sibling

strengths and growth areas, log on to [www.TopProducer.com](http://www.TopProducer.com) for a Web Extra.

**Danger zone.** "Sibling partnerships can face a slippery slope when these criteria are not met," Landes cautions. The fact is, studies show siblings are almost as different as the general population, reports Frank Sulloway, author of *Born to Rebel: Birth Order, Family Dynamics, and Creative Lives*.

"Because parents change over time and with successive children, you might even say each sibling has been raised by different parents," Landes points out. In addition, the parents really do not serve as a role model to follow. "It's a huge shift from mom and dad owning and working the farm to the next generation. The relationship between spouses is far different from that between siblings."

**Baggage.** A lifetime of brother- or sisterhood may mean siblings start out in business much closer and with greater understanding than unrelated partners. But it also may mean they bring a whole range of emotional baggage to the business, ranging from the elder feeling s/he needs to protect the younger to sibling rivalry or resentment. It often feels strange for one sibling to supervise the other. Given family history, they may feel as if they should be peers. Things

get even more complicated if the younger sibling or the female sibling is the one who should be in charge.

And remember the old adage, "familiarity breeds contempt." Some consultants say it is the primary factor why most sibling partnerships fail. Siblings may not recognize each other's qualities and often don't take each other's advice as seriously as they do an outsider's.

### Does the business owe everyone a job?

"Before going into business together, a lot of conversations should take place," Landes emphasizes. "Compatibility tests are a good idea. Siblings have to like each other, share the same attitudes about risk and understand each other's desires."

**No generalities.** The truth is that some people (brothers, half-brothers, brothers-in-law, step-half-ex-brothers-in-law, etc.) work together well and others don't, says Wayne Messick, New York, N.Y., a family business consultant and co-founder of Family Business Strategies and [www.iBizResources.com](http://www.iBizResources.com). "This is not because of or in spite of their family relationships, but because of their commitments to themselves, their families and the farm. What separates those siblings who should take over the farm and work together from those who shouldn't is about connection, clarity and

commitment.” He explains:

- Connection is being willing to continually communicate around challenges, opinions, perceptions, conflicts and opportunities. It is about accepting limitations (yours and others’) and abilities and focusing on the big picture (college for your kids, respect of your neighbors and making your grandfather proud of you—no matter how long ago he passed away).

**Siblings often don’t take each other’s advice as seriously as they do an outsider’s**

- Clarity comes from the development of shared goals. Sit down and clarify the mission, and keep everyone in the loop.

- Finally, it all comes down to commitment. Your grandfather had it. Your dad had it. The microwave society in which we live makes commitment difficult, but you—all of you—must have it.

“The only way to get 100% commitment

from your spouse, your children and your in-laws is for all of them to have clarity about why you are doing this,” says Messick. “That will help them understand how various decisions and actions take you toward or away from your (shared) goals.

“So the bottom line is if you want to work together, have conversations around your willingness to do whatever it takes, make tough decisions and ground them in contracts and agreements and accountability. Stay in the conversation until you talk it out, make your deal, and move forward.”

## Steps to Success

Families need to realize that a family business includes three separate systems, says Landes. The first is the family circle of love, where you don’t have to pass an entrance exam. The family takes what it gets and loves you for it. The second is the business circle of competence, where you should have to prove you have what it takes to add value to the business. The third is the ownership circle of control—whoever owns the gold makes the rules.

“Does the business owe everyone a job?” asks Landes. “To avoid attitudes of entitlement, employment criteria should be defined. If the kids are not in alignment with labor needs of the business, maybe they should go elsewhere. In many families, it is often the opposite. The competent brother carries the less competent one. Compensation and responsibility should reflect ability and commitment, but unless measures are discussed and put in place, that can’t happen.

“The senior generation has to set up the ground rules about how you move into the two other circles and how you will be paid, what will get you fired, and when and how you can attain ownership of the gold,” he says. “Such discussions should be held when children are in high school. Many don’t because they fear they will blow up the family and/or the business. But there is nothing sacred about a family business. If anything, they are tougher to run because the family circle means people may act in ways and say things they never would think of in an outside business.”

Siblings need to figure out how to move from rivalry to synergy—and do it. “This is accomplished by consciously choosing to work together, then constantly communicating,” says Landes. “Expect storms as you work out conflicts and disagreements. Then set norms. Hammer out policies and plans. Finally, comes performance and fulfilling your roles.”

