COMMITTED TO HEALTHY FAMILIES
AND SUCCESSFUL BUSINESSES
FOR MULTIPLE GENERATIONS

SAUDER School of Business
Business Families Centre

LegacyMatters

Family Business Matriarch Marianne Rissling on the Intersection of Family Life and Business

Company: **Rissling Services Ltd.**

Name: **Marianne Rissling**

Title: **Vice-President and co-owner**

Industry: **utility contracting**

Years in business: **34**

Number of family members in the business: **6**

Life stage of the business: **currently transitioning to second generation**

The Rissling family owns and operates Rissling Services Ltd., a utility contracting company, out of Delta, B.C., and has done so for the past 34 years. Currently transitioning into the second generation of their family, matriarch Marianne Rissling initiated her own search for resources several years ago with the goal of keeping her family intact, regardless of what was to come in the business. Ultimately, Marianne found the family business education program she was looking for at the Business Families Centre. She spoke to the BFC recently about her search for answers, the transformative nature of education and the realization that the success of the business does not have to come at all costs to the family.

What prompted you to seek out Road Map, the family business education program?

I had done some research in anticipation of succession planning . . . and Sauder [School of Business] was always one of those schools that have had great programs, so that was an automatic, to look at what they had to offer. And then through a couple of other things in my research at the same time, the Road Map program came up. And then, in all honesty I phoned up [Family Programs Specialist] Mischa [Ragona], because I thought, really, maybe we're not well-educated enough to be doing this, and maybe it's for bigger businesses, and maybe we're too small a company, because we have 20 people. So I wasn't sure that it would pertain to us. But I had a good conversation with Mischa about the similarities between businesses, and she said, 'you know what, this is why it would fit, and these are the kinds of things that program does.' So we put it out to the

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family, saying, 'we've got to get ourselves geared up in the right direction.' Then we signed up for the Road Map program and found it to be absolutely invaluable.

Was everyone in the family on board with attending the weekend program?

We felt it to be a crucial component that it included everybody, and so that's how we kind of presented it to all the players. All eight of us, including in-laws, were in the program. And it was something we were going back and forth with, but all of the information that I had read really was encouraging of that, just so there wasn't a question of what was said and how was it done. It's much better to have all the players at the table, and so that's why we opted to go that route.

So you were very proactive in terms of seeking out help for your family enterprise.

I tried to be. We have an imminent retirement coming up so we really needed to push that next step. My husband will be pretty well done at the end of this March, and so now we have the next five year plan we're working on. And we have a solid management team in place that's working with us.

It sounds like an ideal situation really, because you were so proactive about it.

We may have been proactive but we feel very behind the eight-ball [laughs]. And so that's why we're pushing it.

So your husband is currently planning to retire in the near future. Would you say you're in the process of transitioning to the second generation?

Yeah, we are dabbling in 'what does it mean,' and what does it mean for the players that are interested, what does it mean depending on what circles you're fitting into, and what does it mean for the family? And how does it overlap? I think more than anything else is how do we bring these things up in conversation . . . it brings lots of conflict and how do we handle those conflicts and how do we . . . actually tackle the issues that are coming up.

Succession is the catalyst here in your situation. But at what point, prior to the succession process, were you prompted to seek resources, and why?

I just tend to be a reader, and so I had looked into stuff, we had done some preliminary research with my eldest son and my husband and myself about five years ago, that really didn't get us very far. But good exercises, just from books and doing research. And then of course if you read anything about transitioning a family business, you realize that if you're going to increase the odds of being successful, you're going to have to put in some work to figure out how to do that. That's really our striving benefit, and more than anything else, if we can communicate it clearly, we want to avoid at all costs all of those questions that you hear so often, 'why wasn't I consulted in this? why didn't I have an opinion to be shared with respect to that?' More than anything else, regardless of whether the company transfers into the second generation or not, our main concern is that it doesn't tear the family apart and that everybody feels they can move forward without second guessing their involvement, and that they had an opportunity to be involved with it. So that we're not sitting 10, 15, 20 years from now, going 'I wish I had . . .'

