

# Inc.

## 5 Simple Rules For Transitioning a Family Business to the Next Generation

It's Not Easy to Put the Next Generation in Place

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Many entrepreneurs who start and grow a business hope that someday their family--specifically their children--will take over running the company. Even better, the business would pass from generation to generation into the future.

That's a legacy that appeals to many of us.

But making the transition from the first generation--G1--to the next--G2--can be trickier than it seems.

Fortunately, there's a couple of tips to consider if you find yourself contemplating a generational shift in your business.

### 1. Is anyone interested?

The first question you have to ask yourself is if any of your children are ac

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chance to earn their way up the ladder.

### 3. Establish clear swim lanes.

If you have multiple children interested in working in the business, you should give each of them their own domain they can run and be responsible for.

The family that runs **Fess Parker** wines is a great example. Fess was the actor that played Daniel Boone on TV and was a very popular actor in his day. He retired to Santa Barbara and established a winery and proceeded to make some quality wines. As he aged, he wanted to bring his family into the business. Luckily, the business had expanded to include hotels, a fine restaurant and the winery. Each of the children (and some spouses) had different talents and they took on leadership of the various businesses as well as overall marketing and branding for the business.

This gives them all the opportunity to collaborate and work together without getting into each other's way. They all get along reasonably well and have been able to resolve conflicts between the business as well - not all families have this collegial relationship.



I worked with one client, for instance, who hired his son as a salesperson after a number of years in other firms. And it was only after a few years of stellar performance that he promoted his son to a senior sales position--which wasn't question by anyone because he had earned it due to his performance.

