



# NEWSLETTER

Aspen Family Business Group

spring 2002

**T**he Aspen Family Business Group—David Bork, Leslie Dashew, Dennis T. Jaffe, Ph.D., Sam H. Lane, Ph.D., Joe Paul—serves as a resource to help families create an environment in which members are open and willing to learn and grow. It is in such a setting that families are able to envision and achieve the positive possibilities of their business as well as maximize enjoyment of their family life. Our goal is for the family to develop harmonious, healthy, constructive, interpersonal relationships and to maximize the success of their family-owned enterprise.

## The Gathering: Some Learnings From Over The Years

by Sam H. Lane, Ph.D.

Each year we have 15-20 families join us in Aspen for “The Gathering” which is a loosely structured conference that provides the opportunity for them to learn, reflect, share their experiences with others and just enjoy being with one another. This year it will be August 1-4. We get a wide range of participants from all over the world, large and small families, and large and small businesses. Some are moving from the first to the second generation and some are in the fifth generation. We have learned that regardless of the circumstances, they all face similar issues and problems. Our goal is to help them be the best they can be in their businesses and their families.



*Solving difficult and complex business problems requires open communication so the issues can be identified, confronted and every potential solution explored.*

Families in business together face a daunting and complex set of challenges. Not only must they be able to work together to make their business successful, but they must also do so while promoting positive family feelings. The families that are successful at this share several common characteristics worth noting.

They come together as adults and have overcome the emotional baggage that sometimes accumulates during the “growing up years.” In particular, they shift away from a parent-child way of relating to one another and move to an adult-adult orientation. Parents are able to move away from needing to be “in charge” which allows the family to connect on a more level playing field as individuals.

These families have developed the skills, trust and mutual respect necessary to openly confront and deal with sensitive issues without becoming defensive. Solving difficult and complex business problems requires open communication so the issues can be identified, confronted and every potential solution explored. Sometimes these problems are associated

(continued on page 2)

### looking ahead

#### August 1–4, 2002

Aspen Family Business Gathering  
A Seminar for Families in Business

#### August 11–15, 2002

Joe Paul presents:  
“Corporate and Family  
Business Consulting”  
AAMFT Summer Institute  
[www.aamft.org](http://www.aamft.org)

#### October 2–5, 2002

Family Firm Institute  
Annual Conference in Dallas

#### March 2003

Leslie Dashew presents:  
Women in Family Business Retreat  
Miraval Resort in Tucson

[www.aspenfamilybusiness.com](http://www.aspenfamilybusiness.com)

### visit us/hear from us

*For more information  
about our products and services,  
or to receive email updates  
visit our web site:*

[aspenfamilybusiness.com](http://aspenfamilybusiness.com)

or call 1.800.835.5883

100 Elk Run Drive, Suite 200  
Basalt CO 81621

## The Gathering *continued*

with a family member, which tends to inhibit candid discussions. Perhaps a brother has developed a sorely needed marketing plan for the business but it is incomplete. Other family members hold back from confronting the issue for fear the brother will become defensive and angry. Successful families have developed constructive methods of handling these kinds of situations.

They work on effective interpersonal boundaries and are aware of the limitations of influencing anyone else's behavior. They don't try to "fix" others. They realize you can't control other people and events; you can only control your reaction to them. For instance, parents can become frustrated with the choices their older children make and may try to influence these children to make decisions more consistent their expectations. For the success of the business and the family, parents must realize they can offer counsel and support, but must leave it up to their child to make choices and experience the consequences.

*But successful families have a special compass that keeps them headed in the right direction and brings them back on course when things get off track.*

Flourishing families recognize when a conflict is escalating and have ways of making sure a situation doesn't spin out of control and cause difficult to repair damage to family relationships. All too often conflicts escalate as events or discussions are misinterpreted or miscommunicated and responses are given in the heat of the moment. These types of responses are hard to take back and get over later. Ultimatums are dangerous. People get painted into a corner, emotions run high, lines in the sand are drawn and crossed and a large interpersonal rift occurs. Successful families are able to circumvent such situations to avoid long-

term damage to the family and the business.

