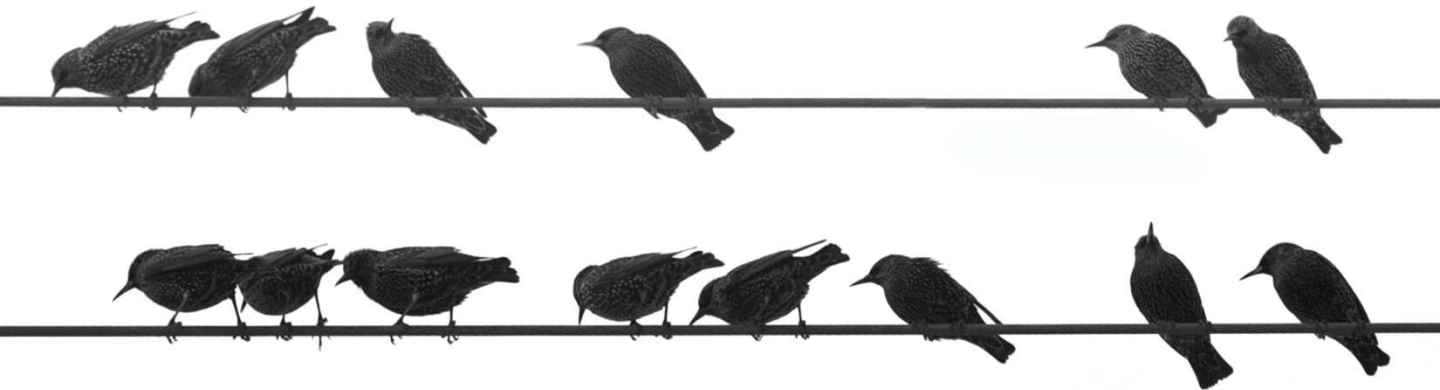


FROM THE QUICK START GUIDE SERIES \*

# Family Alignment

*What IT is*  
*Why you Need it*  
*How to Build it*



By Steve Legler  
Family Legacy Advisor

\*Primers and Position Papers for business families and their important discussions

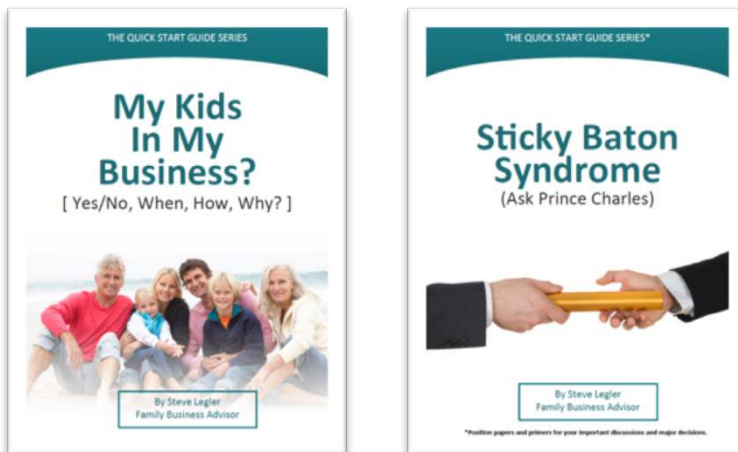
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## BACKGROUND

There seems to be more and more talk about “alignment” these days, because, let’s face it, it is one of those words that sounds cool and positive. When I say positive, what I mean is that very few people would naturally attach a negative connotation to it. It fits more naturally into a group consisting of words like “quality” and “vision” than one containing the words “incident” and “plague”.

**This Quick Start Guide is the third of a series.** The first was written in 2015, called, *My Kids in My Business: Yes/No, When, How, Why*. The second, also released in 2015, is called *Sticky Baton Syndrome: Ask Prince Charles*.



This one tackles the issue of Family Alignment, because I have been hearing and seeing more references to it, and because I also realize that there are some misconceptions about it and I believe that I can add some clarity to the subject matter. It has almost become sort of a “buzzword”, which is not always a good thing.

## BACKGROUND

Once again the formula that I follow is the same. The main body of this “white paper” is a narrative in which I walk readers through the subject, based on my personal views and understanding of the subject matter.

A great deal of value for many readers will come from the “sidebars”, where I share complementary views on the subject from others, with a link to those sources for further inquiry. These sidebars serve the dual purpose of giving interested readers a head start in learning more, AND are also a way for me to thank those whose views have helped inform mine.

