



# HUMAN SIDE OF ENTERPRISE

## DECEMBER 2001 NEWSLETTER

*A periodic publication to keep in touch with our clients, colleagues and friends.*

### GROWTH IN THE FAMILY BUSINESS

While preparing to give a talk on governance in the family this spring, I was thinking about the complexity of family owned businesses and how to understand and explain the impact of *development* of the family and the business. So often, I hear family members struggle with how difficult their lives become as their businesses grow and issues arise such as who does what, who decides what, how to move someone out of a role that has outgrown them. It occurred to me that these issues “brew” gradually and often don’t come onto the radar screen of leaders until they become major blowups.

### Complacent Frogs

A metaphor for this situation is a frog in warm water. If you put a frog in a pot of water and gradually warm the water, it will not notice the gradual increase in heat and will become “cooked to death.” However, if you throw the frog into hot water, it is immediately aware of the heat and leaps out!! Similarly, as a business grows from its entrepreneurial roots, the owner-manager utilizes whatever resources he or she has at his or her disposal (including family members as labor in whatever capacity is needed) and as family business issues arise, they are ignored because they are not “hot enough” to command attention.

### Differentiation of “Cells”

This gradual evolution of the family business is a bit like the differentiation of cells as a human being grows. Cells forming a new human being divide and specialize (the process of mitosis). What starts as a few general cells eventually divide and become blood, muscle, bones,

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**LESLIE DASHEW, PRESIDENT**  
HUMAN SIDE OF ENTERPRISE

### OPENING DOORS TO NEW OPPORTUNITIES

*Bless those who challenge us  
to grow, to stretch, to move beyond the knowable,  
to come back home to our elemental and essential nature.*

*Bless those who challenge us  
for they remind us of doors we have closed  
and doors we have yet to open.*

*-- Navajo saying*

Following Thanksgiving, a friend of mine sent me this Navajo saying. Somehow, the quote gave me a way of understanding the period of crisis we have been through in the past several months.

The attack of September 11, 2001 on U.S. soil was an atrocity that few of us will ever forget. The fear which

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## HUMAN SIDE OF ENTERPRISE MISSION

Our mission is to enhance the effectiveness of our clients (both individuals and organizations) through consultation and training services. We are committed to creating a partnership with our clients to foster the attainment of their personal and professional goals through the most efficient, ethical, and qualitative approaches. Our ability to serve depends upon our growth as well. Thus we seek opportunities to learn from our partnerships and strive for open communication.

## SERVICES

### CONSULTATION SERVICES

- Organizational Development
- Team Building
- Consultation to Management
- Special Services For Family-Owned Businesses

### TRAINING PROGRAMS

- Performance Management and Supervision
- Listening and Assertive Communication
- Leadership and Management
- Team Building
- Family Councils, Family Wealth and Other Family Business Strategies
- Managing the Family in Business
- Developing Boards of Directors
- Speeches on Personal and Family Issues
- Partnering for Success

### COMMUNICATING WITH HUMAN SIDE OF ENTERPRISE

- Telephone Number: (480) 419-4243
- Facsimile Number: (480) 419-4231
- Email: LDashew@aol.com
- Address: 21839 N. 98th Street, Scottsdale, AZ 85255

## NEWS THIS YEAR....

No one who knows Leslie would ever think they would find her quoted on the sports page!! It happened when Leslie was interviewed by **USA Today** and quoted in their sports section on July 31. The special section looked at the Nascar Racing and the France family who developed and owned the stock car racing business for three generations.

**The Career Planning and Adult Development Journal** also Included an article in the Summer 2001 issue by Leslie on "The Challenge of Career Decisions When There's a Family Business in the Family"

The publishers of **Family Business Magazine** also publish books for family businesses. Their recent book, **The Family Business Compensation Handbook**, Edited by Barbara Spector, includes several articles by Leslie and her colleagues in the Aspen Family Business Group. Another article describes the work of one of Leslie's clients in establishing appropriate compensation policies and practices.

If you are interested in any of these articles, please feel free to call the Human Side of Enterprise offices for a reprint.

## RECOGNITION

The **Family Firm Institute** recognized Leslie Dashew this year when they named her a Fellow of the organization, acknowledging her contributions to the field of family business consultation.

