

Chapter 1

AN EYE-OPENING EXPERIENCE



When I turned twelve, my dad announced that I wouldn't be spending any more summers at our cottage in Holland, Michigan. My only choices were to work in the yard, or work in his butter factory. I chose the yard, but three days later my allergies chose another fate. I ended up in the temperature-controlled, filtered-air environment of a food processing plant, Butterball Farms. My first job was basic janitorial work: sweeping the factory floor, shipping docks, and machine shop, as well as cleaning and sanitizing the restrooms.

On my first day, my dad gathered his supervisors around his desk and introduced me. Then he said, "Even though he

is my son, if he does anything wrong, fire him. Don't come bother me. Just fire him."

Clearly, my dad was a genius engineer and an inventor, with sixty patents and three market-defining inventions. But he was not a big-on-social-skills kind of CEO. In fact, I don't believe he cared about his workers or their lives at all; at least, he didn't treat them as if he did.

Unlike my dad, I was mainly interested in the people I worked with. I was also a whimsical, slightly unfocused kid who liked to break the rules. I was sure that eventually I would mess up, so, getting as many people as possible to like me seemed the best way to prepare for the day I would need to talk someone out of firing me.

Getting to know the people who worked in my dad's factory was an eye-opener. I learned that they sometimes had to choose between buying groceries or new school clothes for their children. And that when their old car broke down, they didn't have the money to fix it. They were tired, and they were stressed from having too little money to meet everyday expenses—the kind of stress that wears you down when it becomes a way of life.

The irony was I would hear these stories and then go home to a ten-thousand-square-foot home with eight bedrooms and six baths in East Grand Rapids, with a full-size tennis court out back. I struggled to make sense of the disparity and asked my dad about it. He told me that, in America, everybody had the same opportunity to succeed, regardless of the circumstances they grew up in. They could

lift themselves up by their bootstraps. He would tell a story about someone he knew who beat the odds and worked his way out of poverty—as if that proved that if that one person could do it, so could everyone.

But over the years, I became increasingly troubled by how things just didn't seem to add up. I was being raised in a conservative Christian home where we believed everyone was created in God's image, and I lived in a country where everyone was said to have certain unalienable rights. But my friends at the factory did not have equal opportunities, and my father did not treat them as equals. It was clear to me they were disrespected and largely unhappy.

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On the factory floor, many people made it only three days before they quit. It was not much better in the office, which was an open floor plan with my father's desk in the center of everything—with every other desk facing away from him. People felt he could be looking over your shoulder at what you were doing at any time, which was often enough to always keep you on edge. He had a penchant for control

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that was profoundly disempowering; as a result, few people wanted to be there. As one of my Dad's employees said: "Butterball Farms was where you worked while you were looking for a real job."

The older I got, the more the disconnect between my values and the way I saw people treated bothered me. I knew my family was playing a large role in making workers' lives miserable for as long as they could stand working for us. It was a work environment that used people up and disregarded all moral responsibility for how the business may have been contributing to a broken system. Sitting with my sister on the roof of our house one day, I said if I ever had the chance, I would do things differently. I would find a better way to run a business.

THE SECRET CLASSROOM

But first came college. While also working full-time, I enrolled in Calvin College, a Christian college in Grand Rapids. My father had always said that you have to have a marketable skill to be successful. I chose management. "You can't be in management unless you're good at something," he said. "You should become a CPA." So, I pursued a BA in business from Calvin and a BS in accounting from Davenport.

I hated accounting and didn't feel like I was learning much. Then one day my father took me to a business meeting at McDonald's, his biggest customer. The buyer

asked if I would like to attend McDonald's Hamburger University, their training facility in Chicago that teaches employees about restaurant management.

"That would be great!" I said.

My father had not planned on this. But he had to go along with it.

It was a fantastic experience: a ten-day intensive program that focused about 60 percent of the time on people practices, such as team-building, conflict resolution, and other talent management skills, and 40 percent on equipment practices, such as how refrigerator systems and shake machines work. It was inspired by McDonald's founder Ray Kroc, who once wisely said: "If we are going to go anywhere, we've got to have talent. And, I'm going to put my money in talent."

I probably learned more about business and management in those ten days than I did in six years of college. And I was so excited about what I had learned that when I came back to work, I wanted to share and implement everything. But my dad wasn't interested.

So, I quietly set up a training room on the third floor, which was primarily used for storage. It was the perfect site for a clandestine classroom. I put in a white board, chalkboard, and some tables and chairs; and I started holding weekly hour-long training meetings with our dozen frontline supervisors in two shifts. I began with the people skills portion of the McDonald's workbook, then moved on to teaching some of the popular management books at

the time: *The One-Minute Manager* by Ken Blanchard; the *Fish!* series by Stephen C. Lundin, Harry Paul and John Christensen; and *Games People Play* by Eric Berne.

