

The Gene Factor

What makes a great family business?

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When Utah-based Huntsman Corp. went public in 2005, founder and chairman Jon Huntsman Sr., 71, was in a predicament: It was new and different to bring in outside shareholders. Securities and Exchange Commission laws and regulations would now mean less flexibility. But for the businessman known for his humanitarianism, the hardest thing about going public was seeing some of his children move on from the family business.

"It was difficult for me to see them go — I knew I wouldn't see them as much — but I cheered them on in their new work." Jon Jr. went on to become governor of the state. Another son, James, became a successful movie producer.

Running a business is no easy task, but running a business with your wife, children or siblings at your side can bring increased joy and pains. Several Utah-based family businesses offer advice on how to navigate issues surrounding succession planning, leadership styles, conflict resolution and communication.

Dreaming Big

Huntsman Sr. started his \$12-billion industrial manufacturing company 38 years ago with nothing and is now frequently quoted in national magazines as the prime example of a successful family business. His son, David Huntsman, 40, is CEO of Huntsman Springs, a major real estate development and resort in Idaho. Peter Huntsman is CEO of chemical company Huntsman Corp. in Texas, and Jon Huntsman Jr., 48, is now the governor of Utah.

"We have nine children. Over the years, all of them started their careers after college with the family business, including our daughters' husbands," Huntsman Sr. says. "We've had challenges, and yet we've gotten along very well."

Train them up: "In junior high, I made our children part of the board of directors. Whenever we were considering a new product, the children would sit around the dinner table and gave productive suggestions. They visited the chemical plants, attended Christmas socials and met employees, they would speak at company events — all at a very young age. They were always a part of the business and made great contributions. So it was a natural evolution for them to become leaders in the business. We felt very comfortable hiring them out of college or over other competitors because we knew they had a leg up being familiar and involved with the business. As a father, this brought me joy to associate with my children this way."

Spouse role: "My wife, Karen, has played a vital role as director. She's bright and articulate. I've always listened carefully to her input. Your children watch both mother and father; that relationship will affect their role in the business."

Give children responsibilities: "I had to place the second generation into positions where they would succeed and be challenged. This requires patience, but I love doing it."

Hand over the reins: "For years I was CEO, and that's where the buck stopped. Today, I honor our sons who are CEOs. They deserve the final decision-making. The moment I turned over the reins they are always gracious to ask my opinion ... but I leave it up to them ... my role is now an advice giver and sounding board."

Rules of the house: "We had two rules for our children when they became part of the family business. First, they become cheerleaders for each other. Second, all family members had to

leave their egos at the door. Family businesses can't survive with certain individuals trying to monopolize business situations."

Continuing a Legacy

When James LeVoy Sorenson, founder of the privately held Sorenson Cos. died in January, he left behind his wife Beverley Taylor Sorenson, their two sons and six daughters, 47 grandchildren and 28 great-grandchildren. Miles White, CEO of Abbott, called James LeVoy "an American original." Jim Sorenson, 58, CEO of Sorenson Cos. has had to live up to such a legacy.

Sorenson was studying accounting at the University of Utah when he got involved with his father's business. Now, more than 35 years later, the younger Sorenson has helped build up his father's empire. "My father and I both had very strong personalities. We knew we would need separate offices when we started working together. He was a visionary. I'm more geared for the details of the business. But I miss him and his sound advice. The best advice he gave me was that I could succeed at anything I do if I work hard. That's the legacy I hope to leave my family — hard work."

Leadership Transition

When Larry Miller named son Greg Miller, 42, CEO of the Larry H. Miller Cos. in July, there was talk of just how involved the tenacious Jazz owner would stay in the company's day-to-day operation.

"My father is a classic entrepreneur. He's fierce and likes to run on instinct," Greg Miller says. "I have an entrepreneurial instinct, but not nearly as much as my dad. I have become successful by surrounding myself with competitive, hard-working people. I'm more of an orchestrator. I get to team build and offer vision."

Greg began working with the company in 1979, when he was 13. "My job was to make sure the license plates were put on the cars and that the parking lot got swept. Since then, I've had a lot of different jobs from designing logos to selling cars." Now, Greg's own children help with the business, but he doesn't pressure them to stay. His daughter Alyssa, 19, is a secretary, and son Josh, 14, sweeps the floors at a Chrysler dealership.

Challenge: "The greatest opportunities have come through my dad, but also the greatest frustrations. He taught me how to run a business for years but wouldn't let me get in the game until a few years ago. He still wanted to be involved in the details even when he was in the hospital. It was difficult to feel like I had the freedom to make decisions and fit in my role."

Solution: "We have family meetings every Friday morning. Me, my three brothers, nephew, mom and dad get together at 8:30 a.m. at my parent's home in the Avenues for breakfast. The meeting usually lasts till noon. These meetings started off very conceptual and have become more pragmatic. We discuss the transition between my father and me; we discuss specific business decisions. My notebook from these weekly family meetings has become my journal."

Keeping Relationships Intact

Dan Hill, CEO of Ragnar Events, which promotes countrywide relay races, started his business in 2004 with his father and childhood friend. "My dad and I always talked about doing something like this when I was younger," Hill says. "My dad, friend and I each own a third of the company. Initially, our dreams were just to make enough to get through graduate school. Now, we have 12 full-time employees and seven of these events around the country. We get more Web traffic than any other marathon."

Challenge: "Even though my father isn't as involved — he sits on the board of directors — it still has the stress of a family business. There are times when we don't have the same vision."

My dad has slow growth, conservative style, and it becomes tense when we take on something aggressive or tricky. Then I hear about it from my mom. When you don't have the same opinion as a family member, it's easier to get angry at each other," Hill says.

Solution: "I have to remind myself that I'm not willing to sacrifice my family or friendships with this business. Even with my close friend, we have differences of opinion. You have to be more tactful so that you don't damage relationships."

Room to Grow

In 1979, when Alan S. Layton was 32, his father, Alan W. Layton, named him president of Layton Construction Cos. From his earliest years, Alan Jr. had been at his father's side, seeing the business grow, as well as increasing his own knowledge of the business. "The day after I became president was no different than the day before. Dad was still very much the boss. And in my eyes, I couldn't even conceive of what a president did."

Within about three years, his father's day-to-day involvement waned. Now Alan's younger brother David, 46, serves as the president and CEO of the company.

Challenge: "Maintaining credibility amongst employees and non-family executives is always a challenge for family businesses," David says. "There's no question that family members are given opportunities that wouldn't necessarily be offered to others, but it's up to members to take advantage of those opportunities to lead and fulfill those responsibilities to a high level."

Solution: "I was given specific areas of responsibility that I could operate and control without a lot of micromanagement," David says. "Those experiences gave me the room to grow. I felt accountable over certain parts of the business, which prepared me to take the reins. I had already established my credibility within the organization. People knew me, my style, strengths, weaknesses. They knew I could succeed. But there's always skepticism of family members. The taste of the silver spoon is bitter. You have to be 125 percent on top of things so that you can be perceived as 100 percent on top of it. You just have to be that much better, work hard, do the right things for the right reasons. People come to respect that."

Kent Winder, 57, vice president of special projects at Winder Farms, also says it's important for family members to set good examples within the business. Winder Farms has been around for 128 years; Winder's son is the sixth generation of the business. "There's a lot of pressure from other non-family employees. Everyone is watching you. It's important to have good communication with your family members. Have a regular time to meet and go over issues, talk things out," Winder says.