Leslie was also honored to be invited to join the **International Women's Forum**. The International Women's Forum is an organization of preeminent women of significant and diverse achievement. Members come together across national and international boundaries to share knowledge and ideas to enrich each other's lives, to provide a network of support, and to exert influence. Through the Leadership Foundation, the International Women's Forum helps prepare future generations of women leaders. Members from Arizona include Supreme Court Justice Sandra Day O'Connor and Governor Jane Hull.

### THE ASPEN FAMILY BUSINESS GATHERING

August 1-4, 2002

The Gathering is a highly interactive, informal conference for families in business. Limited registration provided small group interaction to enhance learning from other business owners as well as from the Associates of The Aspen Family Business Group. Each Associate is a nationally and internationally recognized professional whose life's work is helping family business grow and prosper.

The Associates are David Bork, Dennis Jaffe, Sam Lane, Joe Paul and Leslie Dashew.

Each day of The Gathering includes approximately four hours of seminars and workshops, all designed to encourage participant involvement and maximum exchange of ideas. You will select the sessions you think

will be most valuable for you. We provide a range of workshop topics designed to fit the specific interests of the people in attendance.

The Gathering has a definite informal tone and is designed so that attendees can take full advantage of the program, as well as enjoy the summertime beauty and wide range of attractions found in Aspen and the Roaring Fork Valley. The activities range from the Aspen Music Festival, hiking, biking, fly fishing, rafting, horseback riding and hot air ballooning, to all the other things that make Aspen a highly-desirable destination resort.

The Gathering is designed to be accessible to everyone in family business. We are proud to offer an interesting and fun learning environment, in which you and your family can learn and grow together. For more information, contact Marjorie Hilts at (970 927-8555) or see our website: [www.aspenfamilybusiness.com](http://www.aspenfamilybusiness.com).

terrorism struck in our hearts reverberated across the globe. Our response to this crisis, while still unfolding, did challenge us to *grow, stretch and come back to our essential nature*. We have witnessed widespread compassion, mutual support and patriotism that is unparalleled in my lifetime...*doors we have closed*.

While none of us would choose to have a crisis such as this occur, it does nudge us into reflection: reflection on our safety and liberty, on what is most important to us, on our differences from those who would attack us and perhaps on our common humanity. The crisis pushes us towards consideration of a response: personally and as a nation. Some of us are intimidated by the threats, and have chosen to stay close to home. Others heeded the call to protect our nation and went into service, defending the country. Some have reached out to support those who experienced great losses and some have reached out to family members, realizing that our hold on this life is precious and tenuous

The Chinese symbol for “crisis” has two figures: one is danger; the other is opportunity. As I have reflected on this crisis and struggled with how we, as a nation, address this threat I imagine two hands: one held up in a position indicating, “stop.” While the other reaches out, palm up. As a nation, we must protect ourselves from the immediate danger while reaching out, with compassion, to understand. We do have an opportunity at this time to comprehend at a visceral level that we are connected with all humanity, with the entire earth. The pain of the Afghan people has been thrust in our world, has now affected us directly. *Doors not previously open*, have been opened and encourage us to look at our interdependence with people around the globe. Hopefully, we will seize this opportunity to consider how we, as individuals, and as a nation, can build better alliances that support health and well being, tolerance and understanding.

As the season of Chanukah, Ramadan, Christmas and New Years is upon us, a season which encourages us to reflect on miracles, joy, renewal and gratitude, let us all open doors, especially those previously closed, to understanding, compassion and love.



## THE BEST OF THE HUMAN SIDE

**Managing our Selves, Our Relationships and Our Organizations in a Rapidly Changing World**  
**A Collection of Articles by Leslie Dashew**

If you are enjoying these articles, read more in our recently published book, a series of 28 articles and essays from 10 years of the Human Side of Enterprise Newsletter and other writings. The book is organized into three sections: Inspirations for the Self: Individual Effectiveness; Interpersonal Effectiveness; and Family Business Effectiveness.

The book is geared for people who want to:

- Enhance their effectiveness in communication
- Increase their ability to work as a member of a team
- Learn tools to foster harmony and prosperity in family businesses
- Be more effective in achieving goals
- Develop strategies to cope with rapid change
- Help others (or oneself) find the right job or career.

