

FISCAL FITNESS | BY BILL ANDERSON

Dethroning the Family Business

I recently finished *Dethroning the King* by *Financial Times* writer Julie MacIntosh. Her book is as much about the inevitable threats to long-time family dynasties as it is a well-told story about an artful corporate takeover and the intrigue surrounding InBev's circling of the Anheuser-Busch legacy and its proud portfolio of American brands.

It's one part casebook on the well-played M&A stratagem by the InBev team as it quietly planned the takeover of a nearly unwitting dinosaur of a company, and part eerie psycho-drama of the dark dynamics between August Busch III and his son, August Busch IV. As MacIntosh said in a recent interview at a beer conference hosted by Harry Schuhmacher, her favorite part of researching the book was "the father-son drama"—and that's the key theme to which I keep coming back.

The book points out the drawbacks of a company made too comfortable by its enormous success and its inbred family leadership—a company, as MacIntosh described, "in denial," operating with an "undercurrent of delusion," all taking place in "a hostile environment for bringing in new ideas." If one business lesson is clear from this book, it's the need to create a culture where open, collaborative ideas can flourish.

The lessons for family firms are striking in this book because of the high degree of unfortunate, dysfunctional family dynamics described. MacIntosh points out that August Busch III, once retired, failed to get out of the way so that his son could take the reins. In my travels to family-owned firms, it's been made abundantly clear to me that, for a family firm to succeed from one generation to the next, each generation needs the time and freedom to execute on its own vision.

It's also hard to read MacIntosh's book and not come to the conclusion that some family members are not the right leaders for the family firms. Family businesses are often challenged in their succession management decisions by the choice between family fealties and ruthlessly focused performance criteria. This book is an object lesson in shifting the focus for any future personnel decisions to selections based on performance and the right leadership skills. **BW**



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