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## **FAMILY** business, or family **BUSINESS?**

### **Are you a FAMILY business or a family BUSINESS?**

This quiz, excerpted from the book, *Keep the Family Baggage Out of the Family Business*, by Quentin J. Fleming, assesses the extent to which family priorities or business systems are driving your business' actions and is an indicator of your business' health. Take the quiz and then have other family members also complete the quiz; regardless whether they work in the business or not. See if your scores agree or come close to each other.

- |     | Yes                      | No                       |  |
|-----|--------------------------|--------------------------|--|
| 1.  | <input type="checkbox"/> | <input type="checkbox"/> | It is imperative that the business be kept intact and handed over to the next generation                                     |
| 2.  | <input type="checkbox"/> | <input type="checkbox"/> | Family members are careful to avoid discussing family matters at work.   |
| 3.  | <input type="checkbox"/> | <input type="checkbox"/> | Family members are paid equally.   |
| 4.  | <input type="checkbox"/> | <input type="checkbox"/> | Children live apart from the family for an extended number of years prior to their entry in the family business.             |
| 5.  | <input type="checkbox"/> | <input type="checkbox"/> | The business will hire a better qualified outsider before it will employ a lessor qualified family member.                   |
| 6.  | <input type="checkbox"/> | <input type="checkbox"/> | The business is a tool that helps keep the family together.  |
| 7.  | <input type="checkbox"/> | <input type="checkbox"/> | Jobs and roles are assigned to family members working in the business without regard to gender.                              |
| 8.  | <input type="checkbox"/> | <input type="checkbox"/> | The activities and happenings of the business are a constant subject of attention and/or conversation throughout the family. |
| 9.  | <input type="checkbox"/> | <input type="checkbox"/> | Many of the ideas and solutions that are used to improve the business and/or solve problems come from the children.          |
| 10. | <input type="checkbox"/> | <input type="checkbox"/> | Everyone is evaluated and rewarded strictly on his or her job performance.   |
| 11. | <input type="checkbox"/> | <input type="checkbox"/> | Family members engage in behaviors that wouldn't be tolerated in any other company.  |
| 12. | <input type="checkbox"/> | <input type="checkbox"/> | The children working in the business are able to (and do) make decisions without hesitation.                                 |



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- 13 [ ] [ ] The best interests of the business always takes precedence over family members' desires.
- 14 [ ] [ ] It's important for the business that family members get along and allow problems to resolve themselves overtime.
- 15 [ ] [ ] In-laws and spouses (i.e. non-blood family members) are involved in business matters.
- 16 [ ] [ ] "Only family members have the commitment we need to make our business a success." Agree or not?
- 17 [ ] [ ] People in the business have clearly defined roles, accompanied with full and proper authority.
- 18 [ ] [ ] Prospective successors are deliberately involved in development activities outside of the company to help strengthen their skills.
- 19 [ ] [ ] Multiple generations of family members are actively involved in the business.
- 20 [ ] [ ] The business owner ignores the possible impact upon family members when making decisions.
- 21 [ ] [ ] It's assumed that the children will come to work for the business.
- 22 [ ] [ ] Loyalty to the family is considered a critical trait among senior managers.
- 23 [ ] [ ] Children with a history of deep seated conflict will be or have been brought into the business and/or given ownership interests.
- 24 [ ] [ ] Business advisors tend to be old friends of the family.
- 25 [ ] [ ] Family members only receive jobs for which they are qualified.
- 26 [ ] [ ] Everyone working in the business is held strictly accountable for his or her job performance.
- 27 [ ] [ ] Birth order is not a factor in determining job assignments and roles.
- 28 [ ] [ ] The senior managers have been employed for many, many years by the company, and the team has been in place for a long time.
- 29 [ ] [ ] The children are (were) encouraged to pursue careers outside the business.
- 30 [ ] [ ] Family members are used as administrators or trustees of the family's estate.



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- 31 [ ] [ ] Clear boundaries are not drawn around people marrying into the family regarding their involvement and/or participation in the family's business.
- 32 [ ] [ ] Family members are careful to avoid relating to each other as family members while at work.
- 33 [ ] [ ] The children working in the family's business spent several years working for other companies.
- 34 [ ] [ ] Everyone working in the business is paid prevailing market wages and perks for the work they perform.
- 35 [ ] [ ] The owners are prepared to sell the business if they don't believe family members can effectively run it in their absence.

**Scoring:**

**Step 1:** Give yourself one point for each time that you answered as follows:

**Yes** to questions **2, 4, 5, 7, 9, 10, 12, 13, 17, 18, 20, 25, 26, 27, 29, 32, 33, 34 and 35.**

**No** to questions **1, 3, 6, 8, 11, 14, 15, 16, 19, 21, 22, 23, 24, 28, 30 and 31.**

Put the total in  Box 1.

**Step 2:** Give yourself one point for each time that you answered as follows:

**Yes** to questions **1, 3, 6, 8, 11, 14, 15, 16, 19, 21, 22, 23, 24, 28, 30 and 31.**

**No** to questions **2, 4, 5, 7, 9, 10, 12, 13, 17, 18, 20, 25, 26, 27, 29, 32, 33, 34 and 35.**

Put the total in  Box 2.

Subtract Box 2 from Box 1 and put your score here:



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**What does this score mean?**

If you scored 30 or higher, you are probably operating a healthy family business.

If you scored between 20 and 29, your family priorities are exerting too much control over how you are running your business.

If you scored 19 or less, your family owned business is headed for trouble.