Some examples of what you will find in **The Best of The Human Side:**

Personal Strategic Planning  
Coping with Success  
Lessons About Change  
Building the Right Team  
Confrontation  
Coping with Chaos  
Challenges of Family Business  
Finding the Work of Your Life  
Joining the Family Business  
Preparing Successors  
Preventing Horror Stories  
Communicating in Family Business

Through these chapters and the discussions therein, you will come full circle—from the intricacies of your personal daily life, through the maze of your relationships with others, to the perils and pleasures of your family business. By beginning with the self and becoming clearer about who we are, we can become more proactive than reactive to the forces around us. Then, by improving our relationships with others, we become more effective in our abilities to communicate, solve problems and work within systems, including the large complex systems of family businesses. With all of the systems and relationships working effectively, Jackie Stradley of the Coca-Cola Company, who reviewed an early version of the book said “I love it! It felt like spending a day with Leslie!”

To Purchase copies of The Best of the Human Side, call HSE or contact [www.amazon.com](http://www.amazon.com) or [www.barnesandnoble.com](http://www.barnesandnoble.com).

neurons, etc. Similarly, an entrepreneur begins a business and most often wears all the hats: he or she is owner, chief executive officer, production, sales and marketing, human resources and the chief financial officer. As the business grows, the entrepreneur brings in other personnel (sometimes family members) who take on some of the roles, thus beginning the dividing and specializing process.

Issues arise during this growth process when attention isn't paid to role clarification. Boundary issues arise when two or more people feel they have accountability for the same task (or conversely when all of them feel someone else is responsible for the task and no one does it)! In one such business, the wife of the entrepreneur came into the shop on a part time basis to do billing and receptionist tasks. When a new sales person was hired, she assumed he would follow up on delinquent accounts and he assumed she would, since she had done so in the past. When the number of past due accounts started growing, the issue erupted into a major conflict with the entrepreneur feeling stuck in the middle. It is a rare entrepreneur who writes job descriptions and updates them as new employees join the company!! Having the discussion about role clarification often doesn't happen until conflict, such as this, occurs. Typically, issues among family members or between family members and non-family members arise as the company grows and more infrastructure and systematic processes must be developed to support a larger business.

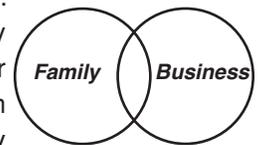
As the company continues to grow, the entrepreneur must transition his or her role as well. This typically creates another challenge. For example, if a sales and marketing manager, a controller and a production manager are hired, the CEO, formerly known as entrepreneur, must begin to delegate both responsibility and authority and honor the boundaries between his or her role and that of the other managers. For many "recovering entrepreneurs" this is difficult: they like to communicate informally, make things happen directly and abhor what they construe to be bureaucracy. The specialization of that role to leader of the company and manager of managers is often a struggle. It is hard to "keep nose in and fingers out" of the processes which have been delegated.

## **Family and Business Specialization**

Many youngsters growing up in an entrepreneurial or family owned business household feel that the business is part of the family. They notice that mom and/or dad talk about little else, the needs of the family seem to be second to the business and they spend free time helping out at the business rather than recreating or vacationing together. In fact some of these youngsters actually feel jealous of the business-as if it were a favored sibling (thus describing a new form of sibling rivalry). This type of family is what we describe as a "business-first family."

Growing up in this situation, the younger generation members often feel internal or external pressure to go into the business as a career path.

Consciously or unconsciously, many feel they do not have permission or encouragement to create their own identities apart from the family business.



"Its hard to find your place in the sun  
in the shade of the family tree."

On the other hand, some family members feel that they are entitled to a role in the family business because of their membership in the family. Both of these situations are symptoms of lack of differentiation between the family and the business. If the family and the business are to be healthy, then they must "specialize" and each function according to the parameters of that subsystem. In other words, run the business like a business and the family like a family.

At some point around this time, family and/or business leadership may "awaken" and observe the need to differentiate the business from the family. If so, healthy growth can occur. If it doesn't happen, then either the development of the business or that of family members suffers. One sign of this differentiation is when family leaders develop guidelines or policies regarding the process by which family members enter and exit the business (See, for instance "Joining the Family Business" in *The Best of the Human Side of Enterprise: Managing Our Selves, Our Relationships and Our Organizations In Rapidly Changing Times.*)

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An Invitation to Attend an Important Workshop

## **Boards of Directors for Family and closely-held businesses**

**January 24 and 25, 2002**  
Scottsdale, Arizona

One of the most important strategies that a family business can utilize to assure growth and continuity is to have a highly performing board of directors. Yet many owner/managers find it difficult to gain the value they seek from boards or know the mechanics of developing a board that works effectively for them. This workshop has been designed to address these needs.