Most importantly, these families value, and commit resources to, spending time together, celebrating the family, honoring individuals and nurturing the relationships that bind them together. Family birthdays and special events are remembered and a real effort is made to communicate regularly. Family gatherings receive a high priority. Setting time aside to reconnect, have fun and just enjoy each other's company are of the utmost importance.

*It is also reassuring for families struggling with a particular problem to be able to interact candidly and openly with someone who has gone down a similar path.*

Together, these all combine to keep a family positively connected through time and able to thrive through all of the difficulties and perils they are sure to encounter. And to be fair, few families manage to practice these things every time. We are all human and we all have our moments. But successful families have a special compass that keeps them headed in the right direction and brings them back on course when things get off track.

At the Gathering families have an opportunity to hear first hand how these strategies can be helpful in different situations and how to make them work. It is also reassuring for families, struggling with a particular problem, to be able to interact candidly and openly with someone who has gone down a similar path.

Come Join Us! ♦

**Sam H. Lane, Ph.D.**  
5608 Malvey Ave, Suite 211  
Fort Worth, TX 76107  
(817) 735-1898  
e-mail: [shlane@aol.com](mailto:shlane@aol.com)

## resources

### books

- A) **The Best of the Human Side**  
*A Collection of Articles*  
by Leslie Dashew \$15
- B) **Working With Family Business**  
by David Bork, Dennis T. Jaffe,  
Sam H. Lane, Leslie Dashew, and  
Quentin G. Heisler \$37
- C) **Working With the Ones You Love**  
by Dennis T. Jaffe \$13
- D) **Family Business, Risky Business**  
by David Bork \$13

Set of 4 for \$60

### monographs

1. **It Ain't Easy to be Rich**  
by David Bork
2. **Let's Celebrate the Good News for Family Business**  
by David Bork
3. **Consulting to the Family Business**  
by Dennis Jaffe
4. **Family Boards: How to Make Them Work**  
by Sam H. Lane
5. **Joining the Family Business**  
by Leslie Dashew
6. **The Challenge of Families Who Work Together**  
by Leslie Dashew
7. **Transferring Authority in Family Business**  
by Joe Paul
8. **The Challenges of Downsizing a Family Business**  
by Sam H. Lane
9. **Succession Planning**  
by Sam H. Lane
10. **Exploring Differences in a Hierarchy**  
by Elizabeth McGrath and Nick Bizony
11. **Getting Along With Family Members**  
by Sam H. Lane
12. **The Family Business Employment Policy**  
by David Bork

Full set: \$20 Individual: \$2.50



To order, call 1.800.835.5883  
or use order form on back

# The Bundle of Sticks

by Joe Paul

One of Aesop's fables is about the strength that can come from keeping family together.

*Once there was a father who summoned his three chil-*

*dren to his bed as he neared death. He wanted to give them a final gift to help them in life. He reached under his pillow and pulled out a bundle of three sticks tied together with a cord. He then gave the bundle to each of his children and asked each of them to break the bundle. But they could not break it.*

*The father then took the bundle, untied it and gave one stick to each of his children and asked them to try to break the stick. They tried and each of them did break the individual stick. "Children," he said, "this is to show you that together you are stronger than you are separately."*

In an elegantly simple way, this fable speaks to us about the wisdom of holding family assets together. But sometimes, in spite of inspired planning, being part of a family in business or a family that shares collectively managed wealth does not make individuals feel stronger. Sometimes the cord is broken or comes unraveled because the pressure to separate is stronger than the cord that binds the family together.

*When it is the founder that holds the family together it is often a strong bundle, but only as long as the founder is alive.*

Sometimes the problem lies in what the cord is made of. I tell this fable to my client families in the early part of our work together and at the end ask them, "In your



case, what is the cord that holds you all together, in spite of the difficulties you experience?" It is a provocative question that often leads the family to a deeper understanding of what they are all about.

In some families there is a long silence and then an elder family member, often the founder, will slowly raise his hand. "I guess it is me," he will say. "I think that I am the only thing that holds this together."

