

Family Office: Growth, Harmony, & Legacy

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Families engaged in business together often navigate conflicts in a unique manner compared to those conducting business independently. The dynamics of family relationships can significantly influence decision-making and organizational harmony. This phenomenon is exemplified in the case of the Black Iris family, a fabric manufacturing company known for its elite products, which found itself on the brink of collapse due to internal strife.

At the heart of their conflict was a seemingly trivial matter: the inheritance of Grandma B's prized black iris bulbs, rumored to be worth millions. However, the true issue ran much deeper, disrupting the company's operations and jeopardizing its future. The absence of a succession plan left Bill, Jr., and Robert Joseph (RJ) in a deadlock over leadership. Meanwhile, the next generation, equipped with fresh MBAs, eagerly awaited their chance to take control, resembling characters from the TV show "Succession."

Amid this chaos, the Black Iris family turned to me, a family business consultant, with a simple desire: harmony. This aspiration is a common theme in family businesses, where emotional ties run deep, and conflicts can have lasting consequences. Research by Hong Qui and Mark Freel highlights the heightened emotional attachment of family employees to the business, emphasizing the importance of resolving conflicts within such contexts.


To achieve the elusive harmony they sought, I implemented a four-step approach with the Black Iris Company:



Step 1: Establishing Rules of Engagement

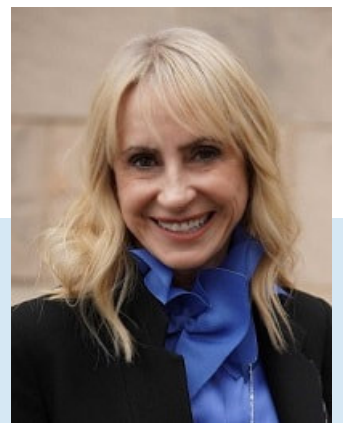
I took the five family members and senior vice presidents off-site to create a set of rules to safeguard emotional safety within the organization. Commitment to these rules became the foundation of our work together, ensuring a conducive environment for conflict resolution.

Step 2: Creating Four Essential Systems

Upon returning from the off-site, the family members were tasked with developing four crucial systems: an Accountability System, Conflict Resolution System, Monitoring System for the Rules of Engagement, and a Listening System. These systems were tailored to align with Grandma B's values and vision, providing clear steps for addressing conflicts and grievances.

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Step 3: Forming a Leadership Team

An expanded Leadership Team was introduced to take charge of the company's operations, shifting away from sole family control. To honor Grandma B's legacy, an empty chair was added to each meeting as a symbol of her presence. All team members underwent Authentic Leadership Training, reducing emotional reactivity and facilitating effective communication and conflict resolution.

Step 4: Company-Wide Implementation

The Rules of Engagement were introduced to all employees in an "All Hands" meeting, with the rules prominently displayed throughout the workplace. The Leadership Team assumed responsibility for upholding these rules, addressing any breaches through the Conflict Resolution System. Monthly meetings focused on the Authentic Leadership Code to maintain the desired organizational culture.


The outcome for the Black Iris Company was a harmonious blend of family and business culture. The Leadership Team purchased Grandma B's property, transforming it into a tourist exhibit that preserved her flowers and her legacy. This transition allowed the company to thrive, experiencing remarkable growth while ensuring that harmony prevailed within the family.



Twenty years later, the Black Iris Company remains a symbol of success, with the leadership team effectively managing the business. The story of the Black Iris family serves as a testament to the power of emotional-based strategies in resolving conflicts within family businesses. While emotions are often viewed as disruptive in business decisions, they play a significant role in conflict processes. My Authentic Leadership Journey, a 12-week training program, has proven effective in reducing emotional reactivity, boosting confidence, enhancing emotional connections, and increasing overall workplace satisfaction among employees.

In conclusion, the Black Iris family's journey illustrates the transformative power of emotional intelligence and structured conflict resolution in family businesses. By prioritizing harmony, adopting clear systems, and fostering an emotionally aware leadership team, family businesses can not only survive but thrive, leaving a lasting legacy for generations to come.

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