

# Family Matters

## Family Issues for Small Businesses

If you run a family business, you are probably aware of the tensions between the business and the family but may be unsure how best to deal with them. **Family Matters** will give you a greater insight into the characteristics of family businesses and the issues facing them, enabling you to develop an appropriate strategy for your particular family and your particular business.

**Family Matters** is practically focussed and covers each topic on two pages so you can see at a glance what you need to know.

### Family Matters aims to help you to:

- understand the links and relationships between ownership, business and the family
- decide whether the business in question is a family business and if so, what are the issues
- explore many issues relevant to a family business and identify ways of dealing with them
- increase your understanding of the nature of conflicts in family business and appreciate that these are not unique to your situation
- develop action plans relevant to your own business dealing with the issues you face
- critically analyse your own situation and devise action plans (strategy)
- analyse the seeds of conflict within your own business
- recognise the life cycle of the family and the business.

**Family Matters** begins by considering what actually constitutes a family business and then goes through the typical life cycle of family businesses. Similar issues need to be re-examined at each stage of the family business life cycle and at each stage you need to be able to identify the seeds of conflict within your business and devise a strategy for dealing with these.

Each of the following sections encourages you to apply what you are learning to your own business and to work out your strategy via action plans.

**Section 1 Understanding the business** looks at what a family business is; the main characteristics of family businesses, including both strengths and challenges; the links and relationship between ownership, business and the family; the issues relevant to a family business and ways of dealing with them.



**Section 2 Transformation and development** considers the links and relationship between ownership, business and the family; the life cycle of the family and the business; the seeds of conflict within family businesses, including your own business. It also encourages you to consider strategies applicable to your own situation.

**Section 3 Start-up** looks at different business forms and how they are appropriate for different sorts of family business; employment and remuneration; the links and relationship between ownership, business and the family; the importance of good communication and strategies for communicating well; and devise action plans suitable for your own situation.

**Section 4 Development and consolidation** deals with the issues that arise when the business is established; the potential seeds of conflict within your own business; devising a family constitution, and action planning.

**Section 5 Exit** explores issues which arise when owners decide to leave or dispose of the business. It covers the importance of planning all aspects of exit from the business including when the business is transferred within the family and options other than family succession.

**Section 6 Business audit** gives you the opportunity to summarise what you have done in previous sections by carrying out an audit of your business's current situation, analysing this and then devising an action plan.

*'A healthy family is sacred territory.'*

*Chinese Proverb*

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