



ASPEN FAMILY BUSINESS GROUP, LLC

DEEP RELATIONSHIPS. ENDURING LEGACIES.

Mentoring Advisors of Family Businesses

by Joe Paul

Scott was an attorney known for his ability to create estate plans that were bullet proof from a tax perspective. But in spite of his ability to minimize estate taxes, sometimes his clients would inexplicably drag their feet in the planning process. Occasionally a client would put off committing to a plan so long that they died without signing the documents he had so carefully crafted.

Such was the case with the 80-year-old Koffman family patriarch and matriarch. Their hard work and good fortune had made them one of the wealthiest families in their state, but if they died before signing the necessary documents, their 3 sons would have to sell the family company to pay the estate taxes.

In his research for this case, he had missed something important that his clients were loath to tell him about. Scott could sense that there were some vexing family dynamics, but he believed that he had created a plan that would control any disruptions a family member might cause.

However, what the Koffman's were ashamed to tell Scott was that the wife of their middle son had told them in no uncertain terms that, "If you don't make my husband the next president of the company, you will never see your grand children again."

Scott didn't know that he had ignored one of the Axioms of advising families in business. The Axiom is that *"Commitments to rational agreements and contracts among family members typically will not control the family dynamics that drive the family and business behaviors. This is especially true when the dynamics are driven by mistrust or a sense of unfairness among family members. Generally speaking, problematic family issues need to be dealt with overtly by the consultant, not covertly via documents that ignore underlying family issues."*

In the end, the Koffman's oldest and youngest sons found an angel investor and bought out their middle brother.

More technically oriented advisors often don't feel like they have the training, the temperament, or "license" to speak with their clients about problematic family issues. Discomfort with these family issues can lead to "blind spots" in the assessment process. Such was the case with Scott in the story above.

The Aspen Family Business Group has trained and mentored many professionals who want to develop better skills dealing with the family issues of family businesses and have decided to emphasize mentoring professionals as an addition to the resources we provide. Below are kindly offered comments from three of my mentees on the mentoring process.

Adriana Adler is an independent consultant in Sao Paulo, Brazil:

Being mentored in my work with family businesses is in some ways like being in counseling. It stimulates self-awareness and develops my ability to remain calm in the midst of anxiety. Mentoring helped me to prepare myself intellectually and emotionally for client meetings and helped me understand the influence of my client's family life in their businesses. A well timed comment from my mentor would lower my anxiety and help me understand a knotty problem in my client's family. I always felt free to be candid and knew I could count on him for a simple question that would take me to a deeper understanding of the dynamics of my clients. Mentoring also meant understanding how the clients were affecting me, why I was reacting in this or that way. I learned that it is important to understand how my values, emotions and history can affect my work. After a mentoring session I always felt more self-confident. It was also clear that my mentor was very focused on and interested in my professional development.

I believe that family business mentoring is a must for advisors without family systems training who want to understand the interplay of family dynamics with the requirements of sustaining a business. The ability to have a conversation with an expert you can trust, and one with whom I can ask all sorts of questions, disclose mistakes, or ask for help when I felt paralyzed is a great resource. Having someone who generously shares beliefs, techniques, knowledge and who clearly understands me is priceless. When you feel your mentor considers you to be a good professional it makes a huge difference! I'm very grateful for the time with my mentor and am reassured knowing that I can go back for more!

Burack Kocer is General Manager at Egeli & Co. Corporate Support Services Inc. In Istanbul, Turkey:

I have always been confident about my listening skills but mentoring especially helped me to hear my clients presenting issues in the context of a broader understanding of predictable family business dynamics. Mentoring provided me with a methodology of fact finding regarding aspects of the most commonly experienced family business issues. This helped me to identify the clients presenting issues of concern in the context of underlying family dynamics. With

these insights I can more easily decide how to organize and prioritize both the family and business issues.

Mentoring helped me to ask the right questions at the right time and to use more formal process oriented tools during the sessions.

