

Expert keeps it all in the family

David Bork pioneered family firm counseling and says it's a privilege to be invited into the inner sanctum.

The Globe and Mail

By GORDON PITT
Monday, December 15, 2003

For most of us, coping with one family is hard enough. David Bork has almost 400 families to worry about.

That's the number of clans that the tall, spiky-haired Mr. Bork has advised over the past 35 years, as he has built his practice as one of the world's most-listened-to experts on families in business.

"I'm privileged to be invited into families and trusted with their history, their future, and some of their secrets," says Mr. Bork, 66, who heads Aspen Family Business Group of Colorado.

For this work -- which often combines the roles of teacher, adviser and therapist -- Mr. Bork is paid about \$5,000 (U.S.) a day, and considerably more when he travels outside North America.

While he will not disclose the identity of clients, three prominent Canadian families are on record as having employed his services -- the Phelans, who control Toronto's Cara Operations Ltd., the Richardsons of Winnipeg, a prominent player in the financial and grain trading industries; and the Chaplins, owners of a Cambridge, Ont., auto parts company.

Mr. Bork, who keeps a summer home on Atlin Lake on the B.C.-Yukon border, has a bachelor's degree in bacteriology and taught high-school math before moving

into the field of education research during the 1960s. There, he was exposed to the teachings of the human potential movement, which influenced his career shift.

He hung out a shingle in family business consulting when few others were in the field and there was no organized body of knowledge. Now it's a booming discipline.

Over the years, Mr. Bork has seen some progress in the attitudes of families seeking help. They used to approach consultants as if they were doctors who could put them on an examination table and instantly cure whatever ailed them.

Now they know the cure is installing and maintaining proper systems and structures, such as family councils and employment rules -- above all, the families must be willing to buy into change.

But one of the challenges today is family members' susceptibility to the cult of personality and a vicarious interest in wealth and fame that has infected all walks of life. Call it the Paris Hilton syndrome.

Mr. Bork remembers one owner of a large business who used to record every episode of the TV show *Lifestyles of the Rich and Famous* so he could compare his own success with that of the tycoons featured on the show.

Also, the pressures of wealth have become more intense. Thirty five years ago, not that many families possessed jaw-dropping financial resources. Now, many more families encounter the complications of great riches

"Money can be so damaging to the lives of young people," Mr. Bork says. "Parents

need to really be responsible in preparing children for what is to come, whether it is inheriting the business or inheriting the wealth."

Mr. Bork says the key is to accentuate the difference between building a strong family and creating a strong business. A family, he says, "is responsible for raising responsible adults who have high self esteem and can function independently, and it's based on acceptance that is unconditional."

But in business, he points out, acceptance has to be clearly conditional -- based on the competence of the individual.

The crisis comes when there is a confusion about these two realms of family and business. "The greater the propensity to co-mingle the tasks, the more likely it is to have extreme difficulty in the business."

Although prescriptions often vary, Mr. Bork has three basic rules for all family companies:

They should convert their oral pacts into written, binding ones, including buy-sell agreements.

They should create a family business employment policy so that entry is based on criteria of competence and experience, rather than just bloodlines.

There must be a formal mechanism to allow the family to interact with the business -- not just a matter of approaching the person in the corner office.

Mr. Bork is clearly distressed over the popular myth of family companies, expressed in tabloids and serious business magazines alike, that they are

cauldrons of jealousy and backstabbing. He argues that far from being a burden, belonging to a family firm is a splendid opportunity to accomplish great things.

"In fact, there are so many people who are delighted to have the pleasure of the company of their relatives, day in and day out, and it is delicious when it works. Numerically, there are more cases where it works than not."

Still he doesn't shy away from the challenges, which often include substance abuse in the most outwardly successful families. He can see a genetic susceptibility here.

He recalls that he once worked with six brothers, who kept a cigar box full of cash in the office for the purpose of buying drugs. It wasn't uncommon for them to waltz into a bar together and snort a line of coke on the counter.

So Mr. Bork had the brothers develop an iron-clad policy: "If you're wired, you're fired." Often his tasks, he says, involve "breaking the cycle of certain behaviours."

These days, Mr. Bork is pulling back from his hectic schedule and spends only about 80 days a year on consulting.

That allows him to pursue his other obsession. He bicycles an estimated 6,000-plus kilometres a year. Last June, he suffered a blowout at 70 km/h going down a steep incline, and came out of it with six broken ribs, a punctured lung and a nasty road rash.

He recovered quickly, but in this sense at least, he's a bit like some of the families he advises. "I have lived on the edge."