

**[in-sahyt]**

*the ability to understand  
people and situations in a  
very clear way;*

*an understanding that  
sheds light or helps solve a  
problem.*

## Executive Coaching in a Family Business

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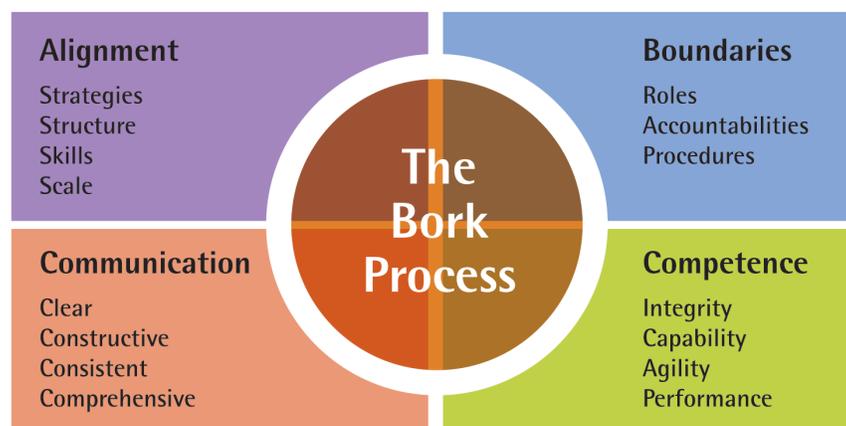
Great family leaders have used advisors for support, encouragement and guidance — from the time when Jethro provided counsel for his son-in-law Moses to the executive coaches used by family business leaders today.<sup>1</sup> As family companies, and the business environment, become more complex, an executive coach can be one source of objective knowledge for leadership development and performance.

At Aspen Consulting Team, our organizing theory for executive coaching is built on the same pillars we use in working with a family business or legacy family—**Alignment, Boundaries, Communication, and Competence** (ABC<sup>2</sup>).

This is called The Bork Process, in honor of our colleague and friend, David Bork. It is based on his international best practices developed in fifty years of working with over 450 family businesses in twenty countries. David is the author of *Family Business - Risky Business*, *The Little Red Book of Family Business*, coauthor of *Working With Family Businesses* and Founder of Family Business Matters Consulting. Edgell is a principal and Tom is an associate on the Family Business Matters Consulting Team.

- **Alignment:** An executive must have the temperament and ability to work in sync with the family business culture.
- **Boundaries:** An executive must understand and respect the different roles and responsibilities involved in a family business.
- **Communication:** An executive must handle conversations, decisions, and conflicts in a clear, constructive, consistent, and comprehensive manner.
- **Competence:** An executive must demonstrate commitment to a high level of integrity, capacity, agility, and performance.

### The Bork Process™ ABC<sup>2</sup>



Executive coaching in a family business begins with understanding personality styles. In early 2016, Google announced that it had discovered the secret ingredients for leadership—psychological synergy—how an individual’s personality influences team performance.<sup>2</sup> Actually, this secret was discovered some years ago.

Adam Smith, in 1790, wrote, “Before we can feel much for others, we must in some measure be at ease ourselves.”<sup>3</sup> Decoding personalities is big business; even NFL coaches use psychological assessments. Deloitte, a large consulting firm, was not convinced that current assessments, like MBTI, were helpful enough for understanding how individual personality traits translate into successful leadership. They conducted research on what they called Business Chemistry and identified four styles—Pioneer, Driver, Integrator, and Guardian.<sup>4</sup> It is important for an executive to understanding his style, and the style of those with whom he or she works and interacts.

- **Pioneers** value possibilities, spark energy, and imagination. They believe risks are worth taking and focus on the big-picture. They are drawn to bold new ideas and creative approaches.
- **Drivers** value challenge and winning. They generate momentum, tackle problems, use data, employ logic, and view issues as black-and-white.
- **Integrators** value connection and draw team member together. They are diplomatic and consensus focused. They believe relationships on the team and responsibilities to the team are paramount.
- **Guardians** value stability, order, and rigor. They are pragmatic and risk adverse. They believe facts, history, and details are baseline requirements for decision-making and action.

