

An excerpt from:

IT'S YOUR COMPANY

HOW TO CREATE OPPORTUNITY IN FAMILY BUSINESSES

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INTRODUCTION

I started to play ice hockey at about the same time I started to run my family's business. Both activities involved lots of bumps, bruises, and sprains. As a rookie owner, I assumed that if everyone simply did their best, as I'd watched my parents do and as I'd done as a hockey player, the company would win. It didn't take me long to realize that the drive I shared with my parents did not match the drive of some family members. I also learned that some family members had a measurably negative — instead of positive — impact on the business and everyone working in it.

My parents' dream and challenge had been to establish a reputable company, and they succeeded. If I was to achieve my dream of creating opportunities for myself and everyone in the company and meet my challenge of growing the company, we'd need the talent and skills of more and more nonfamily members. Like my parents, I was determined to achieve my dream and meet the challenge. To do so, I knew I had to change things up. But which things?

The answer to that question is the content of this book — a book I started while in the thick of running the company and only finished after I sold it. I will share with you what I wish I'd known years ago: how to transform a company whose success is threatened by entitled family members whose behavior and attitudes create a *We're Family – You're Not* workplace.

I hope to show you how your company can evolve into one that welcomes all comers — regardless of whether they share DNA with the company's founders.

I also hope to convince you that there is a direct connection between the culture you create in your family business and its current and future success, the well-being of your

family, and your ability to reach your specific goals. If my experiences aren't enough to convince you, consider that:

- Of the companies whose growth was 10% or greater, 84% had a clear sense of agreed values and purpose. Of the companies whose growth was less than 10%, only 76% had a clear sense of agreed values and purpose.ⁱ
- A 10% increase in the number of employees who feel important and understand and connect with the mission of their organizations can result in a 12.7% reduction in safety incidents, an 8.1% decrease in turnover, and a 4.4% increase in profitability.ⁱⁱ
- “Companies that prioritised their employees, gave them incentives, and invested in attracting and retaining talent reported higher levels of growth in the prior 12 months than companies that didn't take those measures.”ⁱⁱⁱ
- A 2022 survey found that respondents trusted family businesses more than other types of companies (family businesses-67%, public-58%, and privately held-56%). Family businesses can leverage this trust to “win the war for talent and drive growth” if they (1) “prioritize building and cultivating trust and focus on what matters most to employees”^{iv} and (2) “lead with purpose and [keep] both history and the future in view.”^v
- “Family businesses [that] are guided by purpose, values and a long-term view” have historically done better at retention than nonfamily businesses. “When harnessed appropriately, these attributes create the will, the space and the mandate to adapt in order to survive and thrive, not just today, but for generations to come.”^{vi}
- “Companies that actively create opportunities for their employees to build skills achieve more consistent results, have greater earnings resilience, and demonstrate a superior ability to attract and retain talent.”^{vii}

A healthier culture unlocks a family business's potential, increases its growth rate and profitability, reduces safety incidents and turnover, and gives it an edge in the talent war. It also strengthens the business to meet challenges from its competitors, its industry, and its market.

That's all the convincing I needed to put everything I had into creating the collaborative culture that is the foundation for success in a family business, one I call a “Your Company” culture.

Over time I discovered that a *Your Company* culture helped me do what I do in every aspect of my life: create opportunity for myself and everyone around me.

Practical Advice

As the leader of your company, you are busy managing budgets, employees, family members, assets, customers, and vendors. I won't waste your time with vague suggestions. At the end of each chapter, you'll find specific recommendations you can act on to create the culture that will help you reach your goals. These recommendations will also help you make better decisions when working through the complexities of the family-business system, especially when it comes to hiring, managing, promoting, and even firing family members. If you are like me, every time you come across a great idea, you'll use it. Don't wait to finish this book to start creating a culture that brings out the best performance from everyone.

ⁱ PwC Global Family Business Survey 2018, pg. 10.

ⁱⁱ Gallup, Nate Dvorak, *Three Ways Mission-Driven Workplaces Perform Better*, <https://www.gallup.com/workplace/236279/three-ways-mission-driven-workplaces-perform-better.aspx> \

ⁱⁱⁱ PwC's 11th Global Family Business Survey, *Transform to Build Trust: Prioritising Employees*, pg. 7.

^{iv} Jon Fleck and Renee Kline, *Family Businesses Have a Talent-Acquisition Advantage*, Harvard Business Review, September 9, 2022, <https://hbr.org/2022/09/family-businesses-have-a-talent-acquisition-advantage>

^v Debbie Bing, *The Great Resignation*, Family Business Magazine, <https://familybusinessmagazine.com/engagement/non-family/great-resignation/>

^{vi} Debbie Bing, *The Great Resignation*, Family Business Magazine <https://familybusinessmagazine.com/engagement/non-family/great-resignation/>

^{vii} PwC's 11th Global Family Business Survey: *Transform to Build Trust: Prioritising Employees*, pg. 7.