How would you say Road Map has changed your relationships, both in the family and the business?

I think what we're trying to be very aware of is that everybody has their own life, and their own perspectives depending on what their life goals are. The important part is communicating what that is, and respecting what that is, that each individual has their own path to live, and that if we can communicate it well, we should be able to come up with a common goal both for the family and for the business, with those being two very separate items.

What is the ideal goal for the future, then?

The ideal goal is that if the interests, and the . . . my husband calls it 'the wanna,' you've gotta have 'the wanna' to do it . . . so if the interest and 'the wanna' is there, then yes, pay the business forward. If you want to do something different with your life, and if none of them have an interest in the five-year time span that we are in now, then we'll find a different solution for what that means for the business, in terms of family participation. But we have some very strong interest right now. It is my husband's dream for sure, to have the business carried on by the family, but our main concern is that it also becomes the dream of the players that are going to take it over. We're not looking to have the dream at all costs.

What was one of the most useful things you learned from the experience?

I think one thing that was really helpful was to come in and realize that all family enterprises . . . seem to struggle with the same thing. It's the same issues that are giving us the conflict, it's the same hiccups

"regardless of whether the company transfers into the second generation or not, our main concern is that it doesn't tear the family apart"

that are making us jump, or a lot of them are. When you're feeling a little bit like you're on a deserted island, it's nice to realize that you're not alone. And that other people are facing those same struggles and that you can learn from those other people. It's very validating, and having resources to rely on is huge.

What are some practical examples of things you learned in the program?

Well, to strive for open communication, even if it involves conflict. Remember that conflict is normal, and dilemmas don't always need an immediate resolution. Family meetings have allowed a forum for our discussions on family business and succession. And everyone's perspective is different, depending on each person's personal life situations and what 'circle' they fit into. We have also learned that defining structure and process is positive.

From our Executive Director

JUDI CUNNINGHAM
EXECUTIVE DIRECTOR,
BUSINESS FAMILIES CENTRE

Welcome to the first 2013 edition of Legacy Matters, our newsletter for enterprising families.

In this issue, we focus on the importance of family. You'll meet Marianne Rissling, co-owner and Vice-President of Rissling Services in Delta, B.C., who is nothing short of a model matriarch in a family enterprise. We've included a profile of the new Chair of our Advisory Board, Sacha McLean, who grew up in a family business and now oversees the McLean Group of companies with his brother. You'll also find an excerpt of an issue of Research Matters, our white paper series, which describes new research linking adolescents in family businesses to their successes later in life—information that is highly applicable to many family enterprises today.

Since we have so much great content here, I'll keep my words brief. But let me take this opportunity to ask you, members of our family enterprise community, to reach out to us if we can assist you in any way. We are here to answer your questions, direct you to resources and help you to find solutions. We also ask that you get in touch with us if you or anyone you know has a compelling family story, an exceptional experience with a helping professional, or an invaluable lesson that you would like to share with our readers. While we work to keep abreast of everything happening in the field, we know there are hidden gems out there amongst our readership, and we would like to hear from you. Thank you, and please keep in touch.

Research Matters: Forthcoming Studies Relevant to Business Families

Sauder Professor Karl Aquino, in the Organizational Behaviour and Human Resources Division, is co-author of a study soon to be published in the Journal of Management Studies, which endeavors to find a positive link between psychological ownership and company performance. Aquino likens psychological ownership to a rental tenant who is motivated to invest their time and resources into maintaining, caring for and improving their home, despite the fact that they do not actually own it. This concept is applicable to entrepreneurs and family enterprises because it could influence the ways in which founders and owners motivate their employees to act in the best interests of the company.

Watch this space for more on this topic, as well as an upcoming issue of Research Matters on entrepreneurship and family business.

To read the most recent issue of Research Matters, **click here**

News and Events

Our very own instructor and family business advisor, Wendy Sage-Hayward has been granted adjunct professorship in the Sauder School of Business.

Our partner in education, the Institute of Family Enterprise Advisors continues to designate professional advisors who work in the family business field, and now boasts 57 designates as experts in the industry.