Mentoring helped me to see general patterns of behavior typical of families in business thanks to various examples and cases referenced during mentoring sessions. The ability to describe these patterns to the client helps them see that their problem is not unique to them which reduces their anxiety and helps them be more objective.

The most challenging aspect of FB consulting for me has been my hesitance with the open discussion of family issues. Mentoring allowed me to appreciate that talking about family issues is a legitimate part of my responsibility and in most cases (if not all) a must since most issues are deeply rooted in family relationships.

In my practice almost all the family company clients want me to help them with structural improvements of their businesses (e.g., preparing a company structure which could consider IPO in the future, redefining business processes to meet the requirements of overwhelming business volume). After some brainstorming on existing practices and desired ones, they immediately realize the “authority issue” is a problem. A lack of division of authority is a common but significant succession issue.

Mentoring helped me to see the importance of two questions: “What keeps this business running?” And, “What keeps these individuals together in the firm?” If you don’t know the answers to these questions your solutions may not address the critical issues. Knowing what keeps these people together is crucial to the analysis of client needs and essential to any proposed organizational structure changes. I now realize that factoring in the family issues is a requirement and not just an option.

I have learned that the way one defines "who the client is" is one of the major differences between advisors. Since family business advisors find themselves in the middle of a web of conflicting interests the ability to recognize these conflicts is necessary in earning the trust of all parties involved. This is not an easy task when you are surrounded by your client’s emotions and egos and your own biases on who is right or wrong. Mentoring allowed me to (A) define the client properly (B) learn how to avoid finding myself ethically compromised with respect to my responsibility toward each individual member of the family.

The mentoring experience changed the way I work with my clients. First of all it has increased my self-confidence. I can clearly say I feel much more confident

both at the pre engagement stage and during the process. My mentoring experience with Joe was first of all a great chance to know myself.

Mentoring also created a sense of belonging to the profession of Family Business Consulting. I now understand its scope of practice compared other advisors to the family (i.e., financial, tax, legal). I can more comfortably develop a road map for the consulting process, and decide who include at client meetings. I have benefited from the mentoring experience by gaining the skill of outlining a proper agenda for the case at hand.

Family business consulting is truly a multi-disciplinary specialty and knowledge of the other disciplines involved is very important. I believe one must develop what s/he feels missing in his/her skill sets. If you have a strong business background you might consider strengthening your skills in psychology. It has made a big difference for me.

David Shlagbaum, an Attorney and Senior Partner; Robins Appleby and Taub, Toronto, Canada:

My Family Business Mentor is a patient and focused listener and an engaged and caring teacher. He captures the essence of your question and spins it back to you with an inspired tale or a 'must remember' axiom. His guidance allows me to feel very much in control of my own journey while having someone there to help me distinguish and make sense of the mile markers along the way.

For anyone looking to embrace a personal dimension and an understanding of family dynamics into their professional practice, Joe has the ability to take an often complex and unpredictable landscape and make it feel more hospitable and manageable. I recommend him highly.

My first conversation with him inspired me: I was captured by his genuine interest, as he sought to understand my concerns, matched by his elegant style of giving me space to reach my own decisions.

Always available, I felt he was there on the same wavelength with me and my client's rhythm and needs. No matter what the case, a crisis or a simple question, he would sail with me, listening as I voiced my own reflections.

My Mentor brings a high level of knowledge and experience, going very deep in his observations, and always helping you with your feelings. He generously offers his ideas, concepts, and material that could be helpful.

I feel blessed to have worked with my Family Business Mentor, a very caring and perceptive character: a possibility of sharing, asking, confirming, and feeling a genuine interest on the other side of the wire.

As you can see, although these three advisors come from very different professional disciplines, practices and cultural settings, they all have seen the benefits of mentoring focused on family and business dynamics. The Aspen Family Business Group has identified three stages of incorporation of family systems theory into an advisor's professional service that ranges from "family systems informed" to a full-time practice in family business consulting that replaces ones "profession of origin".

If you are interested in such a professional transition give Joe Paul a call at 971-279-4914 or visit our website at www.Aspenfamilybusiness.com