

Focusing on Family-Owned Businesses

Howard Brod Brownstein, CTP, May Guest Editor



In recognition of how frequently turnaround managers encounter the family dimension in their work, this issue of *The Journal* focuses on family-owned businesses.

It is said that a family-owned business is like Greek tragedy; indeed, turnaround managers engaged in such businesses might imagine at times that they can hear the murmurings of doom from an offstage chorus, even as they watch in vain while owners ignore business realities to sustain their familial positions. As turnaround professionals we too often see good people at their worst, especially when family pressures are present.

In "Selling Distressed Family-Owned Businesses," Glenn Bernabeo, CFA, a vice president of SSG Capital Advisors, L.P.

(successor to Berwind Financial), discusses the particular issues that arise when the optimum turnaround strategy for a family business is a sale. Craig Sheinker, president of Quantum Corporate Funding, Ltd., contributed "Avoiding 'Land Mines' In Financing Family Businesses," a view of the pitfalls of family business from a lender's viewpoint.

In "Downsizing the Family Business," John E. MacKenzie, CEO of Chadwick & MacKenzie Inc., discusses some of the delicate issues encountered in dealing with family businesses, especially when downsizing is required. Finally, in "King Solomon Shrugged: Family Businesses Under Stress," my colleague Moss Jackson and I have combined our efforts again to present a psychologist's conceptual framework within the "battlefield surgery" reality of turnaround management.

As long as there is capitalism there will be family-owned businesses, and as long as there are family-owned businesses there

will be turnaround situations in which an understanding of human beings and their frailties is as much a requirement as is an understanding of business issues.

I hope you find this issue of *The Journal of Corporate Renewal* valuable and interesting, and I invite you to share your experiences with family businesses in future issues.

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