Workshop: Women at the Table
Presenter: Sharon M. Danes, University of Minnesota

For successful succession planning, transfer of decision authority needs to be addressed in a planful way. Two of the first steps to that plan are assessing family commitment to the business future and assessing business health. To obtain a more accurate evaluation of the health of a family business, it is important to interact with more than just the business owner and to utilize varied success indicators. Women within the family need to be included in the planning process-wives, daughters, female in-laws. This fact is a particular concern when both members of business-couples of either generation work in the business or are major decision makers. My research has indicated that women are a more sensitive barometer of the functional integrity of the family and for issues around change. Not including women in transfer planning provides a biased view of the family business goal structure creating greater risk for business sustainability.

The Sustainable Family Business Theory that guides all of my family business research indicates that resources can have enabling or constraining characteristics, but if certain types of family capital resources are not considered in major family business decisions, the family business cannot remain sustainable over time. Family capital is grounded in family structure and roles.

My research shows that the management transfer process needs to be informed from multiple stakeholder perspectives within the family business. Because women in family businesses often provide a barometer of the relational dynamics among family members with the family business, it is one of the strengths women bring to team building. An essential component to that success is to use all components of family capital. Family capital in the Sustainable Family Business Theory does not just mean financial capital but rather the combination of human, social and financial capital. In fact, my longitudinal family business research on indicates that it is not the level of family capital that contributes to long-term family business sustainability, but rather use and access of all forms and types of family capital, including that of women.

When there is a mix of genders at the table, however, it is important to understand that the genders communicate and problem solve differently. Each brings strengths to operating the family business. Neither of their communicating styles are the “right way” to communicate. Understanding the differences is important not only within the owning family, but also within employees that the owning family might hire.

Trust and fellowship are essential elements of creative problem solving and a successful transition of management decision authority. When women are excluded from the transfer planning process, they and other family members will struggle through interactions of influence and power within the family business. By foreclosing on the women as equal members of the family business, there is little collaboration which leaves the group to deal with issues of domination and reactivity when confronted with conflict. Creative problem solving within the family business is thus almost impossible with the essential elements of trust and fellowship. Power structures and power interactions are very closely related. When people going through succession planning do not consider this very critical premise of family business sustainability, they create risks that can affect long-term sustainability of the family business.

One source of assistance is the Rural Minnesota website at www.ruralmn.umn.edu. At this website are a number of helpful resources. There are worksheets, assessments, and audio-streamed Powerpoints to help family businesses through the management transfer process. For instance, on the Family Business Succession page there are downloadable worksheets called “Identifying What’s Important: Older Generation” and “What’s Important: Younger Generation”. These worksheets help each family business generation to identify important issues. Each family member involved directly or indirectly in the family business should complete one of these worksheets. There are audio-streamed Powerpoint presentations to assist you in the completion and the interpretation of the worksheets on that website, as well.

While at the website, you may want to review some of the other pages that could help you through the transfer of management process. There are pages on “Staying Resilient”, “Understanding Anger”, “Conflict Styles” and “Business Tensions”. There are interactive assessments such as the one that helps determine the conflict style of each family business member. If each family member completes the worksheet to determine their conflict style and then the whole business team reviews the Powerpoint presentation that explains the meaning of the styles, family members begin to get an understanding of why they react to each other the way that they do. The page on “Staying Resilient” helps family business members understand the change process because they obtain insight as to why certain things are going on in the family as they go through the transfer of management authority process. Certain things always happen as humans go through major changes like succession planning and understanding these stages helps to plan to some of them and make the transition a bit easier by planning for what you might expect.