When it is the founder that holds the family together it is often a strong bundle, but only as long as the founder is alive. Since, when whatever it was about him is gone, the group doesn't hold.

*Can a family member really feel like they are part of the family bundle if they choose not to be part of the business bundle?*

In other cases, families they might say, in one way or another, "our values" or "our religious beliefs". Which is to say that in their case the cord is made of ideas about what life, work, family and commitments are all about.

As we explore further their thoughts and feelings about the cord that binds their lives together we find that the perception is often different between individual family members. For some, it is a great thing to be part of the bundle; for others, it is too close for comfort and they would like to be out of the bundle but fear what the consequences would be if they asked to leave.

We also find that the cord is often actually a braid of several things that hold the family together, some of them positive and some not. Typically, the braids are either about emotions or big ideas.

I encourage you to think about what is holding your family together. You might ask yourselves:

*To what degree is it about emotions?*

*Is it emotions that are good for people to live with?*

*Is it the influence of a personality that holds the group together?*

*If it is, what is likely to happen when they are gone?*

*Is part of the tie that binds your family together about values and big ideas?*

*If it is about values, how clear is your family about what those specific values are?*

*Have you ever put them into words or a statement of family mission or values?*

*In the best-case scenario, what would you like for your families cord to be made of?*

*Can a family member really feel like they are part of the family bundle if they choose not to be part of the business bundle?*

Think about telling Aesop's fable of the bundle of sticks at your next family meeting. Then ask your family to think about what *really* is holding the group together. The discussion itself may create a stronger cord. ♦

**Joe Paul**

10490 SW Eastridge, Suite 120

Portland, OR 97225

(503) 297-0750

e-mail: familyfirm@aol.com

---

# Succession Strategies, by Bill Lurz, Senior Editor, *Professional Builder*

Reprinted with permission from *Professional Builder* magazine, February 2002

---

Most of Leslie Dashew's clients are not home builders, but a lot more probably should be.

Tom Bradbury, principal of giant niche builder Colony Homes in Atlanta, says Dashew brings an objective point of view to transition planning that is desperately needed. "Leslie has done great things for my family and my company," he says. "And I know there's a lot more builders facing challenges similar to mine. In fact, among privately held builders, it's harder to find one that's not challenged in some way by succession planning."

The challenges come in three general types: 1) the transfer of ownership and management from a founding principal to one or more children; 2) the transfer of management to professionals outside the family because the kids don't want to run the business but do want to own it; and 3) packaging the business for sale, to employees or an outside bidder, because the children don't want to own or run it.

Of course, the mutations on those general themes are as varied as the people involved. "Most entrepreneurs are highly creative people," Dashew says. "They want to do their own thing. And to do transition planning, the entrepreneur must confront his or her own morality—never a favorite topic. Sex, death and money are supposed to be the three taboo topics, but people will talk about sex before they'll discuss death and money, and those are the two that are involved in succession planning. The easy thing is to let it slide and do nothing. My work is helping families deal with the disastrous consequences of that course of action."

Dashew advises entrepreneurs to begin transition planning with a personal assess-

ment: Where are you now? Where do you want to be in five or 10 years? What's important as a legacy?

"Many builders view their company as an extension of their family, especially if they don't have children working in the business," Dashew says. "They don't want to sell it because they fear what might happen to the employees. I can't tell you how many times a principal has said to me, 'If I sell the firm, the culture I built here will be gone, and I don't think the employees will be able to handle that.' I tell them to begin with a vision of what they would ideally like to see happen, then work toward that goal. Sit down with the family and discuss where the business is going, what each member wants from it and how the alternatives will affect each life."

Dashew is adamant that a family council should be formed as a first step to keep internal family issues from disrupting strategic decision-making in the business. That's always a danger when an iron-willed entrepreneur suddenly begins talking about retirement. "The family council is the right forum to allow family members to create a vision for the future," she says. "If the family will retain ownership of the firm, it's essential that it speak with one voice to managers and employees. Don't put outside managers in a position where they have to take sides in internal family disputes."

