

“Thoughts on Succession for Parents”

By Loyd H. Rawls

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When considering your child’s willingness to pursue a career in the family business, recognize that you have programmed your children’s receptiveness based on your past attitudes, reactions and circumstances. If you showed more love to the business than you did to your children, expect your children to resent it. If your business broke up your marriage with the child's mother, don't expect him/her to love it. If you continually complained and moaned about the problems of business, expect them to be afraid of it. If you were a compulsive workaholic, expect them to value free time over business opportunity. If you used the business just to satisfy your personal lusts for power and things, do not expect your children to respect it. Your children's attitudes and actions regarding your family business are fruits of the seeds you have planted during the time they have known you and witnessed your relationship with the business. Children listen much better to actions, habits and character than they do to words. Your children hear amazingly little of what you say to them, but almost everything you say to partners, managers and employees. They draw phenomenally correct, instinctive conclusions based upon your lead. If your children are still young be aware of how impressionable they are to your relationship with the business. If as adults your children are not interested in a career in the family business, take the time to discuss the source of their feelings. You can possibly clarify misconceptions or even reconcile legitimate concerns.

If your adult children have, in your opinion, poor attitudes, dispel the concept of whipping them into shape. They are not going to change very much. The clay on the model has dried and you had a substantial role in the molding process. You can refine young adults, but do not kid yourself by thinking you can cause a major change in their attitudes or actions. You may develop better ways to interact with each other but there will not be any personality makeovers. If there is any major change of attitude or perspective, you will be the one doing most of it. On that note, do not lose sight of the fact that you may be the one that needs to be changed. A parent’s experience is an operational asset but a relationship handicap. Your perspectives generally need to be broadened in order to effectively cross generational lines and effectively evaluate the attitudes and capabilities of children.

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It is very important that you are honest with your children regarding their current and future position in your business. It is easy to tell them what they want to hear about future advancement, compensation, job titles, etc. It is easy to move them up the management ladder into a vacated position even though they have not mastered their current position. It is easier to give them a pay raise than it is to endure their remarks about not being able to afford a house on the “right” side of town. Family members are supposed to have impressive titles and nice offices, aren’t they? Who wants confrontation when you can avoid it? Isn’t it nice to be the bearer of good news regarding gifts of stock, job titles, compensation, etc.? The temptation to grease the pathway for children is even greater if relationships have been strained by divorce, alcohol, drugs, etc. Guilt about parental shortcomings can commonly lead you down this perilous track. Anytime you are not honest with your child, you plant the seeds of unrealistic expectations that inevitably grow into problems. The hard cold fact of life is that your children will have to deal with the reality of their aptitudes, attitudes and circumstances. Either you deal with them straight up and honest on the free market and real life will even run over them like a bus in the road. If after your retirement or death they get squashed by a competitive marketplace, there will be much more pain and frustration than would have been realized if they had heard the truth from the beginning.

So what is the truth? The truth is that a family member can only succeed to the level of his or her God-given aptitude that is enhanced or hindered by the attitude and commitment chosen. Your child’s success will be dependent upon the combination of four factors: opportunity, aptitude, attitude and commitment. A parent cannot overcome deficiencies in aptitude, attitude or commitment with opportunity. In the interest of family harmony, financial security and the integrity of the business, parents must endeavor to maintain balance with the opportunities they provide. A child who over an extended period of time has been allowed to make erroneous assumptions about their future positions of authority and responsibility can become a volcano of resentment and anger. And who can fault them for being angry if you allow them to make reasonable assumptions and subsequently broadside them with the reality that they are not going to have the title, authority, compensation and prestige of their aspiration. For more information on this subject email Loyd Rawls: lhrawls@rawlsgroup.com

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