

Family Matters

Overcoming the challenges of balancing personal and business relationships

By Jeff Crider, Contributing Writer

arvc's MEMBERSHIP INCLUDES MANY CAMPGROUNDS that have been owned and operated by the same family for three or four generations or more. These families are extraordinary, not only because of their longevity in the campground business, but because of their ability to keep the momentum going despite any challenges they encounter, including the retirement or passing of talented family members whose skill sets cannot be easily replaced.

"Only a third of family-owned businesses successfully make it through the second generation," says David Karofsky, CEO of Transition Consulting Group, a Framingham, Massachusetts-based family business consulting firm. To create a successful transition, it takes more than ensuring that each generation has the necessary skill sets to take over the family business and grow it. Many questions have to be addressed.

For example, do family members who own and operate the campground get along with each other or are there sibling rivalries or tensions between certain family members that negatively affect the business as well as the family itself? Have roles and responsibilities been properly spelled out?

Unfortunately, many park operators don't even begin to consider these types of issues until there's a crisis. But Karofsky says that planning should begin long before that time. He explained that park operators need to have a strategic plan in place that not only outlines goals, objectives and job responsibilities, but that matches appropriate people with each position in the business. "This is about putting the right people in the right seats on the bus," he says. "If the wrong person is in the driver's seat, you're going to have a problem."

Sometimes, due to the complex nature of family relationships, an outside facilitator is needed to improve the structure and communication in a family-run campground. That's what the Daniels family discovered. They have owned and operated Normandy Farms Family Camping Resort in Foxboro, Massachusetts for three generations. The park was built in 1971, although the Daniels family traces the park's heritage back nine generations to 1759, when Francis Daniels acquired



Paul Perry, Don Perry and Don Perry II of Lakewood Camping Resort.

Photo courtesy of Lakewood Camping Resort

the property and used it for farming. But the Daniels family's longevity in the campground business doesn't mean they haven't had their share of conflicts. In fact, they reached a point 12 years ago when they felt they needed to contact Karofsky to help resolve their differences managing the park.

"We didn't know what to do," says Marcia Galvin, an eighth-generation member of the Daniels family who serves as human resources director of Normandy Farms. "The emotions were high. There were cousins, aunts and uncles. There was a huge dynamic and the family meetings would lead to shouting matches and everyone would storm out the door and nothing would come of it."

A new process was needed, Galvin says, not only to improve the functioning of the business, but to improve family relationships. "We did a SWOT analysis and learned each other's personalities so we can learn to work together," Galvin explains, citing the common acronym for identifying a business's Strengths, Weaknesses, Opportunities and Threats.

Through this process, Galvin and others learned several critical lessons beyond personalities and communication

styles of different family members. "We learned that you have to communicate with each other," she states. To facilitate this, Normandy Farms put a family code of conduct in place. She explained how it works. "If something bothers you, you have to address it within 24 hours." The code of conduct also requires a 24-hour turnaround on phone calls or emails between family members. Those who are involved in the business also hold biweekly meetings and share minutes of those meetings. "With family, if there is anything going on, you tend to put

it under the rug and resentments build up," she notes. "This way, things can get nipped in the bud."

The SWOT analysis also helped the Daniels family recognize which family members were best suited for each position in the business. "The authority somebody has in a family may be different than the authority they have in a business," Galvin says.

They also recognized that their skill sets are different. And while Galvin, her sister Kristine Daniels, and cousin Shawn Daniels, initially thought they should take turns sharing the presidency of the company, they recognized that Kristine is the best leader of the company and the person best suited for the job. This was initially tough to swallow. Kristine is 10 years younger, and, as a result of her position, she is the final decision maker.

But Galvin says the change was the best move for Normandy Farms. "You really do have to put your emotions aside and look at the business as a business and take the family part out of it," she says. "You really have to separate the two to make it work. The goal is to run the business professionally and still like what you do and still be a family and still enjoy each other's company."

So far, the changes have made a difference. "We have learned how to separate work from family," Galvin explains, adding that many of her family members who work together vacation together, too. "Working with an outside advisor really has helped everyone get on the right path."

Karofsky says that park owners sometimes need to take off their 'dad hat' or 'mom hat' and think about what's best for the company. He adds that the worst thing a family can do is hire another family member with no clearly defined role or position with specific responsibilities. "Sometimes," he says, "family members make the mistake of bringing in a family member simply because they can." This is not only unwise from a business standpoint, but it may also create feelings of entitlement among some family members that are as harmful to the business as they are to family relationships.

Blayne Perry has seen firsthand what can happen to a family's relationships and their campground when no formal planning has been done and new positions are created for people simply because they are family members. He saw these situations unfold at Lakewood Camping Resort, an award-winning RV resort in Myrtle Beach, South Carolina which his grandfather, Carl Perry, founded in 1959.

"When my grandfather died in 1980, my dad and his brother and his two sisters became the owners. They set up a board of directors with the idea of running the business as a team," Perry recalls. But problems developed in 1995 following the death of his father, Phillip Perry, at the age of 52.



The water park at Lakewood Camping Resort.

Photo courtesy of Lakewood Camping Resort

PERRY SAYS THE PERIOD BETWEEN 1995 AND 2005 WAS INCREDIBLY TURBULENT FOR HIS FAMILY.

"Once that happened," Perry says, "there was some jockeying (among the family members). Everybody thought that they should be the one to run the business. But not everybody is a visionary. Not everyone is meant to steer the ship."

Perry says the period between 1995 and 2005 was incredibly turbulent for his family, largely because there was no plan in place that spelled out how the resort should be managed; what knowledge, skills and experience were required for each position; or what the succession process should be. The lack of planning was compounded by feelings of entitlement, which led some family members to believe there would be no consequences for even basic transgressions, like failing to show up to work on time.

"Most of the family members had not worked anywhere else or had to deal with the ramifications of not showing up to work on time, or showing up at all," explains Perry. These problems were further compounded by board members who defended the poor work performance of their children at the resort when other board members felt there should be consequences for their actions. "You could see the decline (of the resort) coming," Perry says. "It was scary."

When the family problems came to a head in 2005, Perry's immediate family asked him to help deal with the crisis. He convinced the board to take the extreme action of removing all nine family members, as well as themselves, from the day-to-day operations of the business and to hire a general manager to run the resort.

Perry explained that the decision was not as personally difficult for him as it was for other family members because his career and identity were not directly tied to the campground at that time. He had spent most of his adult life working as an actor and writer in New York City.

He says there was "a lot of resentment and anger" over the decision because not all of the family members were bad employees. "It was a better decision, for the family, to let everyone go instead of continuing to single out individuals. They had been fighting in the boardroom about individuals for nearly a decade. This was the only way they'd be able to start with a clean slate."

While everyone received generous severance packages or stipends, this did not help lessen the bitterness that some of them felt. But Perry says that the change was necessary to allow everyone to gain some perspective and bring a higher level of professionalism to the resort.

The plan was to have all of the family members work someplace else for at least two years before coming back to the resort, and when they did come back, they would have to apply for open positions just like anyone else. Interestingly, none of the nine family members who lost their jobs have come back to work at the resort. However, Perry anticipates that other family members will eventually work at the resort again in the near future, including some of the children or other relatives of the current owners. >>