



# Enterprising Rural Families™

An Online Newsletter August, 2005 Volume 1, Issue 8

## Chat This Month

Reminder: The chat this month is scheduled for North America: Pacific Time- 6 p.m., Mountain Time- 7 p.m.; Queensland, Australia: Eastern Time-12 Noon. The topic is “Consider a Family Business Consultant”

### Suggested Progress by Group:

In order to stay current, by the end of this month you should be completed to:

Antarctic –

Arctic –

Atlantic – End of Module 7

Baltic – 2nd Week of “Project” in Module 6

Bering – End of Module 5

Black – 2nd Week of Module 4

Caribbean - End of Module 2

Coral – End of Module 1

Indian –

Mediterranean -

Pacific -

Red -

Contact e-mail for further course information:  
[information@eRuralFamilies.org](mailto:information@eRuralFamilies.org)

## NEED ADVICE?

### Consider a Family Business Consultant

*“I’m an independent person and I should fix my own problems.”*

When families are in business together, issues surface around family, business management and ownership. Many times these issues overlap and cause conflict and stress. Problems among family members affect business decisions and employee morale. Tight times in the business put strain on the family and can impact productivity and commitment.<sup>3</sup>

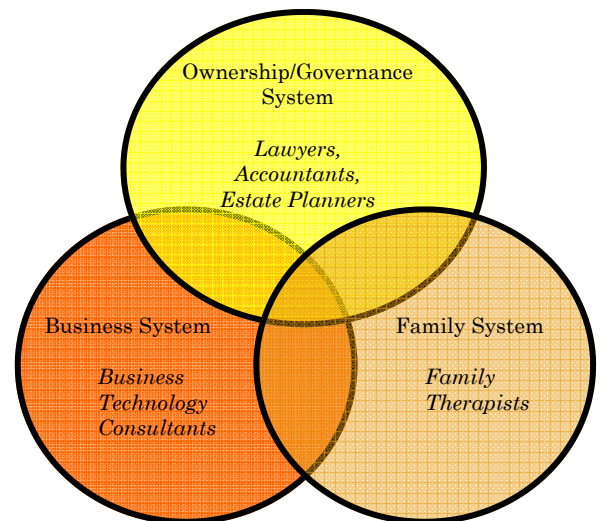
The need to assess the family system in relation to the business is no different than the need to assess all other areas related to achieve personal and business goals. Family businesses rely on attorneys for legal issues, accountants for financial issues. A family business consultant with a family systems background can help sort out how family dynamics and management roles and responsibilities overlap.<sup>3</sup>

#### Family Business Systems

The *Enterprising Rural Families* (ERF) model describes the interconnectedness and overlap of the individual, family, and business systems in a family business. Hilbert-Davis and Dyer, in the book, *Consulting to Family Businesses* add an additional system to the family business dynamics. They explain a family firm as being comprised of three separate, but overlapping systems: 1) the business system; 2) the family system; and 3) the ownership or governance system.<sup>1</sup>

The business system entails the organization’s mission, structure and strategy. It also includes elements such as product, technology, business culture. The ownership or governance system includes the firm’s legal form; distribution of ownership, board of directors or other forms of governance. The family system involves the family (or families) connected to the enterprise. Goals and aspirations, communication and conflict, and family history are all parts of the family system.<sup>1</sup>

Different types of consultants work in the three systems of the family enterprise—and often as if the systems are distinct rather than interconnected. For example, business consultants may work in strategic planning, marketing and employee management in an effort to improve the business system. Lawyers, accountants and estate planners are most often concerned with how the business is owned and governed.



What distinguishes a good consultant, from other types of consultants is that they work together, overlapping between the family, business, ownership/governance.



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Family therapists, on the other hand, are mostly concerned with the health of the family and its members. They work to improve the family well-being and interaction.

An emerging form of consultant that differs from those above is the family business consultant. These consultants are knowledgeable of the three, or more, family business systems and work at the boundaries where the systems overlap. For example, family business consultants may help a family in conflict because family members can't determine the appropriate roles of the family members. They may also engage in succession planning with the needs of the family, business, and future ownership considered.<sup>1</sup> So, if deciding to employ the services of a **family business consultant** make sure they possess a systems approach in working with families in business together.