I am not claiming very much of this territory as my own. I have discovered over the years that one of my abilities is to gather various viewpoints and synthesize those thoughts into my own narrative, which I can then share in easily relatable language.

**Along the way, in this Quick Start Guide on Family Alignment, I will also be sharing a model that I have been working on for the past few months.**

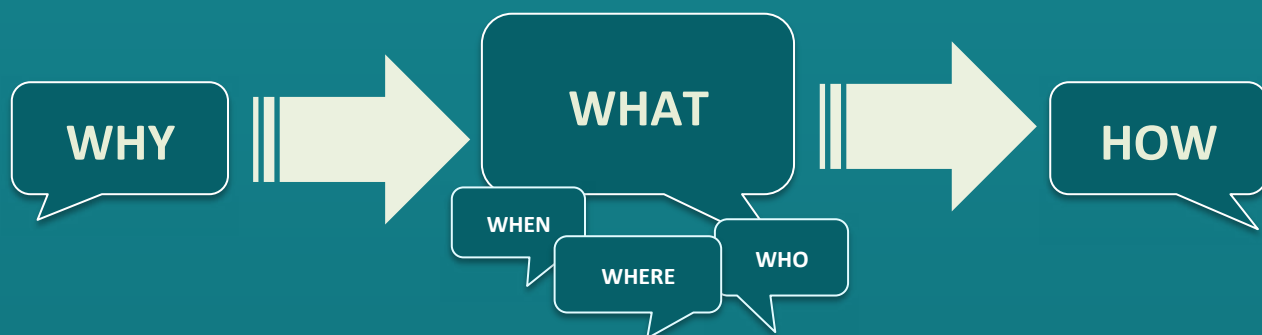
I will call it my “What-Why-How” model, which you will note, not coincidentally, are the first words of the 3 questions that I pose in the sub-title of this piece.

## BACKGROUND

The first sidebar discusses this model and provides a visual for readers as well. I hope that you will find it useful, as it really is all about alignment, to the point where I could not *NOT* have shared it here.

## FAMILY ALIGNMENT

# The “Why – What – How” Model



We start in the center with the WHAT, which comprises all of the DETAILS. There is little dispute, everyone agrees because they can all be seen and reported, and they include the Who, the When, and the Where.

The WHY is much trickier to discern, and while we may think that we know and understand why someone else did something or said something, we can't know for sure until we check it out with them. It is amazing what you can learn just by asking.

The key to beginning to align a family is to figure out everyone's WHYS and then find out

what the common values are that lie within their WHYS.

Once you agree together on the WHYS, you can figure out HOW everyone will work together to do all of the WHATs.

The details of the WHAT, including the Who, When, and Where become the How, moving forward. The How and the Why need to be aligned through the WHAT.

Observe the What. Step back and ask Why. Move ahead with the How. Make sure the How is aligned with the Why.

# WHAT IS FAMILY ALIGNMENT?

Family alignment is one of those terms that is somehow best defined in reverse. What I mean is that it is much easier to think about when it is NOT there.

**It is like when you are driving your car, you do not even think about whether or not your wheels are properly aligned UNTIL you notice something that makes you believe that they are NOT.**



## Like a Wheel Alignment?

To many people, when you mention the word “alignment”, they immediately think about their car.

So how can we make this analogy of a wheel alignment work for us in the family business space?

Anyone who has ever driven a car that constantly pulls to one side will immediately understand that the situation needs to be addressed, and sooner rather than later.

According to the Kaltire site link below, proper wheel alignment is important for tire life, safety, and comfort. I daresay that family alignment is also important for safety and comfort of living in the family, and the safer and more comfort, the more likely we are to have a longer, happier life.

The tire site also talks about how to recognize when you need a wheel alignment, mentioning things like the car shimmying, the steering wheel not being straight, and uneven tire wear.

If your family is not aligned with each other, there will surely be some telltale signs that you will notice in the family harmony department, and probably in various nefarious ways that will be apparent in the business too.

[www.kaltire.com/why-is-vehicle-alignment-so-important/](http://www.kaltire.com/why-is-vehicle-alignment-so-important/)

## WHAT IS FAMILY ALIGNMENT?

Family alignment can be seen in a lot of different ways, and if having your family aligned is something that you aspire to, you may actually prefer to think of it as a philosophy, as in something you are always working on perfecting.