We did this for about a year without my dad knowing about it. We were having fun and making progress, and I thought it was just what our company needed. Then one day, my dad needed to get his car fixed, and he wanted me to meet him at the dealer to give him a ride back to the plant. He looked for me but couldn't find me. He paged me, and I didn't respond. So, he asked his assistant if she knew where I was. Not one of the people I had befriended, she told him to look for me on the third floor.

“Why would he be on the third floor?” he asked.

“I don't know,” she said, knowing exactly why I was on the third floor.

He found me in the classroom and immediately saw what I was up to. He was very quiet but visibly angry, and I always knew that the quieter he was, the more trouble I was in. He ordered everyone back to the plant floor. Then we drove separately to the dealership. On the way back, I kept waiting for him to fire me. But he said nothing until we arrived back at the plant, and he told maintenance to pull everything out of the classroom and padlock the door.

For the next several months, I drove to work blasting Elton John's “The Bitch is Back” telling myself, “I'm not going to let him get to me,” and vowing to find a way to resume the trainings. Three months later I cut off the padlock, put the white board and chalkboard back in, and

started up again. Only this time, I took the precaution of having an intercom installed so I could hear his pages and respond before he found me.

The second phase of my quiet insurgency lasted three years, and once again, it was working. We were making positive changes in the workplace, in spite of my dad.

THE BEGINNING OF THE END OF AN ERA

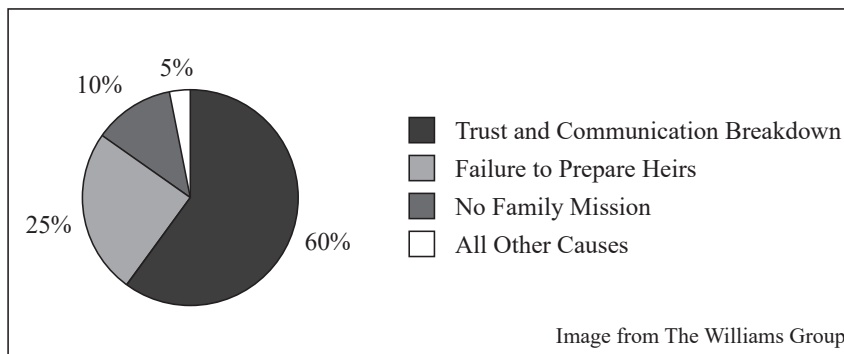
Some years later, shortly after my dad turned eighty-five, he had a heart attack. He'd still been working tirelessly. When he was released from the hospital a week later, he told my mother to bring him his work clothes, the khaki pants and khaki shirt he always wore, and then he went straight to the office. He was still prideful and seemed to think he had to continue to model a profound work ethic. But it was the beginning of the end: about eighteen months later, he passed away—and my life, in all ways, changed in an instant.

There are three primary reasons why families fail to effectively transfer wealth. Our family checked every one of these boxes.

Only about 30 percent of family businesses survive into the second generation. Only 12 percent are still viable

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in the third generation. And only about 3 percent continue into the fourth generation or beyond. According to a study by the Williams Group, there are three primary reasons why families fail to effectively transfer wealth: 60 percent fail as a result of a breakdown in trust and communication; 25 percent fail because there has been no preparation of heirs; and 10 percent fail because the family lacks a mission.



Our family checked every one of these boxes. My dad never talked about the future of the business. No one had any idea of my dad's intentions relative to the family business or his estate: not me, not my mother, not any of my eight siblings; so we were more than a little anxious to learn what, if any, instructions he left in his will.

The day after the funeral, my mother, my sisters and their significant others, and Frank the attorney, gathered in the sunroom of my mother's house for its reading. My father's assets, Frank said, were split fifty-fifty in terms of value: the house, cottage, and some of the company stock went into a marital trust for my mother; the remaining

portion of the company stock went to me. He did not even mention any of my eight sisters.

I don't remember much about what followed except for my sisters' and my mother's clear pain and confusion. How could a father not recognize eight of his nine children? It seemed incomprehensible at best, deeply unkind at worst. At the same time, some of my sisters said: That's just like Dad.

Perhaps to protect me from my family's immediate reaction, Frank said he wanted me to take him straight to the plant before his drive back to Chicago, so we drove to the plant, where I gave him a tour—clueless about what I would soon find out about the realities of inheriting my father's business.

Key idea:

- Our businesses are unintentionally contributing to a broken system.
- We need to be intentional about our purpose.