



A guy goes to see his doctor and is given some very bad news: he has six months to live.

“Doctor, what should I do?” | “Go to work for a family business” is the reply.

“Will that cure me?” | “No, but it will be the longest six months of your life.”

ALL IN THE FAMILY

Words of wisdom
on how to run a
family business

BY **BILL BEMUS**

For the myriad benefits provided by a family business, as the above anecdote brings to light, it can also be challenging at times. On the plus side of the ledger, family members are generally more trustworthy, take a long-term view, are more focused on quality and have more care and concern for their non-family coworkers. On the negative side, conflict, which is inevitable, can become magnified and more difficult to resolve when it involves a family member.

I founded our company in 1973, armed with zero experience, zero business training, a college botany course (I did get an A.), and \$750 in savings. I had a partner, and the plan was to do landscaping over the summer between college semesters. And oh yeah, I got married that same summer. I was 20, and my wife, Martine was 19. The business partner lasted about a month (he was the smart one), and I was left to go it alone, providing lawn and gardening services in southern Orange County, CA.

SURVIVING AND THRIVING

Somehow, the business survived and thrived, transitioning into a full-service landscape construction and maintenance company, riding the boom and bust cycles of the southern California real estate market. As the company grew, so did our family and its involvement in the company.

How time flies! Fast forward to the present. Bemus Landscape Inc. has four branch locations and 370 full-time employees producing revenues of \$20 million in 2010. Four family members play a significant role in the company today: brother-in-law Jon Parry serves as general manager; son Colin Bemus runs the field operations; son Corin is in charge of business development; and son Spencer runs the San Marcos branch.

Daughter Claire worked in accounting and IT
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before moving on to become a CPA. Today she is employed by one of the Big Four financial firms, but she still helps out after hours when called upon.

Reflecting on the fact that Bemus Landscape Inc. is now fully engaged with and being driven by the second generation of the Bemus family, I am proud of several things. First, the family members work harder and are more productive than their peers. (Our sons are particularly wary of being labeled as “the boss’s kid,” with all of that term’s connotations.)

Secondly, the positive feedback I receive from clients who are now dealing with my children is gratifying. Finally, and this is not so much something I’m proud of, but rather something I’m grateful for: Our family really enjoys hanging out together.

All of us live in San Clemente. We have ample opportunity to spend time together, and we take advantage of it: beach days, birthdays, holidays, golf days, industry events and fundraisers. You name it, we have fun doing it together. And now we have the third generation coming on line. (Grandchildren are your reward for not murdering your kids when they are teenagers.)

KEYS TO BUILDING A SUCCESSFUL FAMILY BUSINESS

Set an employment policy that applies to all family members and determines guidelines and qualifications for employment. Think in terms of

more than one generation. Life happens fast. One day you are taking your boy to work during his summer vacation, the next thing you know, he’s a grown man and knows more about running the company than you do.

A family business starts out as Mom-and-Pop but quickly morphs into a business run by siblings in the second generation, then cousins in the third. Obtaining a position in the family business should not be by default or a fait accompli transaction. Make your company hard to get into and easy to get out of. Things to consider and incorporate in this policy: performance vs. peers, spouses working together, education, prior work experience, and the differences between part-time (e.g. after school) and full-time employment.

Every family business can be diagrammed by three overlapping circles representing the business itself, the family, and the ownership structure. Each of these subsystems may have different priorities and a different agenda. Individuals can find themselves members of one (an employee or a family member), two (an employee who is a family member), or all three of these groups (an owner/operator who is a family member).

Know which circle you are standing in when you communicate and which circle you are addressing. Is it “Dad” talking to “Son” or “President” talking to “Vice President”? When at work, keep it professional. If not, it can be extremely uncomfortable for non-family members.

I recommend hiring a family business consultant. An objective professional can help in many ways, such as setting up an advisory board and family business council; assisting in transition, succession, and estate planning; and most importantly, facilitating communication between family members, employees and owners around the sometimes delicate and emotionally charged issues faced by every family business.

We have been fortunate to work with Dana Telford of the Family Business Consulting Group (www.efamilybusiness.com), and I highly recommend his services. Whatever I know about running a family business was either learned by making mistakes, or learned from Dana. (It’s less painful learning from Dana.)

The most important thing of all? Marry the right person. I sure did. **LMI**

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The Bemus family has faced the challenges posed by running a family business, and overcome them.