High on Dashew's list of recommendations for almost any succession situation is the formation of a strong, independent board or directors. "That's especially important if the family plans to retain ownership but bring in professionals from outside the family to manage the company," she says. "You should pull board members

from different areas of the country if they are involved in the home building industry so there's no hint of competitive conflict of interest, and from different industries.

"Building a strong, effective board takes time. You need to find people who can be objective and add value via their contacts, perspective and expertise. People who have been through a transition themselves can be helpful. I often recommend retired builders for a building company board. Strong financial backgrounds are a plus. And look for people who can fill holes in the cumulative knowledge of owners and managers."

"Developing the skills to build an effective, independent board of directors is often just the right challenge for an entrepreneur facing retirement and easing out of day-to-day management decisions," Dashew says. "Moving up to chairman of the board, and building a good one, is a new and different challenge. The board has to be independent enough to be more than a rubber stamp. Six to eight members is a good number: the CEO and one or two family members, then four or five outsiders."

"Most builders I've helped through formation of an independent board say they wish they'd done it sooner, that it really adds value and that building a board is a new adventure for the entrepreneur."

An entrepreneur's decision to retire never comes easily, and perhaps the stickiest issue is who will ascend into leadership of the company. "That's a different issue from ownership," Dashew says. "It involves succession of knowledge. One of the big barriers to turning over the company to another person is that the successor 'doesn't know what I know.'"

(continued on page 5)

---

## Succession Planning *continued*

This gets back to the whole issue of vision Dashew reasons. The entrepreneur is often a cowboy, good at shooting from the hip, but not great at managing a large, growing company. If continued growth is one of the objectives defined in the vision, a new model for management of the company might be the answer.

The successor in such a situation might not be one person, Dashew says. “Leading a growing company today is so complex that many entrepreneurs are now developing succession teams. One person may be really good at strategy, while another is

good at day-to-day operations. Shared leadership models can be very effective.”

Dashew has one guiding principle for entrepreneurs determined to kick themselves upstairs to chairman of the board: “Nose in, fingers out. Understand where the business is going and how it’s doing, but give the succession team the reins of power. The chairman’s role is advisory.”

That said, Dashew advises the new leader—whether second-generation family member or outsider—to seek advice from the retiring leader whenever critical decisions must be made. “Too many second-generation owner/leaders dismiss dad as

over the hill, but there’s something to be said for the gut feel experience brings to decisions that require a balance of risk and opportunity. Instinct is really wisdom and knowledge.”

Dashew has lots of it. ♦

### **Leslie Dashew**

*21839 N. 98th Street*

*Scottsdale, AZ 85255*

*(480) 419-4243*

*e-mail: ldashew@aol.com*



# Creating Spirit in the Workplace

by Dennis Jaffe, Ph.D.

The family business has long had a reputation for creating spirit—a special sense of belonging, participation and commitment among all employees. People



who work in such a business feel a special bond with the business, what it stands for, and what it does. **Spirit represents a deep, rejuvenating capability to get results in a way that respects and enhances the well-being of the people who are part of it.**

People want to be in touch with spirit for many reasons. First, it makes work meaningful, because people see the connection between what they do and something important. Second, spirit helps people get aligned so that they are all working in the same direction. Third, spirit motivates people to higher levels of effort and performance. Fourth, spirit helps people trust and respect each other, leading to more open, sensitive and supportive relationships. Finally, spirit helps workplaces connect to a higher purpose that goes beyond the work itself, to link the organization with issues of social responsibility, and to its impact on the environment.

No single approach is “the answer.” Organizations use several spirituality building practices:

## **1) Help people find their inner purpose and mission**

Asking yourself why you do the work you do, what is important to you about it, and how you want to do your work, represents an awakening of spirit that serves two functions. First, it enables people to ask themselves, instead of trying to figure out what the organization or others want. This

is deeply stimulating, as people come up with ways that they can do something special at work. The personal purposes that emerge focus on issues like respecting other people, creating a place where people can do their best work, completing a special project or piece of work, or helping their group achieve a goal.