### ***Employing a Team of Experts***

Not only can a family business benefit from consultants, individual family members should develop and utilize a network of “experts” to help them personally and as a family business member. Consider the following scenarios:

#### **Case of Joyce and Ted T.**

Joyce was born on a farm, but when she married Ted they moved to the East Coast. After spending 25 years in the “rat race of big city living,” they are moving back to the country to take over the family farm. Joyce and Ted need a team of experts.

*Gain new skills. One function of a team of experts is to assist in developing new skills. What are needed here are persons who can challenge, teach new skills, serve as role models, and provide emotional help during times when you feel awkward or insecure while learning new skills.*

#### **Case of Jim J.**

Jim, 34 years old, is a successful farmer. He farms 2,500 acres and has a knack for turning a profit even when neighbors have trouble. He has received several outstanding farmer awards, and is in demand as a speaker on farm issues and practices. Jim needs a team of experts.

*Provide a Challenge.* It's just as important to have contact with stimulating people when you are doing well in order to maintain a high level of performance. During good times, it's easy to ignore suggestions, but support from others may keep you sharp and prevent problems.<sup>2</sup>

### **Different types of experts**

Members of a team of experts should provide various kinds of help depending on the situation. The following lists many of the different functions a team of experts might serve:

- *Helpers.* These people are needed in times of crisis. Helpers are experts in solving particular problems that occur during high stress times.
- *Mentors.* These experts are respected because of their success. Mentors show what is possible in a certain job and also the opportunities and problems of a given role. These are experts to be copied.
- *Common Bond.* People who share the same concerns and problems can be helpful. They can keep you motivated, be a sounding board for ideas, or share your burden. By grouping together, they can solve difficult problems.
- *Close Friends* provide security and caring. They may have similar interests or hobbies. They are especially helpful during periods of stress to provide stability. These experts can be family, relatives, or neighbors.
- *Teachers* are people who have special skills that can help improve your occupation or career. Teachers may have one special skill, one piece of information, or an abundance of ideas. These experts might be vocational or agricultural teachers, researchers, or other producers.
- *Referral agents* can be especially helpful because they know the community and its organizations. They can connect you to those places where help or information can be obtained.
- *Special interest.* People who have valuable resources or influence are special interest experts. They can provide financial support, materials, tools, skills, or guidance. Special interest experts are helpful in accomplishing large-scale projects. Business and community leaders can be part of this category.
- *Challengers.* These people question, motivate, or push you forward. They may be disagreeable, play the devil's advocate, or be in direct competition. These experts help you improve your abilities.

### Team of experts review

The qualities of a good team of experts include:

- Providing support and acceptance
- Building confidence and skills
- Performing duties for you
- Changing over time<sup>2</sup>



*A good team of experts can answer a lot of questions, unfortunately, not all!*

Who is on your team of experts? Think about the type of help you want from each team member and how much help you are receiving from them. (To learn more about *Finding Your Team of Experts*, go to this site: [http://www.uwyo.edu/CES/LIFE/Stress\\_Series.html](http://www.uwyo.edu/CES/LIFE/Stress_Series.html) . The Enterprising Rural Families online course also contains several readings on the use of consultants and resources to improve the rural family in business.)

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For more information on this topic and the management of rural family enterprises, check the *Enterprising Rural Families* website at <http://eRuralFamilies.org>.

### References:

<sup>1</sup>Hilburt-Davis, J., & Dyer, W. (2003). *Consulting to family businesses*. San Francisco: Jossey-Bass/Pfeiffer.

<sup>2</sup>Weigel, R. (2001). *Finding your team of experts: Agricultural producers & stress* (B1124.6). Laramie, WY: University of Wyoming Cooperative Extension Service.

<sup>3</sup>Whiteside, M. (n.d.). *Consultation to family-owned and closely-held businesses*. Retrived March 4, 2005, from <http://www.annarborcenter.com/familybusiness.html>



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