### Personalities Matter

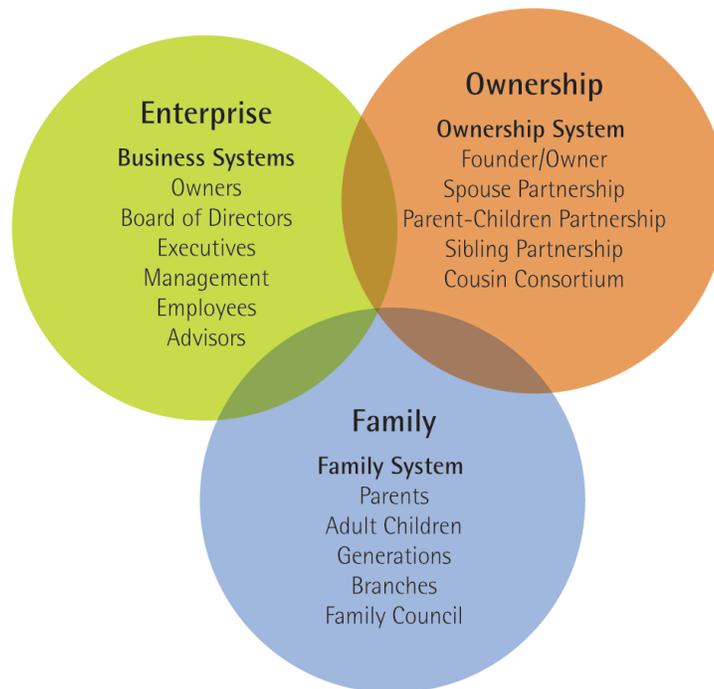
STYLES	Pioneer	Driver	Integrator	Guardian
PROFILE	Outgoing Big Picture Spontaneous Risk Seeking Adaptable Imaginative	Logical Focused Quantitative Competitive Experimental Curious	Diplomatic Empathic Traditional Connection Intrinsic Interactive	Structured Loyal Reserved Detailed Methodical Practical
ENERGIZED BY:	Brainstorming New Things Enthusiasm Possibilities	Directness Solutions Momentum Winning	Collaboration Communication Trust Respect	Organization Predictability Consistency Details
ALIENATED BY:	Rules Structure Procedures Status Quo	Indecision Inefficiency Lack of Focus Losing	Politics Conflicts Inflexibility Stress	Disorder Time Pressures Ambiguity Uncertainty

Suzanne Johnson Vickberg, PhD, Kim Christfort, MBA, “Pioneers, Drivers, Integrators & Guardians”, *HBR*, March 2017

The next step in executive coaching is performance strategy assessment and development. The debate about what it takes to be a top-level athlete, artist, or executive is extensive, and it centers on two areas—nature or nurture—and both are true. Top-level performers are born with a talent for their craft. Just as a young pianist knows how to play the piano before she has a teacher, we believe a young entrepreneur knows how to make money before she has ever seen a business plan. Next these young prodigies need to work at their craft. The current popular advice, advanced by Malcolm Gladwell and others, is 10 years or 10,000 hours of deliberate practice.<sup>5</sup>

In addition to nature and nurture, we believe two other influences—luck and strategy—are required for executives in a family business to play at the top of their game over a long period of time. The first one—luck—comes to executives who are born into a family business and to non-family executives who are in the right place at the right time. The second one—strategy—is the core of executive coaching, it is about creating a game plan for consistent and sustainable performance.

## Family Business Systems “Wearing Three Hats”



David Bork, Dennis Jaffe, et al. *Working with Family Businesses: A Guide for Professionals*

Leaders in a family business must attend to three systems at the same time: Family—Enterprise—Ownership. Executive coaching is systematic, an integrated part of a larger program. It is most effective when executives seek behavior insight with the goal of significantly impacting the success of the larger business system.<sup>6</sup>

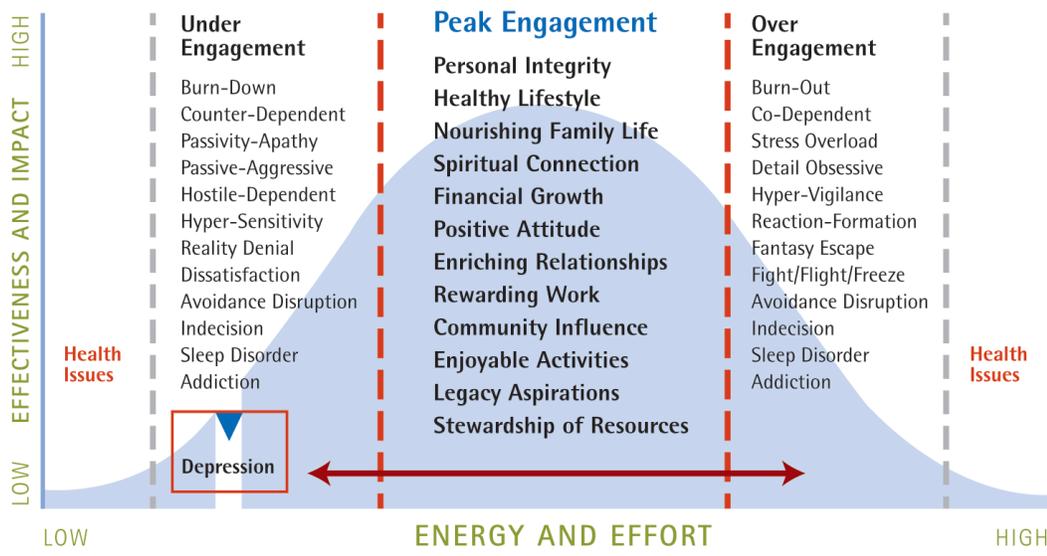
In 1911, when Frederick Winslow Taylor wrote in his monograph, *The Principles of Scientific Management*, “In the past the man has been first, in the future the system must be first,” he was right.<sup>7</sup> He was not right about the devaluing of the executive, but he was right about the importance of understanding the systems in which a man or women work. Family businesses are complex systems of small subset systems (individuals) connected to mid-size systems (leadership teams and family units), nested within a larger system (extended family and company), and linked to a much larger system (customers and marketplace). Everything is connected and influenced by everything else. Understanding how the systems connect and interact is one role of a family business executive.

