

How Differences Escalate in Enterprising Families—and What to Do About It

Avoiding the greatest threat to family business while moving forward together

Differences are unavoidable in enterprising families. Shared ownership, overlapping roles, emotional history, competing interests and disparate values create a setting where disagreements are not only common, but inevitable.

Yet families often struggle not because differences exist, but because they misunderstand what kind of differences they are facing — and how those differences can escalate over time if not managed well. Understanding how differences intensify over time matters, because each stage calls for a different approach.





Disagreements: A Healthy Part of Family Enterprise Life

At one end of the range are simple disagreements. These are healthy, everyday differences of opinion about ideas, strategy, or direction. Disagreements tend to be isolated, focused on issues rather than people, and relatively easy to resolve. In fact, when handled well, disagreements can strengthen decision-making by encouraging debate, surfacing assumptions, and expanding perspectives. Many families mistake disagreement for conflict, when in reality it is a sign of engagement and investment in the enterprise.

Disagreements can often be addressed through clearer communication and, when needed, input from a content expert on the issue at hand. In many cases, communication coaching or a facilitated conversation is enough to help families move forward.

Disputes: When Differences Become Personal

As differences intensify, they often move into the realm of disputes. Disputes are more personal and emotionally charged. Stakeholders' egos, roles, or sense of fairness become involved, and the issue at hand begins to feel more consequential. Unlike disagreements, disputes may be connected to other unresolved issues, but they can usually still be isolated and addressed directly, without having to resolve everything else at once.

Negotiation, structured problem-solving and, in some cases, mediation (facilitated negotiation) can be effective tools at this stage. Disputes can also be resolved through voting or a variety of consensus building processes. It is crucial, however, that each dispute is treated carefully and does not become personalized or politicized. Litigation is another avenue for resolving disputes, but it can quickly become adversarial and polarizing. Collaborative Law, however, remains an underutilized resource for family enterprises and offers a way to incorporate legal counsel into the process in a more constructive, less divisive manner.

Trouble arises when disputes are mishandled, repeatedly ignored, or reflect deeper, systemic issues. Over time, unresolved disputes can harden and spread, drawing in other grievances, family history, and power dynamics. This is when families cross into the most dangerous zone: conflict.



Conflict: When Identity and Power Are at Risk

Conflict in enterprising families is not simply a bigger disagreement. It is systemic and often identity-based. Stakeholders are no longer arguing solely about decisions or outcomes; they are defending who they are, their competence, their role, and their perceived place in the family and enterprise. These conflicts feel existential because they challenge a person's sense of self and legitimacy. Identity-based conflict has more in common with religious, political, or ethnic conflict than a typical business dispute — and it does not respond well to traditional dispute-resolution techniques because one's identity and deeply held beliefs are not negotiable.

Systemic, identity-based conflict must be managed over the long-term. It is rarely fully resolved without separating stakeholders. This kind of conflict requires the support of a multidisciplinary team that is skilled in relationship and trust building, conflict management frameworks and process, and with a robust understanding of the substantive issues at play.

Cutoffs: The Point of No Return (maybe)

When conflict becomes extreme and untenable, family cutoffs loom large. Cutoffs send a powerful message to the rising generation: when conflict feels unmanageable, relationships are expendable. Over time, this pattern can take root across generations, making future cutoffs more likely. This is why preventing escalation is so critical.

Some families can repair relationships after cutoffs, though doing so requires a process of forgiveness, mutual learning, and meaningful change. In other cases, when relationships become persistently destructive, re-defining the boundaries of family involvement may be the most reasonable course, despite the risks.

Why Familiar Solutions Often Fail

At the conflict stage, common instincts can make matters worse. Calling for better communication, forcing decisions through authority, or bringing in a mediator to “split the difference” often intensifies conflict rather than reducing it. These approaches assume negotiable positions, when in reality the underlying issues of stakeholder identity (core beliefs, values, and individual purpose) are non-negotiable. The result is often escalation, withdrawal, or emotional cutoffs that damage both the business and the family across generations.



Choosing the Right Response at the Right Time

Understanding how differences escalate helps explain why so many families feel stuck. They continue applying tools designed for disagreement or dispute to situations that have evolved into conflict. They negotiate when they need to rebuild trust. They enforce rules when they need to address identity and how power is used. They seek quick resolution when the situation requires long-term management.

By identifying where a family's differences fall along this range — from disagreement to dispute to conflict — families can choose responses that are proportional and effective. Early intervention matters. When families recognize escalation before conflict takes hold, they preserve options, relationships, and momentum.

Preserving Momentum Before Differences Harden

This perspective also reframes how families think about success. The goal is not to eliminate differences. Differences are inevitable and, at times, productive. The goal is to prevent differences from becoming systemic, personal, and destructive. That requires attention not only to governance and structure, but also to the quality of relationships that connect family members over time.

Families that learn to manage differences well build resilience. They make decisions more confidently. They navigate succession more thoughtfully. They preserve both the enterprise and the relationships that sustain it. When families understand the nature of the differences they are facing, they are far better equipped to move forward — together.



Written By:
Doug Baumocl, MBA
Founding Partner

Doug has applied over 25 years of business experience to develop a robust process for analyzing the key variables that influence family business conflict. He co-authored "Deconstructing Conflict: Understanding Family Business, Shared Wealth, and Power" with Continuity Managing Partner Blair Trippe, providing an essential guide for managing conflict within family enterprises.

