

THE DONALD COOPER CORPORATION

Speaking and coaching internationally on management, marketing and profitability



Management tool #A-11: ©

When a partnership or family business is struggling, it's almost always because of some of these 6 key factors.

For a partnership or family business to succeed, the partners or family members who are shareholders or active in the business must share the following 6 key factors. That's reality...and the beginning of wisdom is the recognition of reality.

To see how your business is doing on the '6 key factors' and 10 other important 'success indicators', complete the survey below and on the next page.

Company Name: _____ My Name: _____ Position: _____

Using the boxes below, indicate with a ✓, each key factor that you definitely have achieved, indicate with an X any factor that you definitely have not achieved and indicate with a ? any key factor where you're not sure if you've achieved it or not.

- ☐ 1. We, the partners or family stakeholders, have a **'shared Vision'** for the future of the business. We agree on the direction in which the business should go, how big we want it to become, how big it must become, the bottom line that it must generate, the business model that will best get us there, who should own it, and who can most effectively manage the entire business and each part of it.
- ☐ 2. We have **'shared values'** for our business and our personal lives. We trust and respect each other's values and character. Our shared values and integrity serve as a positive example to everyone in the business.
- ☐ 3. We, the partners or family stakeholders, have a **'shared commitment'** to the business. We are passionate about the business and respect each other's contribution. We feel that we are each compensated and treated fairly for our respective contributions. Our commitment to the business serves as an example of commitment, urgency, passion and accountability to everyone in the business.
- ☐ 4. We have **'confidence in each other's competence'**. We have arrived at a functioning and healthy understanding of where each partner or family member can best contribute and have allocated responsibilities appropriately. We agree on who's responsible for what. We do not try to do each other's jobs or micro-manage each other. We do not 'bad-mouth' each other to other team members. Our confidence, trust, respect and support for each other sets a positive example for everyone in the business.
- ☐ 5. We, the partners or family stakeholders, have **'rapport with each other's personality'** and a **'willingness to work together'**. We get along with each other and respect each others' differences...and in doing so we set an example of cooperation, joyfulness, tolerance and respectful debate for everyone in the business.
- ☐ 6. We have the ability to have **'respectful debate'** and **'courageous conversations'** among partners or family members and at all levels of the business.

For a partnership or family business to work effectively, the partners or family stakeholders must be aligned in all 6 of these key factors. So, how did you do? Where is it clear that you need to find agreement or common ground? How will you do this...and what kind of help might you need?

Important Note: There is one other key factor that can, and often does, destroy a partnership or family business. That's when, in spite of the competence and commitment of the younger generation, the older generation simply won't give up control because they have nothing else to do with their life. The business is their 'neat fort' where they feel safe, comfortable and in control...and they won't let go.

☐ Using this text box, indicate with a ✓ if this is NOT a problem...and with an X if it IS a problem.

10 additional keys to success in a Partnership or Family Business:

Using the boxes below, indicate with a ✓, each 'success key' that you definitely have achieved, indicate with an X any factor that you definitely have not achieved...and indicate with a ? any key factor where you don't know if you have achieved it or not.

- ☐ 1. A clear organizational hierarchy and reporting protocols.
- ☐ 2. All 'next generation' family members work in some other business for at least two years before coming into the family business.
- ☐ 3. All partners, family members and employees agree on and follow policies and procedures.
- ☐ 4. There are no special rules or privileges for children or other relatives of the partners or family business owners.
- ☐ 5. There's a healthy level of accountability for all partners or family members...and all other members of the management and supervisory team.
- ☐ 6. Salary and benefits are based on position held and performance delivered, not on family or partnership connections.
- ☐ 7. Family members don't 'pull rank' and interfere in places outside their areas of responsibility.
- ☐ 8. Non-employee shareholders don't get involved in day-to-day management decisions, unless asked.
- ☐ 9. Promotions are given to those who can best do the job. No promotion is automatically given to a partner or family member. Family members must compete with outside talent when a new-hire is being done or an internal promotion is being considered.
- ☐ 10. Toxic partners or family members are removed from the business. Non-performing partners or family members are re-assigned to positions in which they can excel, or they're removed from the business.

Review where you have put your ✓'s, X's and ?'s above and on the previous page. What does this tell you about what needs to be addressed and resolved in your partnership or family business? Who will be responsible for addressing the problems and doing what needs doing? Realistically, do you need outside help? This is not an easy journey.

Donald Cooper speaks and coaches internationally on management, marketing, and business profitability....including coaching struggling partnerships and family businesses. He can be reached by email at donald@donaldcooper.com in Toronto, Canada.

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