### **Workshop Objectives**

- The program is geared for family businesses and other closely-held businesses
- To increase familiarity with practices of strong boards of directors which add value to the businesses and assure that all stakeholders feel well represented
- To allow participants to explore how to apply to their own situation the concepts which others have found useful in their closely-held business

### **The program will include**

- Rationale for boards of directors for privately-held business
- Best Practices of private and public boards
- Guidelines for starting up and developing a board
- Content on how to get the most from your board
- Practical information on such issues as board compensation, D&O insurance, etc.
- Discussion of the unique issues of the relationship between the family system, ownership and the business
- References for further study
- Opportunity to discuss experience with participants from other family and closely-held businesses

**Faculty** will include prominent experts in the field of governance and family business:

**Ronald Zall**, former Chairman of the Board of Directors of Carma, Inc., a Toronto stock Exchange company, has been engaged in the practice of law since 1953. He practices law in Denver, Co. with the law firm of Berenbaum, Weinshienk & Eason, P.C. where he is the

managing shareholder. He is a former member of the Board of Directors of the National Association of Corporate Directors and formerly served as NACD's Director of Educational and Consulting Services where he has taught the program on boards of directors for family owned businesses.

**Susan F. Shultz** is the founder of SSA Executive Search International, Ltd., a retained search firm with affiliates worldwide, SSA has a division devoted to the recruitment of directors for corporate boards and helps growth companies, public and private, structure, strengthen and diversify their statutory and advisory boards. Susan is an author of four books (Macmillan, Simon and Schuster and AMACOM), the most recent of which is the widely acclaimed *The Board Book – Making Your Corporate Board a Strategic Force in Your Company's Success*.

**Leslie Dashew** (whom you all know!!)

The Meeting will be held at the Sunburst resort, 4925 North Scottsdale Road, Scottsdale, AZ (800 528-7867)

### **Schedule:**

Thursday, January 24 9:00- 5PM  
Friday, January 25 9:00-3PM

### **Registration:**

The registration fee of \$950 for the first participant and \$750 for second (or more) from the same organization (for workshop, materials, lunches and breaks) is payable to the Human Side of Enterprise. Mail registration to: 21839 N. 98th Street Scottsdale, Az 85255. For more information, call: 480 419-4243

## Further Differentiation: Ownership vs. Family Membership vs. Employment

If we fast forward the development of the business a few years, and find that it is successful and valuable as an asset of its founder, the next challenge in differentiation is who owns the business? If the entrepreneur succeeds at the succession of leadership of the business, he or she may move into the role of owner rather than owner-manager. The role then taken is often "Chairman of the Board." For many successful businesspeople, the challenge then becomes estate planning: how to plan to transfer the ownership such that payment of estate taxes does not cause the liquidation of the business. Many entrepreneurs begin gifting or selling stock to family members or trusts on their behalf. Thus, we begin to have a distinction between owner and manager or employee. Family members who are "owners" must learn about the rights and responsibilities of ownership and eventually see the business as theirs rather than "dad's business." Becoming psychological owners often occurs much later than the transfer of stock.

As this specialization continues, we find that people often confuse roles: "Am I relating as a daughter, an owner or an employee now?" Understanding and managing the boundaries between these roles is essential to the effectiveness of all three groups. Communication becomes more difficult as differentiation occurs. Each group has specific needs for information and is involved in different decisions. Informal communication must be replaced with communication structures, what I refer to as

"legitimizing structures" for communication: e.g. management teams, boards of directors and family councils. These structures help to clarify roles, responsibilities, authority, and channels of communication. If this is done well, it sets the stage for future growth of the family and the business as each matures. For families, the move from intergenerational ownership to sibling partners

