

PUTTING ORDER IN THE FAMILY BUSINESS

By: Professor Enrique M. Soriano III

**1. Build the future on sound foundation.**

The starting point for achieving a desired outcome is to have a sound foundation, built on trusting relationships with open, honest and constructive communication. If there is no trust between family members, it will be very difficult to successfully negotiate complex issues that may arise in the family business.

The first step is to assess the situation – is trust and open communication being practiced amongst family members? If these two aspects need improvement, develop appropriate strategies to address individual circumstances.

2. Develop a uniting vision for the future based on the family's values.

The next step is to identify what each family member wants to achieve individually, and finding common threads to create the vision for the family business, based on the family's values. This is the critical step that creates energy and commitment.

Having a uniting vision can also help bridge the gap between differing opinions and work ethics and can therefore assist in ensuring a smooth flow of communication and lessening inevitable tensions that arise within the family business.

3. Ensure that there are appropriate governance structures for both the business and the family.

When proper governance is in place, roles do not overlap with family dynamics. In the process of establishing a sound foundation, personal issues will easily be solved with the framework as a guide in addressing concerns. (sorianoasia@gmail.com)

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