*A person is more effective if they understand how their work fits in with the big picture.*

The focus on personal mission helps the team learn how each person wants to be recognized, and what matters to them about their work. The focus on personal mission helps people feel more in touch and linked to each other, and more caring, trusting and supportive as a team.

## **2) Collaborate to define the organization's deep vision**

As the organization gets more complex, and demands from customers, competitors and the environment shift constantly, employees get confused about what they are supposed to be doing, or how their work can really make a difference to the organization. People are more effective when they understand how their work fits in with the big picture.

Organizations can align the efforts of many around a set of values, principles and pictures of what is important, which include a vision of where the organization is going. The vision is not static. It must be up-dated and re-defined as time goes on. For example, the vast changes at large organizations like Sears and IBM involved not just the whole organization, but each part rethinking their vision, and how they would reach it.

*If people feel that what they do matters, that what the organization is doing or how it does it, they feel they can take initiative, and act appropriately.*

Vision is not just a top-down effort. The top leadership, including founders or owners, set a stake in the ground. But to tap into spirit, employees throughout the organization have to link the vision to their own work, and define it in relation to their own environment. The work of developing a deep, spiritual vision involves taking a big picture vision, and having exchange in all levels of the organization about what it means. Then, their experiences and ideas are collected and used to revise and develop the vision further. Finally, the vision is something that many people have touched, feel part of, and hold within them as they work. If people feel that what they do matters, that what the organization is doing or how it does it, they feel they can take initiative, and act appropriately.

## **3) Create and live by a set of values about people and working together**

The organization can clarify its values about doing work. An organization embodies values such as treating customers and employees with respect, helping other people do their job, and looking for creative new ideas. An organization can also embody more sinister values—such as competing for every job, the primacy of individual results, treating people lower in the organization as inferior, not listening or respecting new ideas, pleasing the boss, and other signs of a workplace that values fear, power and conformity.

Adopting values that embody respect for the employee and the capability of each person is a spiritual principle rooted

(continued on page 7)

## Creating Spirit *continued*

in psychology of motivation. Research demonstrates that people work better when they feel valued, are praised, get feedback, and in the absence of fear and intimidation. Yet, many workplaces feel that people work better through fear.

The focus on desired values, and how the team or organization does or does not live up to them, is an important element in releasing spirit. It enables people to discuss how they want to do things, and to go beyond getting tasks completed to look at deeper levels of their work.

### **4) Tap people's inner creativity and wisdom**

Workplaces rarely tap into the deeper levels of personal creativity and wisdom of all their employees. The old assumption was that a few people at the top act as the creators, and the rest follow along. Yet today, many organizations find that many, if not all, of their employees must exercise judgment and creativity daily in working with customers, in rethinking products or services, or in looking for opportunities to leverage what they have. Organizations find that the way that they involve their people determines how much of themselves they are willing to share.

Unfortunately, many work processes turn the organization off to potential gifts of individuals, and even stop people from listening to themselves. The phrase "why bother" crops up all too often when people know something that could be done but don't feel that they can have any impact.

*Processes which cultivate and value sensitivity to others, and build trust and fairness at work are fundamental to any workplace.*

Practices that build creative exchange in groups and teams increasingly have a spiritual edge—in that they incorporate tech-

niques of meditation, deep reflection and looking inward that are part of many cultural traditions.

### **5) Increase emotional intelligence in work relationships**

Emotional intelligence is supporting people to listen to others, respect other points of view, and move ahead with sensitivity to involving others rather than intimidating them. Processes which cultivate and value sensitivity to others, and build trust and fairness at work are fundamental to any workplace. Emotional intelligence comes when managers build these principles into management and supervision, such that managers lead not by traditional power of their authority, but by building consensus, inviting participation, and allowing people to put their own stamp on the workplace.

