

CLIENT / CONTACT BULLETIN 8-13

Just in case it matters to you:

- 25% OF FAMILY-OWNED BUSINESSES WILL CHANGE HANDS OVER THE NEXT FIVE YEARS. Since over half of these have no 'succession' plan, and two-thirds have neither criteria for deciding which family members take active roles nor any 'conflict resolution' procedures, this will pose some difficult situations. These statistics, resulting from a recent Pricewaterhouse-Coopers survey of some 1,500 small & medium-sized family businesses from 28 countries, support the wisdom of developing a Strategic Succession Plan to avoid ugly family relationship issues which can and do arise. DCG has been helping clients with business transition for decades – sensibly planning in advance for smooth transition (and also, too often, performing mediation services for those who don't). Don't become a statistic. [JRNAL OF ACCOUNTANCY – Mar 08]
- 'CO-WORKING' IS THE LATEST WORK MODEL FOR "LAPTOP NOMADS" – independent freelancers or solo-entrepreneurs who prefer to have some level of human interrelationship. The environment is typically one big office space with some offset conference rooms, an espresso machine, and "opportunities for socializing." Modeled on the 'executive suite' concept (absent private offices), spaces are priced at annual fees or based on "how many hours of desk and meeting-room time the entrepreneur wants to rent each month... Co-workers can either drop in, or rent a dedicated area in spaces ranging from funky industrial lofts to sleeker sites with a more corporate ambiance." [THE WEEK – Mar 14, 08]
- TOO MANY ORGANIZATIONS HAVE 'SACRED COW' EMPLOYEES whose in-the-past achievements protect their jobs, even when performance continues to drop. Such once-high achievers, known as 'sliders,' are "often company heroes, especially to old-timers," but can have a terribly damaging affect on the company's culture "since their behavior sets the tone – particularly for new employees, less familiar with the slider's past glories, who see that do-nothing employees are permitted... It is very hard to reverse the course of sliders before they begin to suck the team into their energy field and drag it down." Therefore, as tough as it may be, the right business decision is to let such a person go. Termination both gives that person a chance to find a re-energizing job, and sends a critical message to other employees that "when it comes to performance, the past may be nice to recall, but nothing matters like the present." [BUSINESSWEEK – Mar 17, 08]
- "AMERICANS HAVE GROWN INCREASINGLY PASSIVE AND UNINFORMED amid a video-driven culture that prizes 'infotainment,' celebrates ignorance, and devalues critical thinking. The net result is a crisis of memory and knowledge that poses a serious threat to the two pillars of American intellectual life – *reading* and *conversation*... It's astounding how many between the ages of 18 and 24 don't think it's important to know the location of countries in which important news is being made. Not knowing these things is ignorance, but being *proud* of not knowing them is something else – it's being both antirational and anti-intellectual... Video culture, as it appears in the digital media, gives you a quick hit but doesn't encourage you to go further. It substitutes for reading more. The main difference today is that it's 24-7... Computers and all the digital media are great tools, but when you start confusing tools with real knowledge and stop thinking about how you're using it and how much you're using these tools, that's where the danger is in technology." [US NEWS & WORLD REPT – Mar 10, 08]
- THOUGHT FOR THE WEEK: *A young woman was about to finish her first year of college. Like so many others her age, she considered herself to be a very liberal Democrat, very much in favor of the redistribution of wealth, and 'ashamed' that her father was a rather staunch Republican with a selfish desire to keep what he thought should be his. In one argument over higher taxes to finance more government welfare programs, he asked how she was doing in school? She responded that she was struggling to maintain a 4.0 GPA, but that it was so tough -- requiring constant studying, and leaving no time to even maintain her friendships, much less be dating or partying. Her father listened and then asked, "How is your friend Audrey doing?" She replied, "Audrey is barely getting by. All she takes are easy classes; she never studies and barely has a 2.0 GPA. But, Dad, she is so popular on campus; college for her is a blast. She's always invited to all the parties, and lots of times she doesn't even show up for classes because she's too hung over." He then suggested: "So why don't you help her out by going to the Dean's office and asking him to deduct a 1.0 off your GPA and give it to your friend; that way you can both have a 3.0 GPA and certainly that would be a fair and equal distribution of GPA." The daughter, visibly shocked by that suggestion, angrily fired back: "Are you nuts?! I've invested all my time and so much hard work while Audrey has done next to nothing toward her degree. She has played, while I worked my butt off for these grades! How could that be fair?" The father slowly smiled, winked and said gently: "Welcome to the Republican Party, honey."*