It can also be looked at as a “way of being” for some. If you are starting to think that different members of the family will “buy in” to this way of thinking and being to **various levels of commitment**, you are 100% correct. The good news is that one committed person can carry things a long way.

If you were only allowed one word to explain what family alignment is, the word I would suggest is “consensus”. If you have ever worked with a group of people, on the job, on a committee, or on a team, you know that building consensus can be hard work. But you also know that when you do build it, the results can be fantastic.

## Is my Logo Aligned?

When I began working in the Family Business advisory space a few years ago, I worked with a coach who helped me with my branding and my online presence.



The logo we developed (above) was the result of some exercises that she asked me to do, including searching online for images that resonated with me.

One thing that I came across was a photo of a group of airplanes flying in formation. I also found the idea of a puzzle to be a propos. In the end, we combined them.

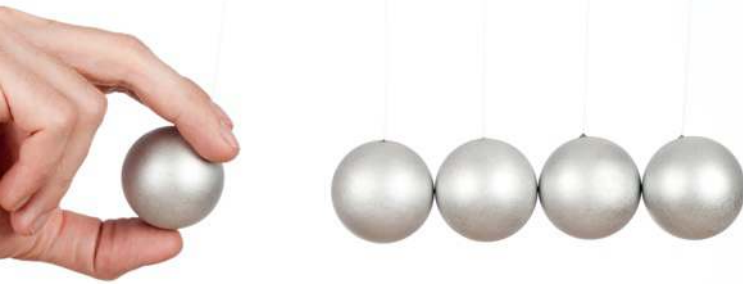
Sometimes people ask me about the significance of these elements. I usually start by asking them if they think that the pilots of those planes trust each other, if they speak to each other regularly, get along with each other, and practice together.

I honestly never even thought about whether or not they are “aligned”, but they seem to be, both literally and figuratively.

The puzzle element was added to convey the fact that that alignment does not just happen by itself, and is not necessarily simple or easy to achieve. A puzzle doesn’t just fall out of the box pre-assembled, it takes work and time to put it together.

# TWO PARTS: INTRA and INTER

Before going much deeper into this subject, we need to separate the question of alignment into its two components, which I call Intra and Inter. I must confess that I do not love those labels, but they will do.



The Intra Family Alignment is all about getting the various family members aligned with each other. It's all about building the consensus among the members of the family around "what we are doing together, by understanding why we are doing it, and paying close attention to how we do it", to make sure that the what, the why and the how are all aligned.

Only then can we get to the Inter Family Alignment, where we take the consensus we built within the family, and we make sure that what we are doing with external groups is also properly aligned with our family. In the case of a family business, we are obviously talking about the family and the business, or the family and the ownership group.

It could also be the family and its philanthropy, the family in the community, the family and its wealth and investments, or any combination of these.

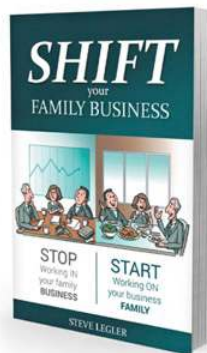
As you think about the subject and internalize what family alignment is really all about, you may just start to see it popping up everywhere. (Not sure if "sorry" is appropriate here, or "you're welcome")



# A Word or Two About Governance

When people discuss these subjects, someone invariably brings up the word “governance”, and they certainly are not wrong to do so. I personally feel like that word is loaded with possible misconceptions, so I try to minimize its use.

In fact, in my book, *SHIFT your Family Business*, I called chapter 8, “Governance, UGH!”, because I know that that is how many people feel when they hear it.



Find it on Amazon

I like to summarize it into the three components of how these questions affect a family’s future planning.

How the family will :

- make decisions together
- communicate with each other
- solve problems together

So without further ado, let’s get into the model, starting with the WHAT.

## Owners must create alignment among family members

The article linked below has some great insight into family alignment. The authors, from the *McKinsey Leadership Institute* in India talk about:

Fostering Solidarity:

- Building consensus
- Spending time together
- Supporting personal growth

Inheriting a Shared Set of Values:

- Live by one’s values
- Sharing one’s values

Remaining Sensitive to Changing Equations, which wraps up with this paragraph:

*Creating alignment among family members is the responsibility of the owner. While it is not impossible, it requires a clear vision for the business and an understanding of individual vs. family needs.*

[www.livemint.com/ Companies/ BcJc3gt1Vwb7j6tgdWVcqN/ How-business-owners-can-create-alignment-among-family-member.html](http://www.livemint.com/ Companies/ BcJc3gt1Vwb7j6tgdWVcqN/ How-business-owners-can-create-alignment-among-family-member.html)

# WHAT and his pals: WHO, WHEN, and WHERE

What is actually a simple question to answer because all of the components are things that you can see and that few people will argue over.