### **6) Create a climate of dialogue and discovery**

Dialogue is a way of allowing a conversation to flow and develop by combining the ability to listen to oneself, and to look at one's assumptions and personal response to others, and to listen and be open to the ideas and experience of others. In dialogue, people learn from each other and themselves, and build a shared reality that can be applied to resolving a business problem, developing a team, resolving a deep conflict between members of a group, or developing a strategy or plan for implementation. Using dialogue, you are less concerned with advocating your own views than with inquiring into how they came to be, and testing them in light of the reactions of others.

### **7) Develop managers' skills as facilitators and mentors**

A final area of spirit at work involves

teaching managers in the skills of leading by involvement, emotional intelligence, dialogue and discovery. Many managers may say they want to act this way, but through not having good models, not getting feedback about their behavior and their effect on the people around them, not having the skill to operate in this way, or by not being able to deal with the emotional feelings of loss of control and uncertainty, they are not able to put these skills into practice.

*Spiritual values about people and work need to be linked to workplace practices,*

It is not enough for a family owner/manager to decide to develop a spiritual perspective in their company. In fact, when a leader gets excited about these ideas they are often dismissed and ignored in the organization not because people are opposed to them, but because they are not clear how to make them real. Spiritual values about people and work need to be linked to workplace practices, which begin with learning how to do them. They need to be supported by the actions of people in all levels of the organization, and rewarded. Performance evaluation and other systems need to be redefined to support the new values that the workplace and the leadership desire. If an organization wants to embark on this path, it needs to develop learning processes that teach people new ways, and help them begin to practice them. ♦

**Dennis T. Jaffe, Ph.D.**

461 Second Street Suite 232

San Francisco, CA 94107

(415) 546-4488

e-mail: [djaffe@saybrook.edu](mailto:djaffe@saybrook.edu)

## for professional advisers

### ASSESSMENT TOOLS

Aspen Family Business Inventory · Aspen Family Wealth Inventory

Professional Advisor Interpretation Kit \$125

Use order form on back, or call 800-835-5883

# order form/registration form

Name.....  
Company.....  
Address.....  
City.....State.....Zip.....  
Phone.....Fax.....

To order by fax: (970) 927-8588  
To order by phone: (800) 835-5883

To order by mail: The Aspen Family Business Group  
100 Elk Run Drive #200, Basalt, CO 81621  
**email: [afbgroup@rof.net](mailto:afbgroup@rof.net)**  
**web site: [www.aspenfamilybusiness.com](http://www.aspenfamilybusiness.com)**

## FORM OF PAYMENT

Enclosed Check, payable to Aspen Family Business Group  
 Visa/MC#.....Exp.....  
Signature.....

## BOOKS circle choice(s)

A) \$15.00 B) \$37.00 C) \$13.00 D) \$13.00 - **Or set of 4 for only \$60**  
Total \$..... FOR BOOKS

## MONOGRAPHS circle choice(s)

1 2 3 4 5 6 7 8 9 10 11 12  
Cost for each **\$2.50** Complete set of 12 only **\$20.00**  
Total \$..... FOR MONOGRAPHS

## ASPEN FAMILY BUSINESS INVENTORY

Professional Advisor Interpretation Kit **\$125.00**  
Total \$..... FOR INVENTORIES

## SHIPPING (International shipments will incur additional charges.)

Up to **\$50** add \$5.50; **\$50.01** to **\$75** add \$7.00; **\$75.01** to **\$100** add \$7.50

**TOTAL ORDER** \$.....  
**SHIPPING/HANDLING** \$.....

**GRAND TOTAL:** \$.....

## ASPEN FAMILY BUSINESS GATHERING REGISTRATION

..... Number of family members to attend

**\$650.00** per person. Complete this form and indicate additional names and addresses on a separate sheet of paper.

Total \$..... FOR REGISTRATION FEES

RETURN SERVICE REQUESTED

www.aspenfamilybusiness.com  
Fax 970.927.8588  
Phone 1.800.835.5883  
Basalt, CO 81621  
100 Elk Run Drive, Suite 200



**The Aspen Family Business Group**

PRSR STD  
PAID  
PERMIT #3735  
U.S. POSTAGE  
DENVER, CO