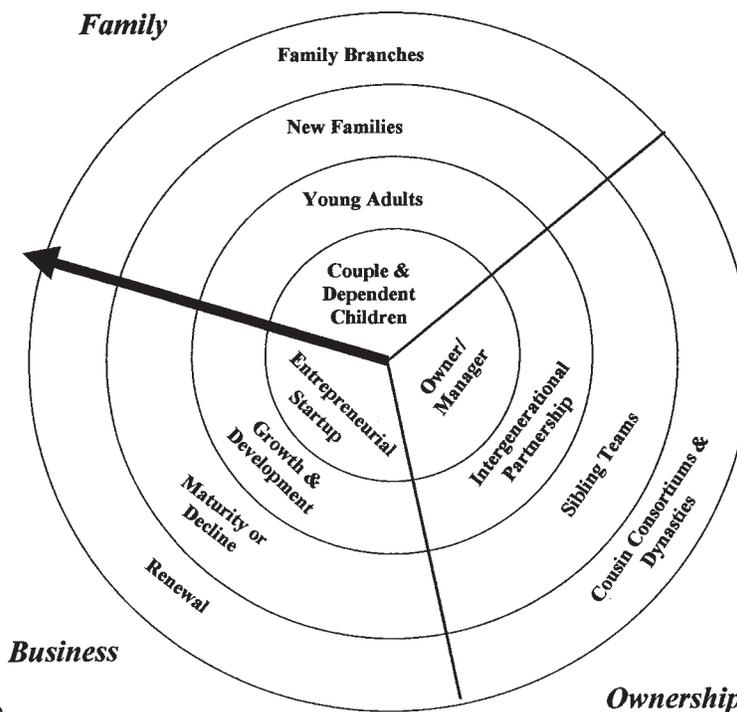
and/or cousins consortia reflects not only the longevity of the business assets but a continuity of family connectedness as well. Each entity must continue to explore its mission, vision and the relationship among them to determine whether further differentiation (e.g., sale of business, split within the family or involvement of in-laws) is warranted.

The process of growth of human beings and organizations through life is hopefully one of continual clarification of identity, purpose and

**Ownership** values. As we age, our definition of our "self" generally becomes clearer and clearer. We have the opportunity to fully realize our selves and feel a sense of integrity. This is differentiation at the psychological level. Leaders, in particular, have a strong sense of differentiation and are able to stay calm and true to what is important even in the midst of chaos. The truest sense of leadership for the family business leader is the ability to help one's family, each individual and business to continue to evolve and grow through their stages of development with respect for uniqueness and interdependence.

And as we learned from our friend the frog, this requires staying alert in water that is warm as well as in water which is boiling.

### Phases of Family Business Evolution



**SIXTH ANNUAL**  
**Women In Family Business Retreat**  
**SHARING SOLUTIONS FOR THE DILEMMAS OF LIFE:**  
**SPIRITUALITY, BALANCE AND THE FAMILY BUSINESS**  
**MARCH 14-17, 2002**  
**Miraval Resort Tucson Arizona**

*WE ARE DELIGHTED TO OFFER THE 6TH ANNUAL WOMEN IN FAMILY BUSINESS PROGRAM AT MIRAVAL LIFE IN BALANCE RESORT MARCH 14-17, 2002. THIS YEAR'S PROGRAM, SHARING SOLUTIONS FOR THE DILEMMAS OF LIFE: SPIRITUALITY, BALANCE AND THE FAMILY BUSINESS WILL OFFER AN OPPORTUNITY TO EXPLORE SOME OF THE CORE ISSUES WHICH EACH OF US FACES AS WOMEN WHO HAVE THE ADDITIONAL CHALLENGES AND OPPORTUNITIES OF FAMILY BUSINESSES AND/OR WEALTH.*

One of the unique aspects of the Women in Family Business program each year is the opportunity to have relaxed, meaningful dialogues with women in similar situations. In this year's program, participants will have the chance to gain clarity about what is important and how to maintain balance and integrity in a complex environment. For women in family businesses or women of wealth, the challenge is often how to balance the expectations of family, business or assets with one's own internal longings.

**Among the topics we will explore are:**

- Identifying our own values, beliefs and dreams
- Understanding how to integrate our genuine "selves" with the world of family enterprises
- Exploring the ways in which we can add value to the family and its enterprise (and visa versa!)
- Considering how our spirituality can influence our family and its assets
- Exploring our roles and enhancing our effectiveness as owners and family members and working with the family enterprise are also among the topics we will discuss.

As always, the Women in Family Business program will offer the opportunity to meet with women from around the world who are facing similar challenges and opportunities. The exploration of these issues is facilitated by Leslie Dashew and other resource people in the magnificent, nurturing setting of Miraval Life in Balance Resort. The program offers opportunities to listen to new ideas and the experiences of other women and to have time to reflect on your own life. We also have time for a bit of pampering at the spa each day.

**For more information and registration for the conference,  
contact us at 480 419-4243 or LDashew@aol.com**

*With Best Wishes for a Wonderful  
Holiday Season from  
The Human Side of Enterprise*

**INSIDE...**

- Opening Doors
- Growth

**HUMAN SIDE OF ENTERPRISE**

21839 N. 98th St.  
Scottsdale, Arizona 85255