

Author explores passing business to children

By Amanda Persico

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The road to business is often long and winding, with curves, hills and potholes.

With a family squabbling behind the wheel, the potholes are bigger and harder to avoid.

Aurora author and family business coach John Geddes' book teaches families to steer clear of potholes while paving the road with gold.

Putting family and business together is a crash waiting to happen unless you have a map, Mr. Geddes said.

"A family business is the best because emotions are involved and it's the worst because emotions are involved," Mr. Geddes said. "People think it should work because it's family."

His book, *Succession and the Family Business*, explores 10 common family business situations when a business passes from one generation to the next.



Aurora author John Geddes' new book helps families transition their businesses from one generation to the next.

"I'm not a family therapist," Mr. Geddes said. "It's about planning. What's good for business is good for the family."

There are more than one million small and medium-sized businesses in Canada and 80 per cent are family owned, Mr. Geddes said.

The success rate of business transitions from one generation to the next is only 30 per cent and the average business lasts about 28 years, one working person's life, he added.

"There is a 70-per-cent chance of failure," he said. "The failure rate is high unless you plan. When you plan for succession, the business will be a success."

One of the reasons family businesses do not plan for succession is the fear of potential conflict within the family. Often, children become successors because they can't find a job or are pressured by parents.

"In the end, there's a lack of passion or interest from the children," Mr. Geddes said. "It's not their baby."

The important thing to remember is to recognize there will be fights and tension.

"The family system is to create and develop people. The business system is to make money," Mr. Geddes said. "The combo is dynamite together and don't often mash very well."

Some of the actions Mr. Geddes suggests in his book include not hiring a child directly out of school, writing down roles and expectations for family members and allowing for flexibility when the business transitions.

Mr. Geddes also warns against the Prince Charles effect, where parents don't know when to leave the business and the successor ends up babysitting it.

"Your parents started a business, but you're taking over a company," Mr. Geddes said.

For more about Mr. Geddes and his book, visit roadtofamilysuccession.com