

# **Making Sure Your Family Health Care Business Runs Smoothly**

When running a small business, one of the goals you may have is to keep the business in the family. When you are ready to exit your business and pass on your legacy to the next generation it can be comforting to know that you have done everything you can to ensure that it will continue to be successful for your family far into the future. It is easy to assume that close family members will be as interested in your business as you are and so it can be just as easy to miss some key elements when preparing to hand everything over.

## **1.) Remember that communication is key**



It is easy to let personal matters overtake company matters when you are running a family business. You are closer to your family than anyone, especially when you work with them. Make sure that you can set aside time to discuss just business matters on a regular basis. Keeping this type of structured setting will make it easier to avoid hurt feelings and lets everyone keep the best interests of the company at heart.

## **2.) Keep documentation of EVERYTHING**

If you were running your business and family wasn't involved it would make sense to keep a written record and formal, legally binding contracts of every agreement and major transaction. With family, it is sometimes assumed that they will hold up their end of the bargain simply because they are family. However, it is also easy for family to "ask for forgiveness instead of permission". It is much better for your business to make everything clear and treat everyone, family and non-family, equally in the eyes of the business. This leaves no room for hurt feelings.

## **3.) Don't be afraid to hire outside help if you need it**

Family is family and you love them, so it can be incredibly difficult to keep your business your business and your family your family. Sometimes things can get tricky, particularly if there is a strong differing of opinions about how to run things. It's okay to bring in an outside consultant to help straighten things out. Hiring a professional and unbiased third party can sometimes make all the difference.

## **4.) Everyone gets held accountable, including family**

Whether it is a family member or a hired employee, everyone should be held accountable for their role in the business. Letting bad behavior slide because someone is blood does your business no good. Everyone who is a part of the business has a job to do and everyone should be accountable for that job – family or no.

## 5.) Have your succession plan ready

Some of the biggest fights in a family owned business come when a major transition is happening. The fights about who will take over can be epic. Not only can they spell disaster for your business, but for your family as well. Take the time to carefully plan out who will succeed you in leadership of the business and begin the training process as early as possible. Keep that information documented and make sure you are transparent about your decision. It will make everything easier in the long run.

Running a family business can be one of the most rewarding and fulfilling things you will ever do. It can leave a long standing legacy for future generations and give you the added benefit of knowing that you have provided for your family long after you stop working. There are a lot of important motivations behind starting a company like this. Keep your goals in tact by making sure you know how your business will run when you are no longer a part of it.

**For assistance in preserving your family legacy and building a business transition plan that will preserve the family business long into the future, [contact United HealthCare Capital](#) and speak to one of our Merger and Acquisition Advisors today.**

United Health Care Capital is committed to helping small business owners with valuations, business transition and exit plan strategy. If you are interested in learning more, [contact United HealthCare Capital](#) to see how we can assist with your business transition and exit planning.

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