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## Foster Growth FOR SUCCESS

Family members are more productive when given opportunities to develop new skills.

**T**wice in the last month, I've come across the French word "terroir." Pronounced "tare-war," the word refers to the environment, especially the region, soil and climate in which a wine grape is produced. The concept is uniquely integrated into the marketing of wines; a Burgundy, Bordeaux or Champagne wine, by French law, can only come from grapes grown in the so-named region.

Reflecting on the word caused me to think about the terroir of the family business, the environment in which family members grow to be productive participants in the enterprise. In what kind of family business climate and soil is the next generation growing? What practices nurture the development of successful family business participants? As I consider families who work well together in business, three characteristics come to mind.

**APPRECIATION FOR RESOURCES.** One of the defining characteristics of mature family business participants is the way they value and appreciate resources. Those resources include financial status as well as the family's position as owners, its reputation and relationships. They do not assume they are better than others or expect people to respect them merely because they have more, have been around a long time or have the right name. They have an attitude of stewardship toward the family's

hard and soft assets. They demonstrate respect to others and seek to earn the respect of others with their daily behavior—not through their family status or wealth.

Although I have emphasized several kinds of resources, the best way to cultivate them is to consider how your family talks about wealth. Do family members know the size and scope of the family wealth? What responsibilities come with your family's position or status? What are your expectations about how ownership, wealth and success are demonstrated?

**SENSE OF PURPOSE.** Family members who participate in the business because they feel a great desire to contribute do far better than those who return because they have no other plans. When family members return because it is expected, because their parents want them home or because they cannot decide what they want to do with their lives, the family business to which they return will undoubtedly go through a later period of struggle and conflict.

On the other hand, families who encourage their members to explore other careers, live in different places or experience diverse cultures all while keeping the door open to a potential return seem to do better. There is always the risk that the next generation may not return to the farm. But, if their calling is in another career, they will likely be happier. Encouraging the next generation to work and live somewhere else, and to compare and contrast their experiences before returning to the family business is, perhaps, the most practical strategy for instilling a sense of purpose in their work.

**ETHICS OF IMPROVEMENT.** "Curiosity" is mentioned in popular business literature as a key skill, because asking questions, understanding the reasons behind success or failure, and being open to new models helps businesses make the changes necessary for future success. Better does not always mean bigger, and improvements can be as much in efficiencies and processes as scale. The senior members who guide this energy and curiosity while offering parameters for taking risks will create more lasting enterprises than those who stifle changes and keep everything the same.

There is no specific recipe for success in the family enterprise, but there are ingredients that create a favorable "terroir" and practices that set the stage for fruitful participation by family members. Appreciating wealth, finding one's calling and continuously improving the family business are three that will serve your family well. ●

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