

What Harry and Meghan tell us about why many people leave family businesses

By Timothy J. Volk, MSM, CFP

A subtle but important drama lies in the shadows of Prince Harry's decision to abandon his title, royal duties, and many of his privileges, a tale that can inform both members of high-net-worth families and the professionals who counsel them.



As a financial adviser to wealthy (although not royal) families, and as someone who also dared to depart the family enterprise, I recognize the doubts I felt many years ago when I, too, decided to step away from a multi-generational enterprise and the expectations that came with it. As in Harry's case, the issues that prompted my decision arose when my situation, both personally

and professionally, became untenable. Rather than deride Prince Harry's move, I believe that financial counselors should applaud him for his courage. Sometimes the trappings of privilege just aren't worth the emotional straight-jacket that almost inevitably comes with them.



The Courage to Leave the Family Enterprise

I use the term family enterprise rather than family business because being part of a well-to-do, highly visible family entails far more than just the tasks that get done in the office, and the term enterprise better reflects that more comprehensive view – especially the challenge of balancing your own relationships, their role in the family enterprise, and the competing expectations of yourself and other stakeholders in the enterprise.

The Brave Decision

Leaving a family enterprise is a brave and bold move. It takes courage and a firm level of belief in yourself, your new relationship, your ability to create a new personal and professional life, leaving behind a family identity that has been, since birth, an integral part of your own identity.

For me, growing up in a family enterprise as the oldest of the fourth generation in the successful firm, I was fortunate to spend time with my father, my grandfather and even my great-grandfather...in the office. Further, the family expected me to work with them on weekends and during summers. I also had to perform a set role during holidays with the family and at social gatherings, which ranged from the country club to business organizations.

As I grew older my family-enterprise responsibilities increased. I moved from a show piece at society gatherings to become an office errand boy, picking up and dropping off documents, mail and bank deposits. On weekends, I would park cars in the lots during special events, splitting the purse with dad. After both grandfathers had passed and I had just graduated with my bachelor's degree, I began working in the family enterprise as a new insurance agent. Looking back, I was inexperienced with corporate life and had much to learn. Thank god for the patience of my co-workers -- I can only imagine the “water cooler” talk about the “boss's son.” But over time, both my father and I spent much effort on my career development and success.

My point is that the family business becomes part of your DNA. I knew nothing else. And as time moves forward and the business thrives, almost unknowingly, your identity is tied to the family enterprise just like it had been for my older family members.

Thus, when the thought rises about leaving and the allure of carving your own path takes root, you begin to tear apart your identity at a very deep level. You may not even be aware of it in those early moments, but at some point, you will become painfully aware of it.

So what's the big deal right? So walk away....right? Ah, yes. Let's just walk away from what is likely the security and comfort and all that comes with it...the anchor, knowing your future is secure. How hard can it be? Well, it's more than you think. In my experience, it is more of a slow realization than one “big aha” moment. For example, it's the old sensation of being asked about your work history and why you left an obvious strong career path to be on the “outside” with mere mortals.

For many years after leaving my family's enterprise, I simply stopped talking about it. That approach initially proved wise as it avoided a potentially uncomfortable or awkward conversation with an executive or business owner who might have felt intimidated – or worse, perceived me as being spoiled or rich. But more importantly, I now realize that that approach also put off my internal need to ever again question my decision to leave.

For years, I did not think twice about it, at least consciously -- especially when times were good, with a solid and loving personal relationship and a new career that seemed to be on the fast track, independent of my family history and name. While this feeling lasted for many years, in fact I now see that I was motivated by my desire to prove myself to the family, to show them all that I could make it on my own.

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Following my years of success working in large financial institutions (which have their own inherent challenges) I embraced my entrepreneurial spirit and created my own businesses. Yes, there is a deep entrepreneurial spirit in my DNA. And of course, why not? Obviously my great- grandfather, grandfather and of course my dad all handed down to me a strong business drive along with the color of my eyes and shape of my nose. I often remember our many good times together, a series of memories that then often will trigger my reflection on the decision to leave. Yet, the reality, as with any business, is that the family enterprise also has times of flourishing and other times of struggling to keep it going. That's something I didn't recall about the family enterprise: There is always risk.

I didn't really recognize the wisdom of my own departure from the family enterprise until years later, during my independent work as a financial adviser to a wonderful, wealthy family. I asked the top executive of the family enterprise how he felt about his children perhaps not following in his footsteps. He responded that he didn't want to burden them with the same burden he had. Oh my. I had not made that connection. Was it actually a gift? To be given the freedom to explore the world beyond the family enterprise? Clearly, neither my dad nor my uncle ever had that opportunity.

As we all know, family dramas can become their own battle royal. While I don't know Prince Harry, I do know that for many years he carried on family traditions even after suffering the emotional shock of his mother's death when he was still very young. He endured the tough program at Britain's military academy and joined the army as many of his royal ancestors had through the centuries. Instead of accepting a cushy assignment at home, however, he bravely served in combat. When he came home, he fell in love with an unconventional spouse. The wonder isn't that Harry opted to leave the spacious but ironically confining home in Buckingham Palace, but that the decision took him so long to make. Perhaps instead of chastising him for shrugging off his title and royal duties, the international public should applaud him for showing a kind of courage similar to what he exhibited on the battlefield.



Key Points

- My father is actually very proud of my leaving the family enterprise to find my own path and all that comes with it. He was silent for many years, which I misunderstood. Even more interesting, was when I finally asked dad how he had felt about my departure, he responded that my husband and I have a better life where we are now than what we would have had if we had stayed in the community where the family enterprise started and still keeps its headquarters. He didn't talk about the comfort of cocooning yourself in the family's traditions – he focused more on what an independent person can accomplish.
- A part of you will always feel a special connection and responsibility to, and for, the family enterprise. But more than following a set path, the crucial element in helping the whole family to flourish is how you transform into a good inheritor and productive stakeholder in those enterprises, especially in the future -- and from the outside..
- For those who can relate and appreciate, you have earned a new level of respect. Both intrinsically and externally. You had the opportunity to self-actualize.
- Departing the strict traditional role actually enhances your credibility and perspective, improving your ability to provide guidance to other family members. You offer important,

thoughtful leadership for stakeholders in the family enterprises -- and perhaps can be better aligned with key advisors to both.

- A life outside the traditional enterprise also improves capacity to balance the family v. the family enterprise. In corporate life, there are boundaries that typically aren't crossed, allowing workers and executives some privacy. But in a family enterprise, few boundaries are recognized at home or at the office, a vexation further compounded by judgments of us as children and with our parents. This complexity can lead to strife, stress and general grief. But being outside of that emotional miasma may provide critical perspective, allowing you to be a resource to the business and your loved ones, separately.

In Closing

Those who are critical from the outside, and there are typically many, simply don't have the capacity to truly grasp a full understanding of life inside the

family "bubble". I find myself feeling great empathy toward Prince Harry and Duchess Meghan as they start their life outside of, and beyond, the Royal Family Enterprise. Of course, I don't personally know the level of pain they experience because of the global media's constant obsession with their lives. At a personal level, however, I can very much relate just as a human being who understands the self-doubt that likely shadows Harry's amazing personal courage. My hope is that Harry and Meghan do thrive and create their own path -- and in doing so, represent the family at the highest level, by being productive, happy citizens of the world, knowing their family is proud of them, loves them, and misses them.

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