The Executive Job That's Like 'Kis
a Porcupine'

Thriving in a high-level role at a family busi
can be tricky for outsiders. Here are some ti
how to succeed

Joann S. Lublin   Aug. 1, 2017 9:00 a.m. ET

Kari Taylor, left, did extensive due diligence before joining Benco D
Supply as a vice president. The family-owned firm is run by Chuck C
right, and his brother Richard. Photo: Brett Carlsen for The Wall St
Journal

Three words of advice for anyone taking a top management role at a
owned business: Success is relative.

Thriving in a high-level role can be tricky for leaders without family
Family members may resist executives' efforts to break with traditio
changing strategy, and may oppose calls to fire their poor-performi
professionalize operations, experts say. Yet the arrangement can su
when longtime staffers identify strongly with the founding family o
bring a keen grasp of relatives' roles in the business.

John Priest, a veteran manager at Crossland Construction Co., says
initially worried about accepting a promotion to its presidency. No
outside the Crossland family had ever served in senior managemen
Columbus, Kan., midsize firm, which was founded in 1977.

"The first nonfamily guy usually does not make it," Mr. Priest recall
colleagues.

Mr. Priest had numerous chats with Crossland's two highest leaders
the commercial builder's founder—before he moved up in late 2015
brothers spelled out "what they wanted my job role and the preside
consist of," he says. That prepared him to work better with other Cr
family executives, including one who also wanted to be president.

Family firms, which are typically smaller than major corporations,
attractive for outside leaders.

"Often they can have greater impact," says Andrew Keyt, clinical pr
family business at Loyola University in Chicago. "There's less burea

Between 20% and 25% of family businesses employ unrelated execu
Keyt estimates. That is up from 11% in a 1996 study that he co-wrot

Institute. “You have to do it carefully.” He urges executives to insist
written job description and employment contract “so you have a fal
position if things go haywire.”

In May, Mark Allin gave up command of John Wiley & Sons Inc., a
controlled by the founding family where he isn’t a relative.

After about two years in the job, the chief executive resigned partly
some Wiley family members disliked his proposal to sell or find a p
its college textbook unit, according to a person familiar with the sit
“They saw that [unit] as core to the 200-year tradition of the busine
person says.

A Wiley spokesman declined to comment. Mr. Allin didn’t return ca

Executives must do their homework to avoid a mismatch at a family
concern. Prospects should ask whether prior nonfamily senior man
flourished. Did those alumni enjoy clear operating authority and do
firm board include independent members?

“You want evidence that the family listens to outside influence,” Mr
suggests.

Management candidates also glean a sense of family dynamics thro
with relatives heading the business and former executives from out
family, adds Gail Golden, a Chicago leadership coach.

Kari Taylor did extensive due diligence before the W.W. Grainger In
executive joined a family-owned business for the first time in 2016.
Dental Supply Co., with about $770 million in annual revenue, is ru
brothers Chuck and Richard Cohen, grandsons of the founder.

challenged with facts.

Ms. Taylor also met face to face with six Benco executives unrelated Cohens. She learned the firm's owners prefer collective decision-ma reserve veto rights. She hoped a stint at a midsize private concern s Benco would test her ability "to run my own business someday."

The company provided an executive coach who advised her on mesh the Cohen family's core values.

For example, she put greater emphasis on customer benefits than fi metrics during her internal pitch to revamp the sales operation. "I'v Chuck often choose an improved customer experience at the cost of bottom line," she says. "That has taken some real adjusting for me."

With Mr. Cohen's approval, Ms. Taylor says she changed the sales o in ways that helped generate more new customers.

Deep digging didn't pay off for Ellen Rozelle Turner. She spent seve months probing the founding family of a management and informa technology consultancy where she previously had worked before tak presidency in late 2008. She was the sole senior executive without f to the 70-something founder, who promised to share the CEO title w daughter following Ms. Turner's arrival.

The founder moved Ms. Turner into his office and stopped coming only to return part-time six months later, saying, "I don't know wha with myself," she recalls. Some staffers soon created confusion over in charge by raising issues with the founder rather than coming to h continues.

She left in early 2010. As an outsider, Ms. Turner says she didn't the employs two of her adult children.

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