At one time, executive coaching was viewed only as a way to correct under performance or address adverse behaviors. Today, it is used as a tool for reaching peak performance in a demanding and accelerating business environment and avoiding executive plateau at critical interpersonal and leadership levels.

## Peak Engagement Curve

*“Priorities, balancing plans with opportunities and allocating your resources, combine to create your strategy.”*

—Clayton Christensen, *How Will You Manage Your Life?*



Josef Ackermann, former CEO of Deutsche Bank, when asked about leadership in a 2012 interview by McKinsey and Company, said, “Remember that you are two people. You are the person whom you and your friends know, but you are also a symbol for something. Never confuse the two.”<sup>8</sup> We counsel those eager to be the leader in the family business about combining family, business, and social interactions. Relatives in the family will see you one way, workers in the business another way, and people within the community yet another way. Those interested in a serious leadership role must be able to move among these three roles with respect and competence. Blood may get a person into the business, but character and performance should be the only standards for promotion and leadership.

One of *Fortune* magazine’s fifty most powerful women in business, Ellen Kullman, CEO and Board Chair of E. I. du Pont de Nemours and Company, gave her perspective on leadership. She pointed out that in today’s world of economic volatilities, natural disasters, population growth, and military conflicts, business leaders should be decisive and have quick reaction time.<sup>9</sup> In a family business, these skills must be aligned with commitments to family members, employees, and customers.<sup>10</sup>

Leadership coaching in a family business requires a professional developmental plan. Only about 10 percent of businesspeople have a plan that will guide them up the ladder of leadership. About 20 percent take the time to put something on paper, but only half follow it.<sup>11</sup> A person who is successful in the family business will move through predictable stages of apprentice, manager, and executive. The benchmark in a family business will be the ability to demonstrate industry expertise, interpersonal effectiveness, and consistent performance.

In his book *Good to Great: Why Some Companies Make the Leap...and Others Don't*, Jim Collins identified five stages of leadership development.<sup>12</sup> He writes, “Level 5 leaders channel their ego needs away from themselves and into the larger goal of building a great company. It’s not that Level 5 leaders have no ego or self-interest. Indeed, they are incredibly ambitious—but their ambition is first and foremost for the institution, not themselves.”<sup>13</sup>

Collins’ hierarchy can be used as an executive coaching ladder for assessing and development leaders in a family business.

## Level 5 Executive Leadership

Builds enduring greatness through a paradoxical blend of personal humility and professional skill exemplified in the other four areas

**5** Executive "5"

Catalyzes commitment to a vigorous pursuit of a clear and compelling vision, stimulating higher performance standards

**4** Effective Leader

Organizes people and resources toward the effective and efficient pursuit of pre-determined objectives

**3** Competent Manager

Contributes individual capabilities to the achievement of group objectives and works effectively with others

**2** Contributing Team Member

Makes productive contributions through talent, knowledge, skills and good work habits

**1** Highly Capable Individual

Jim Collins, *Good to Great: Why Some Companies Make the Leap...and Others Don't*

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- Collins, *Good to Great*, p. 21.

## ACT Executive Coaching Principles:

- It is a three-way partnership, a triangle. The partnership is made up of the coach, who provides the services, the executive, who receives the coaching, and the business, that pays the coaching bill.
- It begins with clear agreements—goals, boundaries, confidentiality, parameters—among all three parties.
- It acknowledges and honors the individuality of the executives and helps them to greater awareness, to live more consciously, and to contribute at the highest level.
- It helps executives maximize their God-given potential and train for top performance within a family business.
- It provides executives with objective feedback to address limitations and increase growth.
- It recommends additional educational or therapeutic programs, if needed.
- It produces results for the executive, organization, stakeholders, customers, and employees.

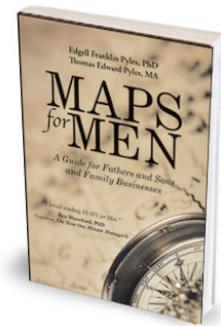
***If you are interested in Executive Coaching for your family business, please call Tom or Edgell for a consultation.***

***“Do you not know that in a race all the runners compete, but only one receives the prize? So run that you may obtain it. Every athlete exercises self-control in all things. They do it to receive a perishable wreath, but we are imperishable. Well, I do not run aimlessly, I do not box as one beating the air.”***

— I CORINTHIANS  
9:24-26



Coauthors of *MAPS for MEN: A Guide for Fathers and Sons and Family Businesses*



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