They are observable facts, and they include What's buddies, including Who, When, and Where.

The important thing is to outline and agree on all these things together BEFORE going to the next steps of trying to discern Why something happened or Why you should do something.

**Details, details...(there's a devil in there somewhere too)**

I put What in the middle because there are many parts to it and they are central to the other questions, but they should be the things that you can quickly agree on, and make you begin to feel like you are making progress.

It's kind of like a high school test where they suggest that you answer all the easy questions first so that you can then come back and budget the rest of the time for the tougher questions.



# WHY you NEED it



In many respects, the question of Why you need Family Alignment should be the shortest part of this piece. Stories abound about families whose business or wealth fell apart because the family could not get along together and agree on how to go about managing things together.

There are expressions in many countries attesting to the fact that keeping a family wealthy for 3 generations is always the exception and never the rule.

So basically, if you are hoping to make your family's wealth last several generations, good luck without some basic alignment.

Of course this brings up a better question: Why are we in business together? And of course the follow-up question is, are we better off together or apart?

My respected colleague Matt Wesley says he prefers the term "Attunement", because true alignment is often too rigid to be realistically achieved. Attunement, according to Matt, conjures up jazz musicians playing beautiful music together, but in a very different way than an orchestra lead by a maestro.

## Alignment vs Attunement

I have great respect for the views of many people who have been advising families on the important work around alignment, none more than Matt Wesley.

During a recent exchange I had with him on LinkedIn, he told me that he prefers the expression “Family Attunement” over family alignment.

He provided a music analogy for me to ponder, saying that family members being attuned to each other, like jazz musicians, was the goal he usually strives for.

My thoughts then jumped to finding the other extreme of

this, and I picture an orchestra with a conductor.

Without getting into anyone’s musical preferences, I think that we can all recognize the differences between a jazz ensemble where the musicians riff off each other and come up with a one-of-a-kind sound that may never be repeated, and contrast that with an orchestra where the maestro runs the show and everyone rehearses their exact part over and over to get it “perfect” on the night of the show.

Indeed, on that score, I guess that Matt has a point and for the intra-family part, attunement may be a more apt word.

For the purposes of this Quick Start Guide, I decided to stick with Alignment though, for the sake of using the more common term, and because of the alignment required between the family and the business that is also very important.

While not dealing directly with the question of Family Alignment, Matt’s blogs are always full of wonderful insights: .

[www.thewesleygroup.com/blog/](http://www.thewesleygroup.com/blog/)

### WHY you NEED it

Now recall that in my model, we put the WHY before the WHAT, because we are essentially taking a step back and trying to make sure we agree that there are worthwhile reasons to try to stay together.

During these discussions, the question of values inevitably comes up, and rightly so. In fact, sooner is usually better than later.

The reason should be pretty clear, if we can find SHARED values that we can agree on (even just

## WHY you NEED it

one or two may suffice) that can be enough to agree on.

If not, and the family members have different values, there probably will not be enough reason to stay together, and the lack of shared values will eventually end up with things diverging and falling apart.

Please note that this is not a value judgment. It is far better to decide together to go our separate ways, than to fool ourselves into attempting something that is predestined to fail.

## Aligning with Values Helps FamBiz Cohesion & Success

by Greg McCann

In this article that originally appeared in Family Business Magazine in Jan-Feb 2015, McCann notes “A colleague, Rich Morris, points out that in the past, one good business idea might sustain a family for three generations. Today, each generation will need to come up with three good business ideas just to keep up with the changing world”.

He also relates some research from a 2008 study by Pieper and Astrachan that talks about the 4 types of cohesion in business families.

Below is my attempt to summarize these 4 into a 2 X 2 matrix:

	FAMILY	BUSINESS
Emotional Cohesion	Basic needs Belonging Communicating	Identity Loyalty Stewardship
Financial Cohesion	Inheritance Gifts	Salary Benefits

For more details please take the time to read the whole piece:

<http://www.stetson.edu/today/2015/03/aligning-with-values-helps-family-business-cohesion-success/>

*Greg McCann, J.D., is the founder of the consulting firm McCann & Associates and founder and director (1998-2006, 2009-2014) of Stetson University's Family Enterprise Center. He speaks, writes, consults and teaches on family enterprise.*

# HOW to BUILD it



I chose the verb BUILD for good reason, mostly because I am very fond of the expression “Things don’t just happen all by themselves”.