Keep an eye out for details of our upcoming annual gala, the Family Legacy Series dinner featuring a prominent enterprising family, to be held in the Fall of 2013.

Profile of Sacha Mclean, The New Chair of the Business Families Centre's Advisory Board

Company: **The McLean Group which includes Vancouver Film Studios, Blackcomb Aviation, Pacific Backlot Services, Blanca Realty, Harbour Landing Construction, and Signal Systems.**

Name: **Sacha McLean**

Title: **Vice Chairman, the McLean Group**

Industries: **real estate, aviation, film and television production services, communications and construction**

Years in business: **40 years, since 1972**

Number of family members in the business: **5**

Life stage of the business: **second generation / sibling partnership**

Sacha McLean, Vice Chairman of the McLean Group, is the Business Families Centre's new Chair of the Advisory Board. A partner, owner, and a second-generation member of the McLean Group of Companies, Sacha recently spoke to the BFC about his own family enterprise, his passion for education, and his determination to help the BFC grow and achieve its goals for the future

Looking back, Sacha McLean would say his career in the family business started a little early in life.

"Apparently, I was about 5 years old and had a little blue and white pinstriped suit my brother, Jason, called the 'ice cream suit'. Jason and his friends would be playing in the pool—having a great time—and I would appear carrying an old briefcase of my father's pretending I was off to work. So perhaps that was a little foreshadowing of my desire to join the family business," he says, laughing.

Fast forward to age 10 and while he is still too young to have a paying job, he is now visiting his father's office from time to time, where he is assigned to a small desk in the corner.

"My brother and I grew up hearing about the family business at the dinner table and we were encouraged by our parents to listen, contribute, and be involved, "he says. "I did not, however, expect to officially join the business at the age of 21. That came about unexpectedly in 1996 when my father, David McLean, suffered a health setback that put him on the sidelines of the family business for a few months."

"My mother, Brenda, who was Vice Chair of the family business, sat down with my brother and me and asked if one of us could help out for two or three months while Dad got back on his feet," Sacha recalls. "Jason was midway through law school so it didn't make much sense for him to leave, but I had just finished an undergraduate degree at Queen's and was more or less available."

While he admits he didn't particularly enjoy those early days (which primarily involved collecting rent cheques from commercial real estate tenants), he was able to turn the experience into a much more valuable one by using it to determine his own interests and strengths. In doing so he was able to combine a personal passion for aviation with a way of better utilizing the family's substantial commercial real estate holdings in Southeast Vancouver.

The result of both challenges would lead to Blackcomb Aviation, the Pacific Northwest's leading privately owned helicopter and jet charter company—and Vancouver Film Studios, the largest modern sound stage facility in Vancouver. "My brother and I were fortunate," adds Sacha, "in that the entrepreneurial spirit of our parents laid the groundwork for us to pursue new ideas without excusing us from paying our dues along the way."

Today, Sacha serves as Vice Chairman of the McLean Group of Companies and Blackcomb Aviation, where he focuses his energies on strategies that integrate all of the business units. His brother Jason serves as President and CEO, and while the two are equal business partners, they have distinctly different roles in the organization.

"My brother is the consummate administrator—a natural leader who masterfully runs the show but I'm an entrepreneur through and through, so I'm always looking at the next deal," he says. "Years ago, I learned that I am not an operator. I'm a good wholesale changer and I'm a good culture adaptor but all that stuff can be done in one to three years which is not the mandate of a long term CEO."

The Importance of Education

Discerning his own strengths from other family members continued when the McLean family embarked on an intensive family business education program similar to the BFC's Road Map program.

"There was a bit of initial resistance to the idea of family business education," says Sacha, "but once we committed to the process, we learned valuable lessons about ourselves and our business."

"The first thing we realized was that we needed to separate family from business," he said. "So now, when we're at the office, we talk about business but when we're home, our focus is on family. At least, that's what we try to stick to."

"The other major lesson we learned was that it is okay to separate the role of an owner from the role of an executive. That was a very important moment for us because it meant that it was acceptable for us, as family members, to do different things within the business but remain equal partners."

