

French Fries and Family

Ever noticed the shape of Tater Tots? One Idaho company makes it their business to notice.

Idaho Steel Products makes the machines that bake Tater Tots, French fries and Golden Patties for companies like Ore-Ida Tater Tot and McDonald's. The company also helped invent the technology that produces potato flakes for companies like Idahoan Food, Basic American Foods and Oregon Potato.

The employees enjoy the all-day potato talk, because it's a family business. Lynn Bradshaw bought the company more than 25 years ago, and ever since, Idaho Steel has been an example of keeping the family strong while growing a successful business.

"It's not easy to run a family business, for anyone really," says Davis Christensen, son-in-law to Lynn and vice president of Sales and Marketing at Idaho Steel. "But we realized, the core of our family business is strength."

Idaho Steel is gearing up for its 100-year anniversary next year. The company has expanded globally to every continent except Antarctica. Davis oversees the commercial responsibilities, while brothers-in-law Alan Bradshaw and Delynn Bradshaw oversee engineering and production,



Managing partners Davis Christensen, Delynn Bradshaw and Alan Bradshaw. Photos courtesy of Idaho Steel.

respectively. Davis says, it all comes down to trust. "We lean toward one another's areas of expertise and strong points."

As for the next generation, both Davis and his son, Jon Christensen, agree there isn't any obligation to join the family business. They keep possibilities open and even encourage family members to find jobs in other industries that could bring fresh perspective to Idaho Steel.

"We want them to focus on their educations. But they know there won't be a silver spoon waiting for them," Davis says. "Most of all because we're in the private sector and have to turn a profit every year. And second, we don't want our generation to come in with a sense of entitlement. They need to start at the bottom and work their way up."

In other family businesses, the relationships can be a downside when discussing difficult topics. But Jon says that is not the case for Idaho Steel; family members are open with challenges and even discuss ideas and projects over barbecues and family events.

"I find it easier to bring up difficult topics because it's not just an employee/employer relationship," Jon says.

One difficult topic for all family businesses is succession planning. Just as Jon wasn't pressured to join the family business full time, the second generation was presented the possibility in a nonthreatening way. When Lynn Bradshaw decided to retire in 2008, he approached his two sons and son-in-law, all full-time employees of the company, with the opportunity.

In the Bradshaw family, Davis says the best approach is being open minded in discussions and not pressuring the next generation.

"Lynn sacrificed a bit of his own potential earnings for the sake of letting us get ownership of the business," Davis says. "Lynn gave us the opportunity. That is an important part of how this company has come together."



Family Business Meetings: Proper Planning for Effective Results

By Joshua Nacht, Ph.D.

With the right frameworks in place, family meetings can be productive, engaging and most importantly, a valuable investment of everyone's time.

One of the most common concerns I hear from enterprising families is, "We have family meetings, but I don't feel like they are very effective." I assure them that they are not alone.

From shareholder assemblies to family gatherings, when family members feel that the meetings are not a good investment of their

time, they are less engaged, and the outcome is often unproductive. The good news is that with thoughtful planning and orchestration before the meeting, the family can participate in effective dialogue together and produce meaningful results. The frameworks outlined below can be applied to a range of meetings from more business-oriented to more family oriented.

Set the Stage With Goals in Mind

A good friend of mine who is a family business member often says, "The end is the beginning." By being clear about what you intend to accomplish, you can achieve that goal or at least move purposefully in that direction. Whoever is leading the meeting should solicit input

from all meeting members about the topics they want to address in addition to regular agenda items. Asking for input engages family members and gets people thinking in advance about the topics most important to them. Then you can set the intention of what you want to accomplish and address in the meeting.

Get Permission to Lead

Effective leadership of a family meeting is a vital way of ensuring a good outcome. A clearly designated leader helps keep track of time, monitors content and process, oversees fairness, and creates credibility. Of course, this may be a tall task for a family member who is also part of the process. Some families choose to have an outside facilitator or adviser simply because this neutrality can help shift the group's dynamic in a new way to produce a different result. Once the leader is designated, all present should grant explicit permission to the leader to lead. This includes helping to set ground rules at the start of the meeting about terms of conduct and sharing the talking space. With everyone in agreement upfront, the leader can effectively run the meeting and has permission to appropriately interject to ensure fairness, keep tangents to a minimum and encourage participation.

