Taking Over The Family Business

In every family business, the time comes to pass the reins to the next family member. If that next family member is you, you’re probably feeling excited and nervous. Not only are you starting a new part of your own career, it’s also a role everyone at the holiday dinner table will know all about!

Don’t let the pressure of taking over your family’s business wear on you. Instead, take steps for a smooth transition.

By viewing this change as an opportunity to collaborate, you can better prepare yourself for the changes to come in your family business. I share with you some thoughts about this business transition from a friend of mine at SCORE, Bridget Weston Pollack. She is the Vice President of Marketing & Communications at the SCORE Association.

Embrace your family’s business history
Whether you’ve worked in the family business since you were a teen or you’ve more recently developed an interest, now is a great time to learn more about that business. Don’t simply accept the keys and do the necessary paperwork. Take time beforehand to sit down with the previous generation to learn as much as you can about the business you’re taking on.

You’ll want to know about the business financial history, recent wins and challenges, and areas for potential growth before taking the reins, of course. You may also want to know about the history of the business. What inspired the business? What was the original vision? What were some of the businesses’ brightest moments or greatest struggles? Having context, both historical and business-focused, for the company you’re taking over will help you appreciate what’s been built so far. It may also inspire you for the next stage of your family business.

Consider the future
While you’re talking about the beginnings of your family business, you may want to talk about the future. Don’t just consider what to do with the business immediately. Think about the future of the business five or 10 years from now. Beyond a succession plan and emergency preparedness, consider what actions to take if you no longer desire to run the family business. Under what conditions would it be acceptable to close the business, or to sell it to a non-relative? Consider these issues early in the takeover process to avoid feeling stuck down the road.
Communicate plans for implementing changes
As a younger generation taking over a family business, you may see many opportunities for growth. Perhaps mom and dad didn’t set up a business Facebook page, or Uncle Jimmy didn’t see any reason to accept credit card payments.

Before you implement new technology, marketing plans, or other ideas for business growth, be sure to make a plan to explain why this action is a smart move — and how you plan to take advantage of it over the coming months and years. Not only will doing this provide comfort to the last family member who ran your business; it will also ensure that you’re being proactive for business growth instead of just reacting to what you see others in your market doing.

Be sensitive
When in the process of taking over the family business, remember that the last generation may be very attached to what they’ve built. Whether they opened the business or took it over themselves at some point, they may have spent a great portion of their career building the family’s company.

Just as starting a business takes a great deal of energy, moving on from one can be just as taxing — and surprisingly emotional, too. Be sensitive to your family members’ feelings as you embark on this latest chapter in your family’s business history.

Are you preparing to take over your family’s business? Meet with a SCORE mentor who can guide you through the transition.

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