Book Title: Building Family Business Champions

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Eric G. Flamholz and Yvonne Randle are a husband and wife consulting team who have written this well-written guide which is aimed at family businesses and their advisors. The book sets out to answer “the question of how to become a ‘sustainably successful’ family business”, that is, one that operates successfully over multiple generations. The authors are successful in this aim, primarily because of their pragmatic approach: they deploy simple frameworks for measuring business effectiveness and family harmony, and to illustrate their tools in action through the use of Bell Carter Foods, a fourth-generation family firm whom the authors worked with for over 20 years.

Part One outlines the history of Bell-Carter, an innovative and resilient Californian olive processing business. Two simple frameworks are introduced: the first is based on organisational development theory and places family firms on a scale ranging from under-developed to highly-developed; the second framework places family firms on a “family functionality” spectrum ranging from dysfunctional to fully functional. Part One goes on to describe the different lifecycle stages of family business growth, ranging from new venture, through growth and then to stagnation and, ultimately, to decline.

Part Two explores the areas of business activity that need to be addressed by family businesses who wish to become “sustainably successful”: strategic planning, organisational design, performance management, and culture management. Each activity is illustrated by an example from the rich case study: Bell Carter Foods.

Part Three examines how dysfunctional cultures can emerge in family business. These toxic syndromes are given entertaining names: “Smiling Cobra” is a jealous founder who secretly works to ensure the failure of the successor; “Medea” is a vengeful founder who would rather destroy the business than watch it be handed over to a successor; “the Albatross” is the deadbeat family member whose incompetence causes rage and resentment amongst co-workers. Leadership and succession planning strategies are suggested as ways to avoid these toxic cultures from arising.

The book concludes, for those short of time, with a summary of the 10 key lessons to take into account for family firms.

The strengths of the book lie in the simple frameworks which are clearly illustrated through in-depth case study. Family business consultants and family businesses themselves will benefit from this accessible guide to achieving long-term success. The major weakness is in the over-simplification of complex family issues: it is unlikely that a Medea-like founder, hell-bent on revenge, will be placated through “providing regular feedback, and utilizing rewards to manage behaviour.” For academic readers, it is disappointing that the only family business theorist referred to is John L. Ward, a popular business writer. The inclusion of family business theories (which include sociologically-based concepts such social capital, the resource-based view, or agency theory) would provide nuance to their discussion of family firm behaviour.

A final observation is that, in the United States, family firm advisors and family firm academics are more willing to collaborate and learn from each other. This book is a good example of how simple business models, such as the organisational development approach, can be applied to family firms. This interplay between theory and practice could be well applied to family firm academics elsewhere.