Structure and Improvisation

The agenda provides a backbone to the meeting by outlining the structure and approximate timing of each item. Sticking to the structure is a good approach, but doing so slavishly won't allow for the crucial moments when the family needs to explore topics in a more improvisational manner. Good structure allows for a measure of flexibility to permit explorations

when new topics emerge. Leaders can use the family agreements and structure to help bring the family back to the original agenda. Structure can also mean having good boundaries of topics that are not discussed at the meeting for various agreed upon reasons. However, don't use this avenue as an excuse to avoid talking about difficult subjects!

Content and Process

Leaders must consider what parts of the meeting are for content and what parts are for process. Content is for sharing and conveying information. Process is interactional and exploratory. The two are highly complementary and good discussions have intentional pieces of both: reviewing the company financials is content oriented; discussing how to include spouses in family meetings is process oriented. Family leaders

should consider how to incorporate both content and process into discussions, and know when you are moving between one and the other. Good questions engage people and encourage deeper thinking. Questions mean that something is unresolved, so they require the family to be engaged and present to work with the question. Don't be afraid if the questions don't have clear answers — you are there as a group to figure out the path forward together. Closed-ended yes/no questions don't tend to produce engagement, so ask open-ended questions that start with what, how and why.

Know the difference between problems to solve (more content oriented) and situations to manage (more process oriented). Problems have solutions, but much of what

Sample Gordon Family Shareholder Meeting Agenda

- 7:30 a.m. Hot breakfast buffet
- 8:30 a.m. Gathering and family check-in: What is new both personally and professionally in your life? [process]
- 9 a.m. Hot topics: Onboarding spouses, social media conduct policy [process]
- 10 a.m. Review of company financials [content]
- 10:45 a.m. Break
- 11 a.m. Review shareholder agreement and adjustment to dividend policy [content/process]
- 12 p.m. Lunch
- 1 p.m. Discuss family development road map and educational curriculum [content/process]
- 2:30 p.m. Review tax notes and estate planning [content]
- 3:30 p.m. Review parking lot items and conclude meeting
- 5:30 p.m. Cocktails and social hour
- 6:30 p.m. Dinner and a movie: Family fun time

we encounter in family businesses requires managing situations and paradoxes across time. (See *Family Business as Paradox* by Schuman, Stutz and Ward for a great exploration of this topic).

Working With Challenges

Every family encounters challenges and avoids major topics that will not go away on their own. Effective leaders can manage this process by being intentional and appropriately bold in confronting these topics. Rather than let the topics fester in side conversations, bring these topics into the light in a thoughtful and fair manner. Make sure family members are prepared in advance and create a specific time to work with the challenging topic. In many cases, the anticipation is much worse than the actual conversation. Be bold and confront these matters so you can put your energy into other topics!

Managing Emotional Energy

As humans, we are emotional beings and the multiple roles inherent in being both family members and business associates means that emotional energy is always an ever-present reality. Yet for many families, emotional energy is one of the most feared aspects of family meetings. Different family cultures allow for different expressions of emotions as a group, but I have yet to see a family in which they did not play a part. If the emotional energy is deeply problematic, this may be another case in which a nonfamily facilitator can be a valued resource.

Shift the Setting

Sometimes it is easy for families to fall into patterns of how they meet together. If a family only finds itself interacting around a board table, it may be time to shake things up. Change locations, keep things fresh and avoid stagnation due to location. Sometimes this is as simple as moving outside and having a segment of the meeting in a more informal atmosphere with fresh air. Take breaks and go on a walk together to talk about topics in mixed groups. I always encourage families to have fun together before the meeting — have dinner, go bowling or do an easy field trip together that encourages the social connections so vital to long-term family health.

Develop New Ways of Thinking Together

Encouraging new ways of thinking together can also freshen up family meetings. Families can fall into communication patterns and roles that may become monotonous. Some voices are heard regularly, some not at all. The conversations may follow a similar course that may not include everyone. People think differently according to multiple intelligences, and exercises that get people communicating and thinking in unconventional ways can be very powerful for expanding and harnessing the full range of perspectives in the room. Get people out of their seats and talking while standing up in groups of two, then merge groups into fours, then eights before coming back together as a big group. See how the discussion evolves when you have large pieces

of paper for people to write ideas onto. What about drawing a family road map together instead of just talking about it? Once you begin to expand the ways in which you think together, you'll be impressed how new ideas can begin to flow forth from all family members.

