

The Birkman Perspective

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Consultant's Corner

by Bonnie Brown Hartley of Transition Dynamics, Inc.



The Birkman Method[®] as a Tool for Business Families

I have been using The Birkman Method as a tool with my business family clients for a decade, thanks in part to the suggestion made by Dr. Mark Voeller, a colleague and fellow Birkman Method consultant, that I invest in the training. I have found it to be enormously helpful and use it with almost all of my business family clients. Why?

I work with business families who are in transitions precipitated by one or more triggers, e.g. the sudden death or catastrophic illness of the business founder, the desire of the current CEO to retire, the opportunity to sell the family business or to acquire another business, or the next generation's desire to assume greater responsibility in the family business, the family office or the family foundation. I use "what-if fire drills" with these clients as contingency planning tools to help business family stakeholders prepare strategically for change.

The one constant all my clients face is that the world as they know it is constantly changing. Some of those changes are predictable and enjoyable, e.g. family weddings, the birth of a grandchild. Others wreak havoc on family relationships or have big financial costs or benefits, e.g. divorce, the death of a parent or grandparent, the sale of the family business.

Most of my clients have significant financial assets (their "financial capital"), a strong commitment to philanthropy (their "social capital"), a large pool of stakeholders comprising their "human capital," and overlapping governance structures, e.g. family businesses, family offices, family foundations and, at times, family councils. (See Figure 1.) They have complex, multi-generational estate planning challenges and usually work with a team of

advisers comprising attorneys, accountants, financial planners, insurance agents, organizational development consultants like me and, occasionally, a family therapist. Managing risk, decision-making and relationships well is crucial to the long-term stewardship of the family's wealth.

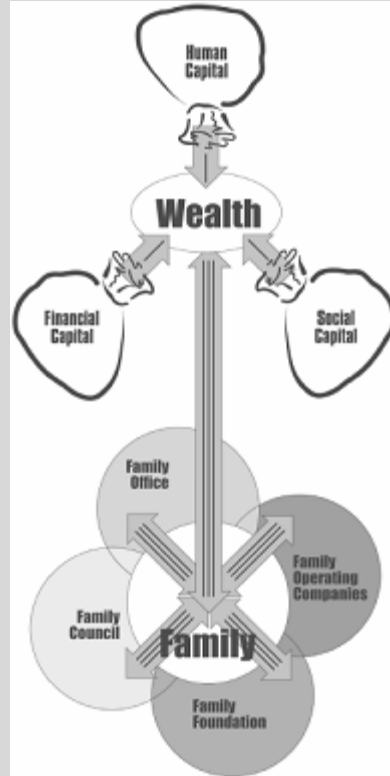


Figure 1 Business Family System © 2004 Transition Dynamics, Inc. All rights reserved.

The Birkman Method is a great team-building tool throughout the business family system. It helps team members enhance their “human capital” by building on one another’s unique strengths, being supportive of one another’s challenges, and managing change throughout that system in the most effective way.

Imagine for a moment that you are a member of such a business family. You or someone in your family owns and, possibly, manages one or more businesses. Depending on the size of the family and the level of financial capital, you may also have a family council, a family office and a family foundation. Your spouse may also be your boss (or vice versa). Your son, daughter, or one of your in-laws may also be your employee or co-owner. Your great-grandfather may have established the family foundation whose mission no longer fits the family’s current focus or the community’s needs. You may have cousins you don’t know well who are also your business partners or who sit on the family foundation board with you.

As a business family member, when your business takes risks, your

family is also at risk. When your family faces a crisis, it impacts your business. When your neighbors or friends approach you for a donation to their favorite cause or someone in the family gets a divorce, your family's reputation and visibility in the community may be impacted.

Given this complexity of relationships and governance structures, coupled with the potential for high levels of ongoing stress among family members, employees and professional advisers, The Birkman Method provides my business family clients valuable support. These clients, their employees and their advisers do not always operate as effective teams. They act using untested assumptions, have different tolerances for stress and conflict, and manage time, stress and conflict differently. Planning, communication and relationship management are more difficult until stakeholders improve how their teams function.

Business family team members who use The Birkman Method increase self-awareness and improve communication skills by identifying their strengths, needs and sources of stress. The frequency and intensity of conflicts go down as teams begin to understand their individual members' differing styles and preferences. By recognizing their individual and collective stressors, they manage personal and professional relationships with greater awareness, compassion and success. They also manage risk and make decisions with better results.

Bonnie Brown Hartley, Ph.D., is President of Transition Dynamics Inc., a consulting firm specializing in business family and organizational transitions. Dr. Hartley works primarily on planning, communication and relationship management during times of transition in two areas: governance systems within family councils, family offices, family and non-family management teams, boards of directors and advisory councils; and life-long learning maps for developing interests and competencies in business families. She also serves as an executive coach for both senior and next generation members of business families. You can contact her at bbh@transdyninc.com.