**Building takes:**

- Work
- Planning
- a Team
- Maintenance

All of these are also present when trying to make sure that Family Alignment exists and is nurtured.

Too often in a family business context, lots of work is done with the idea of professionalizing the business, and this is obviously very important and should not be neglected.

The family, for its part, is frequently put in the back seat or on the back burner, and we may not even remind folks to fasten their seatbelt or make sure to turn the burners down to simmer, so that things won’t boil over.

If there are some family members who work in the business and others who do not, the potential for misalignment is huge, making this work even more crucial.

## The 4 Room Model

Josh Baron, Rob Lachenauer and Sebastian Ehrensberger of Banyan Global Family Business Advisors wrote a piece for the Harvard Business Review in September 2015, in which they introduced their 4 Room model for Family Business.

In *Making Better Decisions in Your family Business*, they explain that just as different rooms in a house serve different purposes, there are various decisions in family businesses that should be made in different rooms.

These rooms also have different people in them, and the right people, in the right roles, need to be the ones who make the appropriate decisions.

The rooms are: the Family Room, the Board Room, the Management Room, and the Owner Room.

The article is not strictly about Family Alignment per se, but it does a great job of explaining ideas that will help any family with becoming aligned and staying that way.

They also detail some common problems that they have seen, involving One-Room Houses, houses with Missing Rooms, and houses with Messy Rooms.

Each business family is unique, but it is amazing how there are always so many similarities in the problems that they face.

<https://hbr.org/2015/09/making-better-decisions-in-your-family-business>

### HOW to BUILD it

When you begin to look at how family members are going to work together going forward, it is important to recall the Why's to keep you on track, and then to work through all the details of the What's and then make sure that there is open discussion about those details right through to the How.

For example, if a family has decided that it is important to try to remain together in business because of their shared pride in the family's legacy in the community, they may well decide that the current family members who are running the business operations should continue to do so.

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## HOW to BUILD it

But when they also agree that regular meetings are needed, and that it would be a good idea to set up a family council and plan on educating NextGen family members, it is important to not think that the job is done because everyone nodded their heads up and down and said “good idea”.

This is the hard part of the How. It goes back into the details of the What, and it asks you to determine together the details of Who is going to do What, When is it supposed to be done, Where are you going to meet, Who is going to be held accountable to whom, and all of that good stuff.



## What is a “Family Alignment Day”?

The Heritage Institute does great work with families in the area of aligning everyone’s interests and goals.

In fact, they will bring the entire family together and facilitate sessions that help them all discover their shared values.

Their intervention with the family actually begins with what they call Family Alignment Day.

As they say on their website, “Your family’s great adventure starts here”.

And what a worthwhile venture it can be for families who have figured out that this is the work that is really worth doing.

[http://  
theheritageinstitute.com/  
family-alignment-day/](http://theheritageinstitute.com/family-alignment-day/)

# Parallel Planning: Family AND Business

Carlock and Ward (see sidebar) talk about a very powerful model in which the planning in the business and the planning in the family are done in parallel fashion.

It is not necessarily step-by-step coincidental in most cases, but the main thing is to make sure that neither one gets too far ahead or behind the other.

To me it is simply another facet of alignment, and often can be a way to make sure that the WHY's of the Family and the HOW's of the Business remain aligned.

Please recall that many more family businesses fall apart because of things that happen in the family circle than those that fail due to strictly business reasons. And the same goes for family wealth destruction, it is more often due to family harmony and trust issues than to poor advice or tactical planning.

## Parallel Planning for the Family and the Business

Professor Randel Carlock of INSEAD is recognized as the father of the Parallel Planning Process. Along with John Ward, he turned his ideas into the book, "When Family Businesses are Best, The Parallel Planning Process for Family Harmony and Business Success"

From the publisher's website:  
"The authors explore how effective planning and communication helps business families around the world address growth challenges as they strive to become high performing multi-generation family enterprises. This book shows family businesses working together at their best."

Their model is summarized below:

### FAMILY

VALUES > VISION > PLANNING > INVESTING > GOVERNANCE

### BUSINESS

I have yet to find a better illustration of the concept of aligning the family and the business.