Closing Well

Bringing the meeting to a good conclusion is just as important as all the preparation. In fact, bringing the meeting to a close is just the first step in preparing for the next family meeting. Take note of what matters have been settled and have a list of items to consider for the next meeting. What is left undone? What have you put in the “parking lot” for future consideration? Make sure to follow up on these matters to build continuity and ensure that important things do not get dropped.

Family business meetings should be events that people look forward to because they are fun, engaging and productive. A well-framed meeting begins with goals in mind, utilizes good structure and has a little something new to help shake up the patterns of interaction. Leading these meetings takes work, so make sure to account for the amount of energy needed into the planning stages. With the right frameworks in place, family meetings can be productive, engaging and most importantly, a valuable investment of everyone's time.

Joshua Nacht, Ph.D., is a consultant with The Family Business Consulting Group Inc., specializing in governance and family council facilitation, communication and teambuilding.



Summer Jobs for Family

By Craig E. Aronoff, Ph.D., and John L. Ward, Ph.D.

There are a lot of good reasons to hire your children for summer jobs: You will give them a chance to be productive, provide a tax-deductible allowance, fill an important business need or intrigue them into a future with the family business. But as with most family business decisions, extra care is required because such decisions affect both the family and the business.

For most youngsters, the experience is positive. The son of the owner of a direct-mail firm in Wisconsin explained the following, “Working summers in our business was great. I learned a lot about the business, but mostly I had a chance to earn the respect of the employees in the warehouse. I showed them I could work as hard as anyone on a hot day. I showed them I respected

their jobs. And after a while they trusted me enough to tell me some great stories on how management sometimes didn’t listen enough to the employees.”

There can also be some unexpected consequences. Here is the experience of a daughter in a trade magazine publishing firm: “When I graduated from high school, I spent a few

weeks at the magazine before leaving for a long family vacation. I was thrown into some copyediting where I had no confidence. When I left, the manager in charge told me I would never be a good journalist. That made me angry, and in college, I worked for the school literary publication and did everything from layout to writing poetry to prove him wrong!”

Our experience leaves little doubt that involving your children in meaningful part-time or summer work increases the odds that they will have a more positive attitude toward a career in the family firm.

Surely the manager in the second example was unhappy at having to put up with the boss's daughter for such a brief time when little could be accomplished. Perhaps that was at the root of the inappropriate condemnation. Or maybe the daughter didn't really take the job seriously having her mind on the upcoming vacation, college, whatever. (Happily, it didn't turn out as badly as it might have.)

With the realization that summer jobs can impact future expectations and effectiveness, it's important to pay close attention to the fundamentals:

- Place children in real jobs that need to be done and that they have the maturity and ability to do. Avoid observer or temporary jobs that just fill the gap between personal vacations or other interests.
- Pay them what the job is worth — no more.
- Warn their managers that they are coming and that they should be managed the same as anyone else.
- Let them get to work on their own so they aren't compromised nor tied to your car pool schedule.
- Don't cross examine them for information about other people; instead, show trust for your employees.



“Whenever I have a big decision to make, I ask myself, ‘What would Dad do?’”

In these common sense ways, you will show respect for work, for money, for your children, for the business and for the people who work there.

