

Choosing A Professional Family Business Advisor

According to *How to Choose & Use Advisors: Getting the Best Professional Family Business Advice*, Dr. John Ward and Dr. Craig Aronoff list the following special needs for family businesses that should be understood by their professional advisors:

- The need of business owners to make succession, strategic, personal financial and family plans that reflect overlapping business, personal and family goals
- The need to make business goals harmonize with family objectives, philosophies and values
- The need to integrate successive generations of family members with business operations
- In many cases, the need to satisfy shareholder demands for liquidity without relinquishing family control
- In many cases, the need to finance ownership and management succession without relinquishing family control
- The profound impact of family values, history and attitudes on the workings of the business

I hope you will use this information to begin the process of finding family business advisors who will integrate an understanding of these special needs with their technical expertise. In addition, the professional you choose should, according to Ward and Aronoff:

- Maintain up-to-date technical knowledge and show strong interest in and commitment to his or her field
- Communicate openly in clear, simple language to help educate family members when appropriate
- Seek to know your family and business in depth
- Understand how families work and how the family and the business relate to each other
- Give advice and counsel that suits both your family and your business
- Initiate periodic meetings with you for update and review
- Be resourceful on your behalf, spotting opportunities for sharing information and contacts
- Show empathy, patience and trustworthiness
- Be willing to work with successor generations
- Raise questions about the future
- Promote collaboration among advisors
- Give honest advice, even when it may jeopardize the client relationship

On the following pages, the members of the professional Advisory Committee for the Center for Family Enterprise shared their recommendations for choosing professional advisors and list a variety of questions your family business can use while interviewing candidates.

So You're Looking for Help with Your Family Business?

Did you hear the story about the fellow who spent more time and energy on deciding what car to buy than on choosing his wife? Sad but true, many family businesses make the same mistake in choosing their professional advisors. The point is that

you should put forth the effort to find the right professional because your family and your business are major parts of your well-being. You need to decide who is right for you, your family and your family business.

The comments listed below will assist you in finding a professional to help you, your family and your business.

- First, be clear in your mind about where you are with the family business and where you want the business to go. Remember, you are looking for someone who can help you and your family business meet challenges that are unique and often difficult.
- Next, choose people from referrals to interview, preferably with other members of your family.
- Finally, choose a professional who is able to work with your entire family, your key employees and your other advisors to get the job done. This person must also understand and empathize with how difficult this process can be and must truly want to help.

In the following information, you will find questions to guide you in the process of obtaining family business advisors.

Questions for Each Family Member

Evaluating Self

- Why am I considering using a family business professional?
- What are my goals?
- Right now, what am I willing and not willing to do differently?

Evaluating the Project

- What are the goals of the project?
- What do I want the professional to do?
- What do I see as my role?

Evaluating the Professional

- Describe the "wrong" person for the job.
- What are the key factors that will determine whether I hire this advisor?
- Will the questions I plan to ask give me the insight needed to choose a suitable advisor?

Questions to Ask Potential Family Business Advisors

Understanding Family Business Process and Goals

- How do you build an understanding of how a family works?

- What does *working within a family culture* mean to you?
- How do you build an understanding of the relationship between a family and their family business?

Team Concept

- How do you build and promote collaboration with other advisors serving the same family business?
- Describe the optimum working relationship between you and the other professionals serving the same family business.
- Describe your role as a family business advisor.

Trust, Sensitivity, Empathy, Compassion

- How do you begin earning trust with a client?
- How and when do you participate in the changing of family culture?
- How do you show sensitivity and empathy?
- What does compassion mean to you? What role does compassion play in a project?

Additional Considerations

- Can the professional advisor candidate provide enthusiastic references from family businesses similar to yours?
- Does the candidate have experience with clients whose family businesses are at least as complex as yours?
- Is the candidate suited to the professional advisor role you need him/her to play?

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If you would like further information about selecting a professional advisor for your family business, read Dr. John Ward and Dr. Craig Aronoff's book, *How to Choose & Use Advisors: Getting the Best Professional Family Business Advice*, Business Owner Resources, P.O. Box 4356, Marietta, Georgia, 30061-4356