

When Tragedy Strikes

BY RUTH MCCLENDON & LES KADIS

“When tragedy strikes, families and their businesses must face their loss, work through their grief and, finally, confront the future without the ones they loved.”

Two sudden and unforeseen events, happening months apart and at opposite ends of the world, have greatly impacted families and the course of many family businesses.

The first event was captured in *NEWS FLASH ...DEVASTATING TSUNAMI HITS SOUTHERN ASIA. Massive 30-foot wave barrels ashore in Southern Asia killing 286,000 people in its path.*

The second event, right here in our own community, was the sudden and unexpected death of a family business President and CEO, Joseph Nucci of Mann Packing Company.

When tragedy strikes, families and their businesses must face their loss, work through their grief and, finally, confront the future without the ones they loved. Thus, we ask: how prepared are you for unimaginable events that could rise up out of nowhere and impact your family and business for years to come?

After the tsunami

The island of Sri Lanka sits at the foot of India, in the balmy blue-green waters of the Indian Ocean. It is a place of unmatched beauty, called by Marco Polo “the finest island of its size in the world...”

The reawakening of the fishing industry.



A family's place of residence six months after the tsunami.

Now, six months after the tsunami, the statistics for Sri Lanka read:

- ▶ 46,000 dead
- ▶ 16,665 injured
- ▶ 182,267 houses destroyed
- ▶ Over 100,000 businesses destroyed, most of them family owned

The biggest challenge for Sri Lanka today is the thousands upon thousands of people still living in refugee camps, grieving their losses and with few if any ways to restore their livelihoods. Whole families were lost and many others were ripped apart by the tsunami, and many people are still looking for relatives they are uncertain about. Survivors are asking “Why did this all happen and how can we go ahead, having lost everything?” Since they can no longer make a living in the way they were accustomed to, they ask, “How can we take care of our families when what we have done for generations is lost and those who taught us have disappeared?”

The tsunami orphaned more than 9,000 Sri Lankan children and thousands more have only a skeleton of their family remaining. Before the tsunami, except for brief hours at school, children spent most of

their day together with siblings, parents, grandparents and even great-grandparents learning about and working in their family's business. Now only a few surviving children are able to watch and experience their future. A young boy and his sister, living in a refugee camp, are the only members of their family who survived. They are also the only remaining members of a 100-plus-year-old family business that was totally swept away.

The importance of family agreements

Family is what makes the difference in family business regardless of the type and size of the business or where in the world it is located. It is the family support and loyalty, the human capital of the family and the family's values that offer the business the greatest opportunity and capability to succeed. Family business is about caring—the family takes care of the business and the business in turn takes care of the family.

The family council is the forum charged with protecting the family, the family's interest in the business and the business itself. The family council takes a multi-generational historic and futuristic perspective. It is dedicated to the interests of all family members, and to the principle of fair process as a basis for the development, growth and survival of the family and the family business.

So what connection does a family council have with tragic events and sudden loss? It is the family council, the group of owners or owner representatives, that creates the agreements that take care of the family and the business that has been left behind.

The Mann Packing families have lost a great leader and a distinguished contributor to the industry at large and the central coast community. It is their family agreements, both formal and informal, that will carry them beyond their loss into a successful and prosperous future.

Some possible roles and benefits of the family council are:

- ▶ Creating a family forum to establish agreements such as family employment and compensation, use of shared assets to support family and enhance the business.

- ▶ Providing a place for education regarding the family business, finance and investments, estate planning and interpersonal skills.
- ▶ Providing a place for planning the future by endorsing collaborative values and a vision for both the business and the family.
- ▶ Facilitating communication channels between family members and the business.
- ▶ Providing a vehicle for conflict resolution of family differences and difficulties that is

separate from the business.

- ▶ Give a voice and status to all family members including those who are not in the business.
- ▶ Support business leaders, directors and family members in need.


The proverbial Mack truck is unfortunately always on the road. If tragedy strikes your family business, what family agreements do you and your family have that will guide you into the future? **CG**

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