

FAMILY BUSINESSES ABSORB PROGENY, ACCOUNT FOR 60 PERCENT OF TOTAL US EMPLOYMENT AND 78 PERCENT OF ALL NEW JOBS



Deciding what career path to choose can be a very arduous and difficult task for young adults on the threshold of their adult lives. There are a lot of factors that they must consider before making the decision. They must contemplate what they enjoy doing and what they don't. More important they must take into account what they are good at doing, their skills and aptitudes, and perhaps more serious and grave issues like job availability and earning potential. But for children of business owners and with research showing that children joining family business make it easier to run more lucrative earning-wise, it is becoming more and more frequent that they are spared the bother of making a decision and opt to join the family business. The economy's harsh unemployment figures, depressingly doled out month-after-month, have been infamously hard on new college graduates and make young workers feel insecure and threatened by their regularity and coldness. They prefer to opt for the comforting, secure and safe, not to speak of welcoming environs of their family business. Tommy Knapp, associate director of the Greif Center for Entrepreneurial Studies at USC Marshall School of Business, says that more and more people, in general, are comprehending the worth and value of joining their family businesses. Knapp however, says that those who make a conscious and cognizant decision to join, rather than those who join after exhausting all other alternate options, are more likely to add to the existing worth of the family firm. "The workplace is not the place to take care of your kid," Knapp says. "We find the best success when parents make the kids work from the bottom up and other employees can see the value of the kid." Other employees should respect the child for the work that he does and not because he is the boss's son or daughter. That can only be possible if the child is there by virtue of his quality and not by the virtue of his birth. It is important says Knapp, that the kid understands how best he can add to the existing value of the company. Kids these days are intrinsically more computer literate than their parents, and they can use their expertise in this area to make the business more tech-savvy. This makes the kids feel that they are contributors to the business in their own right and not there by default. It adds to their value and helps them to escape the shadow of their parents. Erin Walter knows the worth of working from the bottom up. Her father, founder and owner of Chicago-based Tasty Catering, did not give her any preferential treatment and made her start her career at the company as a picnic server for the company during her teenage years. "I had to work harder than anyone else to prove I wasn't just a part of the business because of my last name," Walter says. "Starting at the bottom gave me a better insight into the business itself and the opportunity to work with all different kinds of people and see the business through their eyes." Even during her time in college, Walter knew that she wanted to be part of the family business as entrepreneurship was in her genes and, by extension, the logical thing to do. She said that she knew that "the entrepreneurial bug was embedded" in her. "I took classes with the thinking that I needed to make Tasty Catering a better place," she says. "My groups were always working on Tasty Catering projects because I always brought its problems to the class." As was her desire she did eventually join "Tasty Catering" after college, but her business acumen did not call it halt but propelled her to co-founding the creative marketing agency Nuphoriq with her brother Tim. Their new company now does the marketing for Tasty Catering. Everything still remains within the family, the expansion just widening the family umbrella. However, she says that she doesn't give an inch when it comes to business and "Tasty Catering" to them is just like any other client. "It's tough because they're just a client to us now," she says. "I want to do whatever I can to make Tasty Catering better, but as a business woman I can't favor one company over the other." Knapp says that Walter's experience and success teaches us that you can use the family business as a stepping stone and a learning phase for the career path you want to take. Walter says that family business can be limiting if you don't aspire to go beyond it. You could end up dissatisfied and unhappy. Colin Piepho, director of corporate strategy at Piepho Moving & Storage, said that he joined the company that his grandfather started way back in 1952. The thought of doing anything else did not even cross his mind; it was such an easy and obvious decision to make. He started work in his Minnesota-based family business since age 12 cleaning the warehouse. However, he felt that to attain his eventual goal of getting into business, he felt that it would be valuable to get some experience beyond his granddad's business. In his junior year, he landed a financial analyst internship with General Mills. The apprenticeship led to him being offered a full-time job, but he turned it down and opted to work for the family business. "Working at General Mills was great, and it made the decision that much harder," Piepho says. "They're known for great management and employee services. We did a plant tour down in Cedar Rapids, and I remember walking into the warehouse and thinking that one day I wanted to have a warehouse this big, and I wanted it to be mine." Piepho believes that his apprenticeship helped him prepare strategic and long-term goals for his family firm and enthused him with ambitions that helped him contribute productively to his family business. The worth of a family business and the impact it has on employment is substantial. By employing their own kids, they leave jobs that they would have otherwise taken, open for other candidates. But this is not the only area where they have impacted the US Economy. Many have called family businesses the backbone of the country's economy for the employment they bring in and for the new jobs that they create. The family business is the most dominant form of business anywhere in the world and even more so in the United States. It is estimated that between 80 and 90 percent of all businesses in North America are family owned. Reports says that family businesses account for 60 percent of total U.S. employment, 78 percent of all new jobs and 65 percent of wages paid. 35 percent of Fortune 500 companies are family companies and, from the Mom-And-Pop corner shop to Wall-Mart, family businesses range from small business to large corporations. Family-owned businesses are indeed a powerful economic force.