

FAMILY POLITICS

Mixing family and business can be a political minefield, but there's a whole field of academic study devoted to finding answers

JANET STEFFENHAGEN

Richard Kouwenhoven was barely into his teens when he first began to think about joining his dad's business. His after-school work at the family firm, Hemlock Printers, had given him a taste of a career that he found interesting and complex, and he was proud of his father's accomplishments and wanted to see the business continue.

Hemlock Printers president
Richard Kouwenhoven faces
the challenge of taking the
reigns as a second-generation
leader | DOMINIC SCHAEFER



continued on page 16 →

→ continued from page 14

Now 41, Kouwenhoven is president of the company, and as he contemplates paving the way for the next generation of leaders, he faces what may be the biggest challenge of his career: identifying the next generation of leaders. Succession planning can be a political minefield in any business, but it's particularly fraught when the candidates are your own relatives.

A key source of assistance and research in this specialized area is the University of British Columbia's Business Families Centre, established in 2001 to serve family entrepreneurs and the professionals who work with them. The centre offers face-to-face and online programs that delve into issues such as succession, relationships, reputations and governance.

Program director Chira Perla says the centre was created in response to a pressing need. Prior to its formation, "business families were grossly underrepresented in the academic market, despite their prevalence and significance to the Canadian workforce and economy," she says. Now, there are similar centres in Alberta, Ontario, Quebec and Nova Scotia.

UBC's Business Families Centre offers courses that help family members develop the vocabulary they need to describe who they are and what challenges they face, Perla says. Without that, "they can become overwhelmed, leading to issue avoidance."

Vanessa Strike, a visiting assistant professor at the centre, agreed that good communication is essential in creating a governance structure and succession plan, adding that independent advisers can encourage those conversations and pinpoint difficult issues.

In too many families, the next generation is uncertain of how succession will unfold and where they will fit in, according to a 2012 survey of family businesses by KPMG. "While these family members hunger for clarity about their future roles, they are eager to carry the business forward with their own innovations, ensuring their businesses continue to flourish for generations to

come," KPMG reported.

Richard Kouwenhoven is lucky because his father Dick, 72, and his Uncle Fritz, 60, are still very much involved in the day-to-day operations. The changeover is expected to last several years, to allow his father to step back gradually while Richard grows into a new role. "It's a very delicate process and there's no one way to do it," Richard says. "It depends on the characters involved and what type of business it is."

Hemlock Printers was a small storefront operation serving a Burnaby neighbourhood when it was incorporated in 1968 by Dick Kouwenhoven, a journeyman typographer. Now it's one of the largest commercial printers in the Pacific Northwest, with five offices and almost 200 employees, including 10 members of the Kouwenhoven family. It received a 2014 award from the Canadian Association of Family Enterprises for its contributions to the community and the country's economy.

It isn't always easy to operate a family business, and Richard Kouwenhoven admits there have been intense arguments among family members about priorities and directions. "That's a natural thing and we try not to shy away from it," he says, adding that everyone must be comfortable speaking their mind. "You need to be able to have conflict while not harbouring any ill feeling toward one another," he says, "and we're pretty good at that."

Kouwenhoven echoes the importance of innovation. "For a second generation to apply themselves in a really dedicated way, you need to be in an environment that is constantly changing," he says, explaining that an environment of innovation encourages everyone to bring their unique contributions to the table.

While it's great to transfer history and knowledge from one generation to the next, no one should be pressured to join, he adds. Asked whether his two daughters — only slightly younger than he was when he had his first taste of the family business — will follow his lead, Kouwenhoven hesitates. "It's a possibility, but at this point there's no expectation." ■

RICHARD KOUWENHOVEN | PRESIDENT, HEMLOCK PRINTERS

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