

# Family Business Wisdom, Thoughts & Education

COMMUNICATION & CONFLICT, FAMILY MEETINGS

## RULES OF COMMUNICATION IN FAMILY MEETINGS

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I'm mechanically disinclined. My dad recognized this early in my life. But he wanted me to at least understand the basics of a few mechanical functions. This inspired him to create a simple, memorable, four-word description of how a combustible engine works: pump, squeeze, pop and blow. Let me elaborate to (literally) the full extent of my abilities. Fuel is pumped into a cylinder. A piston squeezes the fuel, increasing pressure. A spark plug pops and ignites the compressed fuel. The explosion blows the piston up and blows the exhaust out. The energy created by the explosion is converted into power.

Family businesses are like combustible engines. Family members and non-family employees provide the talent and skills that make up the fuel. Goals, objectives and compensation models create pressure to succeed. Personalities and individual work styles create the sparks that can easily turn into explosions. Governance (a la family meetings, policies and processes) is the exhaust system that regulates the pressure inside the engine and generates the power.

Consider this: Without an exhaust system, a combustible engine is a bomb. And with too little pressure and too much exhaust, a combustible engine is nothing more than a lit flame — it doesn't generate power. I would argue that without effective governance mechanisms, family meetings will suffer one of the same two fates — either an explosion of emotion and frustration or not enough energy to accomplish goals and make progress.

In my experience, good governance begins and ends with effective communication. Family meetings rely on it to manage tensions that exist between family members. One way to make progress toward excellent communication is to create rules together.

A couple in the southeastern USA had a family construction business and 10 children. The business and family grew and grew until the couple decided it was time to pass the business to the next generation. To facilitate the process, they hired me. As I interviewed family members and started to understand their strengths and weaknesses, they told me about their most recent family meeting. At a crucial point, when the family was asked to make an important decision, the eldest son became angry, yelling profanities and cursing his parents and siblings. He stormed out of the conference room door, slamming it behind him and leaving the family stunned and shaken. “We were so shocked by his behavior that none of us wanted to have another family meeting any time soon,” one sister said.

In spite of this episode, we invited the brother to attend our family business workshop. At the beginning of the meeting we turned our attention to creating rules of communication. “How can we make sure we are listening and being heard? How can we make sure these meetings are productive?” I asked. The responses were thoughtful and honest and included suggestions such as:

- No interruptions
- Be honest but respectful
- Seek first to understand
- Everyone has a responsibility
- Set an agenda and stick to it
- Set time limits set for topics and debate
- Anyone can call a time out
- All are equal
- Everyone is included
- The rules rule
- Notes will be kept by the secretary

But the subject of the emotional outburst of the eldest brother had been fearfully ignored. Finally, a brave brother-in-law raised his hand and suggested: “Nobody leaves without approval.” We each held our breath but the eldest brother nodded in agreement. The rules were approved unanimously.

Two months later, we met to review the first draft of a family constitution that would serve as the foundation of the family’s governance system. The entire family was in attendance. At the beginning of the meeting, we reviewed the rules of communication and each raised a hand to signal that they agreed to follow the rules during family meetings. The meeting went very well until early in the afternoon. The topic was family compensation. Unexpectedly, a sister stood up and announced that she was tired of the meeting and hearing about her siblings “living in la la land” while she had to “struggle through every day.” She headed for the door (which, luckily, was on the other side of a large room) while the family watched her in frustrated silence.

Who came to the rescue? None other than the brave brother-in-law, brandishing the Rules of Communication as his sword of Level Headed Truth. “Jane,” he said quietly but firmly, “we all agreed to the Rules of Communication and we agreed that the rules rule. Please, for the sake of your family and for this process, stay here and work with us. We need and want your help.” Jane stopped and scowled at him before sitting down in a vacant chair near the door, purse and car keys in hand. She stayed put for the rest of the meeting, only to bolt out the door the instant it ended. Two of her sisters were able to catch up to see what was bothering her. It turned out that she and her husband were in the middle of a significant financial challenge that was causing her great stress.

Rules of communication, when created through an inclusive process and agreed to by all decision makers, can save a family meeting from falling apart and becoming a wasted, frustrating use of time and energy. They create an expectation of professionalism in an otherwise emotion-filled gathering. Without them, the frustrated, brave brother-in-law had probably said “Jane, sit down! You’ve always been a drama queen!” or something insensitive and hurtful. Do your family a favor: If you already have rules of communication, dust them off and review them prior to your next family meeting. If you don’t have them, set aside a half hour in your next meeting and create them. As a result, your meetings will be more productive and respectful and the time spent together will be more rewarding.