The steps are followed in the same sequence for the family and for the business, side-by-side, to ensure that they are aligned.

The idea is to work out the intra family alignment, AND also make sure that the business is aligned with the family too.

<https://www.amazon.ca/When-Family-Businesses-are-Best/dp/0230222625>

<https://www.amazon.com/When-Family-Businesses-are-Best-ebook/dp/B004QWYZQ8>

# Putting it all Together



Looking at the WHY of Family Alignment invites you to think about your own family and ask yourselves the kind of questions about common family values that you may have that will help you move forward together.

When done well, it will help a family make sure that the family members are on board with keeping things together, and will help them figure out HOW they will do that going forward.

A family that learns to “rinse and repeat” regularly will have the best chance of success. Many things are best done in an iterative process, and the details of how things will work on a month-by-month or quarter-by-quarter basis are crucial.

Having everyone not only ON the same page, but also having a common understanding of what

is on that page, and why it is there, and how it will be used is paramount. Ideally there is general agreement as to what should be on the next page too.

Informed decision making and working towards consensus are what you should be looking for to put the odds in your favor.

It does not mean that a democracy is needed, in fact, by simply respecting everyone’s need and right to be heard, it is more likely that all stakeholders truly “buy in” to the process and the decisions that stem from it.

We are talking about:

**Process > Content**  
and  
**Culture > Structure**

# Concluding Thoughts

Hopefully by this point you have a better understanding of what Family Alignment is, why you need it, and of course how to build it. So what's next? I hate to tell you that you are not done yet, because anything worth building should be maintained.

A few things in life are certain, like death, taxes, and change. You can expect each to occur, and all three are liable to force you to update your family alignment to the new reality.

The good news is that once you have done it, you sort of have a template to follow, and you know that it is doable.

As Darwin said, *it is not the fittest or the quickest that survive, but those who are best able to adapt.* If you make your plans knowing this, and try to anticipate that modifications will be needed, and recognize that flexibility is an asset, that is a helpful attitude to adopt.

If you always remember to go back to the why and the values behind it, and try to build consensus right through the what and through to the details of the how, I think that you will find the efforts more than worth it in the long run.

Thank you for reading this Quick Start Guide, please share it with others who could benefit.



## About Me

I was born into a family business, and as the only son of an immigrant entrepreneur, it became clear very early on, that I was expected to follow in Dad's footsteps. So every summer of my teens and the first three years of my work life after university were spent learning everything I could about the business.

I returned again after getting my MBA, more ready than ever for the challenges that awaited me. But then, unexpectedly, within six months, we sold the business to a competitor, and went from 250 people to only four. And two of us went by the name Steve Legler.

Since I was Junior, Dad called the shots and started spending most of his time on his new venture, a small farm, leaving me to manage the remaining family assets in our holding companies: real estate, investments, and intellectual property.

It was not a bad job to have, as I learned a lot about business from my Dad, furthered my formal education along the way, and had what my sisters surely considered one of the cushiest jobs on the planet.

My Dad understood a little about the importance of keeping the entire family abreast of the business, and for that reason he once called a family meeting. Unfortunately, he never called another one over the subsequent 20 years, and then only did so after his cancer diagnosis.

Along the way, I also married into a business family, and I have seen some of the communications challenges that they have faced over the years.

I now realize more than ever how important good communication is for families who want their legacy to continue, as it is transferred to future generations.

My father was responsible for building the family wealth, so nobody ever felt right asking him about anything, but my sisters would never cut me the same slack, which is why we have regular family meetings, along with my mother, and an independent outside trusted advisor, who we all know and respect.

In 2013 I enrolled in the Family Enterprise Advisor program, which is geared mostly to wealth managers, accountants, and insurance folks who deal with business families on a regular basis. But I immediately felt more of an affinity with those at the front of the room, who were teaching the classes; people who work as family business facilitators, trusted advisors, coaches, and mediators.

As the father of a couple of teenagers, I also appreciate the different roles we play along the way in life, and I feel as though I have found my calling, as a family business specialist.

There are plenty of people advising family businesses about their business issues, but the area that causes so much concern, in so many family businesses is not the business, but the family. I know that I have some very unique qualifications to help them take control of those important issues.

## FOR MORE INFORMATION

Visit: [www.ShiftYourFamilyBusiness.com](http://www.ShiftYourFamilyBusiness.com)

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EMAIL [sl@stevelegler.com](mailto:sl@stevelegler.com)