As a result of their experience in a family business education program, the McLean family was able to make significant progress not only in the operations of their various companies but in their working relationships with each other.

"Our situation turned out remarkably well and we are cognizant and proud of that," he said. "It was an investment in ourselves that paid off in spades."

Working with the Business Families Centre

The McLean family was introduced to the Business Families Centre at the Sauder School of Business in 2011 when they agreed to be the business family featured at the Family Legacy Series Gala Dinner. In 2012, when Lorraine Cunningham, the BFC's former Chair of the Advisory Board, approached Sacha to take over her position, he accepted.

"It was just right up my alley," he said, "because I believe in the importance of opening up the BFC to new families and new markets. And I know from experience, that some of the education programs will need to be customized which we understand and can do."

With goals to grow the BFC's foundational family programs, such as Road Map, and to create more customized programming for enterprising families, Sacha believes that the Institute of Family Enterprise Advisors (IFEA), the designating body that certifies family enterprise advisors, will have a significant impact on the quality of services provided to business families in the future.

"With continued growth," he says, "IFEA will have an influence on the entire field of family business not only because it is the first designation of its kind but because it will ensure a high standard of professional services for families for decades to come.

"I would also like to see a meaningful percentage of family business advisors get their [Family Enterprise Advisor] designation," he said. "It behooves family businesses to put their consultants' feet to the fire by saying, 'Look, within five years we'd like you to have this designation.' It will put the onus on family business advisors to take the course but give them a reasonable amount of time to complete it."

In closing, Sacha says that enterprising families want to know that the consultants they hire are educated and armed with family business knowledge.

"IFEA is exactly that," he said. "It is a true cross-Canada designation and it's getting buy-in from major institutions that care about the stability of family business as much as we do."

Excerpt of Research Matters: Working Adolescents in Canadian Family Enterprises

BY **JENNIFER HALYK**
BUSINESS WRITER,
BUSINESS FAMILIES CENTRE

Study finds link between adolescents who work in family enterprises and their later successes in life

A forthcoming study shows that young adolescents who work within their family's business on an ongoing basis while they are 14 and 15 years old gain measurable advantages over their peers who do not work in a family business environment at that age. The study, conducted by a team of researchers at the Sauder School of Business, including principal investigator Dr. Marc-David Seidel, doctoral candidate Marjan Houshmand, and statistician Dennis Ma, compared adolescents within family businesses directly to those who are not members of family-run businesses.

Their research is the first of its kind to investigate such a young demographic by taking on a multi-disciplinary approach between the fields of family business, family studies and organizational behaviour. The study compared 14- and 15-year-old adolescents who were employed in their family businesses to all other 14- and 15-year olds.

Since most young adolescents in this age bracket, generally speaking, are employed at low-level jobs such as mopping, stocking shelves, cleaning, or doing other menial work, the authors speculated the attained advantages given to adolescents working in their family firms was due to the sophistication level of the duties carried out by those adolescents in family firms, by virtue of the family environment. The time they spent with parents, coupled with the complexity of the work, contributed a marked difference to the teens' development, and, therefore, in subsequent employment opportunities.

This new research study out of UBC shows that, in the short term, young adolescents working in family businesses are given more responsibility, develop faster and learn more skills than their peers at that age. Their work experience generally includes more complicated tasks, involves speaking to management more often (including family members who are managers), and may include training from more senior employees in the business than their nonfamily business counterparts.

All of these advantages bring forward many desirable outcomes for those adolescents who have an ongoing involvement in their family firm compared to their peers. The findings of the study show that the adolescents working in their family firms had a higher level of psychological well-being at a younger age, built their self-esteem to a higher level, and had better relationships with their parents. The long term result was that by age 18, these adolescents had more sophisticated work experience to include on their curriculum vitae, and ultimately had a higher foothold in terms of opportunities for employment than their non-family business peers. Those with a family business background also strived for more complex jobs, had higher self-employment intentions and ultimately enjoyed higher incomes than their non-family business counterparts. These outcomes were attained due to these adolescents having more impressive resumes, stronger references from superiors and a deeper knowledge of how organizations operate in general.