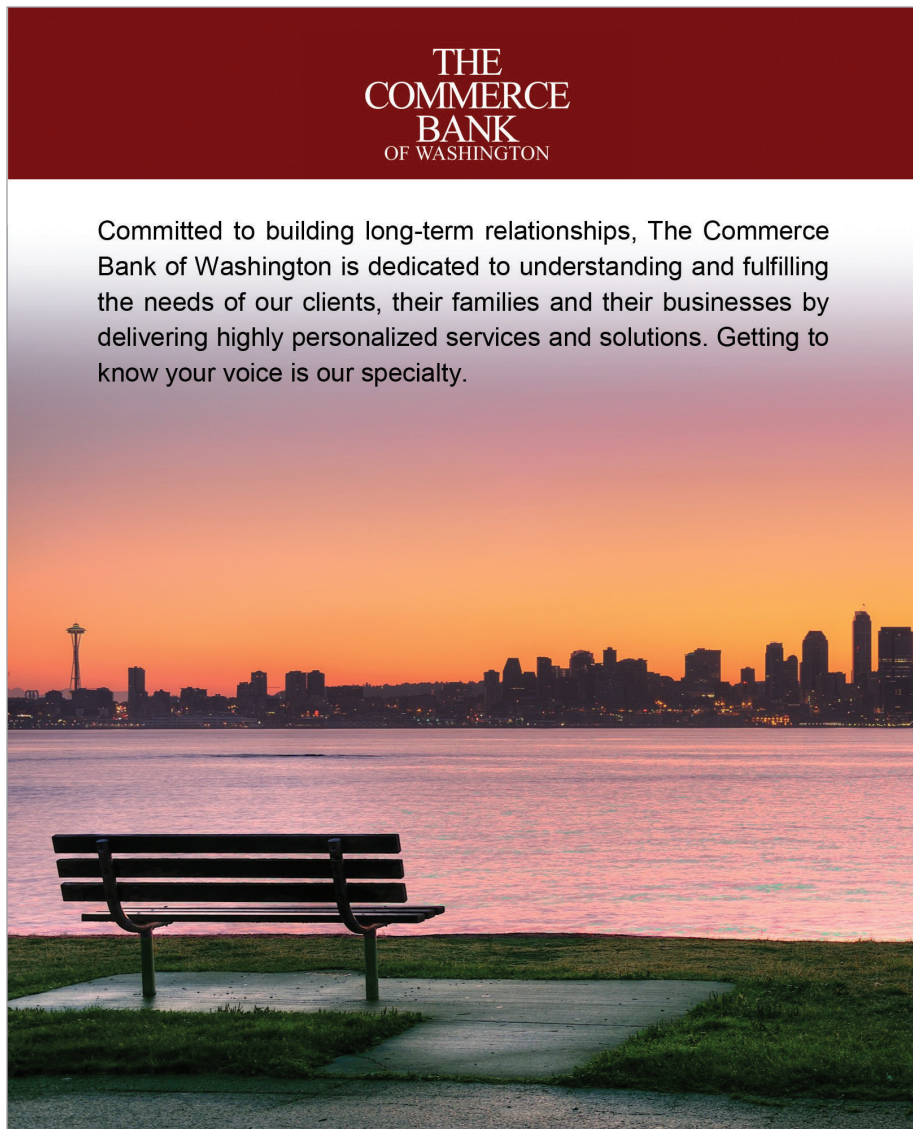
Conversely, the kids must realize their responsibilities and the potential consequences of their behavior. Through excellent attendance, hard work, maintaining others' trust and giving the extra effort for the worker team, they will earn the respect and confidence of the organization for a long time to come.

The summer job can open a youngster's eyes to the realities of being the boss's offspring. The child likely will become aware that he or she is the subject of conversation, discussing his or her work habits and capacity for future leadership. It may seem unfair to the youngster, but he or she will learn that's the way it is.

One might believe that being in a fishbowl and being judged by everyone might discourage family members' interest in a future in the family's business. Not so. Our experience leaves little doubt that involving your children in meaningful part-time or summer work increases the odds that they will have a more positive attitude toward a career in the family firm.

Summer jobs give children a chance to prove ability and willingness to handle hard work. Here are some other considerations related to summer work for your children:

- Some families insist that their children do something entrepreneurial, on their own, for at least one summer. They may develop their own lawn service, recruit tennis students, etc.
- Others feel that everyone should have some retail experience to learn how to deal with the public and develop some selling skills.
- Many families require that for at least one summer during college, their offspring must find their own jobs elsewhere. That rule precedes the expectation that finding outside experience in another business for three to five years before full-time entry into the family's business is a good principle.
- Similarly, some families maintain that the job should be in someone else's family business. Then, besides gaining experience working for another business, the offspring sees how others perceive family owners.
- One family we know encourages their children to work elsewhere and directly for an entrepreneur. This kind of experience provides the chance to observe entrepreneurial thinking and



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action and to understand how important entrepreneurship will be to the future success of the family's own firm.

- Sometimes families look for projects for family members at different times in the early years. Examples include writing the family history or business history, designing the family tree, researching competitors, or studying family foundations.

Whatever your approach to summer work for your children, it's a decision that benefits from care and close reflection. Like so many decisions for a family in business,

the real value comes from how you make the decision and why you believe as you do. Each decision powerfully communicates to members of your family and business important values for future success.

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FAMILY BUSINESS

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