"Imagine, when [one becomes] 18, [and wants] to get a job," said Houshmand. "The type of work experience [one has on their] CV—those people who have worked in family businesses—can have much better things to say on their resume than just 'mopping the floor.' [They can say] 'I was in charge of this, and that,' and more. They will have some advantages compared to everybody else, to get a better job, and the cycle goes on and on. They know about the business world, and they understand what the business world is about, because the parents don't censor themselves when they talk about customers and suppliers."

While Houshmand stops short of making a direct correlation between her findings on early adolescents and business families' abilities to successfully transition a business to the younger generation, she admits it may be one reason for family business owners to hire their own teenagers.

"We speculate [that] is one reason to hire youth," she says.

Nevertheless, as long as more than 40 percent of all the companies in the world are experiencing or anticipating a succession process, and as long as family businesses continue to create as much as 90 percent of global GDP annually, the decisions of family business owners, managers and parents are surely nothing short of crucial to the health of our families, our businesses, and the very survival of our economy. While we may not know many of the answers to the multidimensional and complex questions that arise out of the complicated succession process, this new evidence is potentially highly relevant as a harbinger to successful intergenerational family business transition. Furthermore, this research has implications to contribute to the landscape of the next generation's career plans, succession intentions (or lack thereof) and consequent survival of family businesses.

Excerpted from the white paper *Working Adolescents in Canadian Family Enterprises*

Business Families Centre Programs

Advisor Programs

Family Enterprise Advisor Program (FEAP)

Become a Leader in Family Enterprise Advising

Families are becoming more discerning about the advisors they bring into their fold. Graduates of the Family Enterprise Advisor Program (FEAP) put themselves ahead of the curve by being one step closer to receiving their professional Family Enterprise Advising designation (FEA). The FEAP Certificate not only puts you on the path to your professional accreditation—it also provides the world-leading business family advising education that can help you create lasting results for your business—and the families you serve.

FEAP consists of 15 days in the classroom over the course of the year.
The next cohort begins in October 2013 in Alberta, followed by January 2014 cohorts in downtown Toronto and downtown Vancouver.

Online: Business Family Fundamentals

Learn about the fundamental interdependence of family, ownership and business issues that every family member—whether they are involved with a business, investments, a family office, or a family foundation—will inevitably face. Find out about tools that have been successful in addressing the dynamics around these issues.

Self-paced, approximately 15 hours

For further information about any of our advisor programs, including costs and group discounts, please call **Peter Cotterill** at **604.822.2790**

Family Programs

Road Map

The Road Map Program provides a unique, safe and exciting opportunity for growth, discovery and affirmation of your family business and its future. It addresses the shortfall in business-family planning, enabling business families to remain healthy and successful over multiple generations. Participants in this intensive family enterprise weekend seminar come out of it with new business strategies, improved relationships and defined goals for the future.

The Road Map Program is a set of two weekend educational seminars designed with the goal of establishing a plan and charting a course of action for your family. It is led by experts in the field, including David Bentall, Wendy Sage-Hayward, and Ruth Steverlynck.

Road Map Part 2

VANCOUVER: April 5-7, 2013

April 5: 4:00 pm to 9:00 pm
April 5-7: 9:00 am to 5:00 pm
Location: Metropolitan Hotel Vancouver
645 Howe Street, Vancouver, BC V6C 2Y9

Road Map Part 1

VANCOUVER: dates to be announced for Fall 2013

Online: Business Family Fundamentals

Learn about the fundamental interdependence of family, ownership and business issues; the structures and procedures of a successful family enterprise; and some effective tools and techniques to manage the unique dynamics of family business.

Self-paced, approximately 5 hours

The Business Families Centre also offers custom programming for families who have more specialized needs, including alternative dates or geographic location. Please enquire about any of our family programs, including costs, early bird and group discounts, by calling **Mischa Ragona** at **604.827.4604**.

What are your business family experiences like? Click on the icons to join the conversation on twitter, Facebook orLinkedin.

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