



When Family Conflict Becomes Public

What I learned when my own family's private conflict became litigation and headlines.

I've been there

A decade of tension, blowups, anger, and resentment in our family over our family business eventually led to litigation. And once the litigation began, so did the media attention.

We weren't a very large company, but we were large enough to gain notoriety in local and regional news. Even national news carried a reference to what we were going through. One article speculated that despite the fact that my parents had been divorced for years, my mother was going to receive an eight figure settlement from the litigation. Soon, marriage proposals from strangers started arriving at our home.

That part was almost funny. What was happening to our business was anything but.

Long term employees got spooked and abandoned ship. We were a technology company and, as we lost key people from our engineering team, the value of the business suffered. Our reputation in the industry deteriorated. Competitors saw an opportunity — either the exit of the market leader or the chance to buy us for a fraction of what the company was worth.

At the same time, something equally damaging was happening inside the family. Each family member was advised to hire an advocate. Some shared a litigator and some didn't. Eventually, we had three litigators from three different firms involved. Communication that had already become difficult increasingly flowed through lawyers instead of directly between family members.

As the litigation progressed, the stakes became increasingly severe and deeply personal. Family members shifted allegiances. Decisions that each of us believed were necessary to protect ourselves or the business pushed us further apart. Eventually, the legal process had developed a momentum of its own. By then, the die was cast, and our family was losing control of its own future.



The court process was unpredictable. Delay after delay dragged out both the pain and the damage. Eventually, the judge appointed a receiver to sell our family business. A court appointed lawyer was now responsible for selling a complex technology business, while more employees left and the value continued to deteriorate. The business eventually sold for roughly one third of the value we had been offered three years earlier. Ironically, our decision not to accept that earlier offer had been one of the key triggers of the conflict. The receiver received approximately \$1 million, her team of accountants and lawyers incurred approximately another \$1 million in expenses, and our litigators' fees totaled more than \$1 million as well.

What should have created generational wealth from a lifetime of commitment and sacrifice instead left our family with a fraction of what the business had once been worth. But the financial loss was only part of the cost.

It took years for our family to heal and for me to understand something that has shaped everything I have done professionally since: the process we used to manage our conflict ultimately did more damage to our family than the conflict itself.

For 15 years before the litigation, we had sought help from family business consultants and related professionals. Most were ineffective. Some gave us good advice. But the problem was that we were a family in conflict and even the most sensible advice served the interests of some but hindered the interests of others – effectively pouring gasoline on an already burning fire. Eventually, we were told that we were a family that just couldn't be helped.

I believed that for a while. I don't anymore.

Looking back, there are several things I wish we had understood before we lost control of the process.

Don't abdicate control of your future to your advisors

When a family is deep in conflict, hiring litigators can feel like relief. The issues have become overwhelming, everyone has a different version of what happened, and handing the problem to someone who knows what to do can be enormously appealing.

Good attorneys, financial advisors, consultants, and other professionals can be essential. But remember – they work for you, not the other way around.

In our case, little by little, we allowed the process and the professionals involved in it to determine how we communicated, what we negotiated, how our business would be disposed of and who would benefit. Each professional was doing the job they had been hired to do. But no individual advisor was responsible or concerned for our family and what would become of our family when the fight was over.

Listen to your advisors. Understand their expertise and the risks they see. But don't abdicate responsibility for your family's future. The professionals eventually leave. Your family lives with the outcome.



Understand what kind of conflict you're actually in

Our conflict certainly involved money, ownership, and control of the future of the company. But none of those things adequately explains why intelligent people who loved one another spent years fighting in ways that ultimately destroyed so much value.

What was happening was more than a dispute. The conflict had become connected to identity. It involved our history together, what the business represented to each of us, whom we trusted, what we believed was fair, and what each of us believed we stood to lose. Mostly, it involved who each of us believed we were and how we viewed our place in the world.

That is very different from a simple dispute.

Courts are designed to answer legal questions. Mediation can be very effective at helping people negotiate discrete disputes. But when conflict is systemic and tied to identity, resolving the substantive issues on the table may not address what is actually keeping the family stuck. At best, you may solve one part of the problem while leaving the underlying conflict intact. At worst, the process can deepen the human conflict by creating winners and losers.

We spent years, and a small fortune, trying to solve the visible disputes without adequately understanding the conflict underneath them.

Prioritize family outcomes, not just monetary outcomes

As conflict escalates, the definition of success tends to narrow. Who gets control? Who gets the shares? Who receives the money? Whose position prevails?

Those questions matter. But families also need to ask another question: What do we want to still exist when this is over?

There is the financial outcome, but there is also the family outcome. When the court ruling, transaction, or settlement is over, the family is still there. So are the relationships, the shared history, the employees, and often the enterprise itself.

Prioritizing family outcomes doesn't mean ignoring financial interests or asking anyone to sacrifice themselves for family harmony. It means thinking generatively about whether there are pathways that preserve more of what matters to everyone, rather than assuming that one person's gain must come at another person's expense.

By the time we understood that, much of what might have been preserved was already gone.



Control the narrative, internally and externally

Once family conflict becomes public, other people begin telling your story for you. The media creates a narrative. Employees create one. Competitors create one. Advisors have their interpretations. Extended family members hear different versions from different people. And family members themselves can become increasingly attached to competing accounts of who caused the problem and who is right.

We experienced all of it.

You may be unable to control what is written about your family, but you can control whether the conflict continues to generate new material for the story. Resist the urge to litigate the family dispute publicly or use employees, advisors, or other stakeholders to validate one side's version of events. Decide what genuinely needs to be communicated, who needs to hear it, and who should speak for the family or business. Internally, make sure employees and other important stakeholders are not left to fill an information vacuum with speculation.

The goal is not to win the public narrative. It is to keep the public narrative from becoming another front in the family conflict.

When the fight becomes public, the damage can accelerate very quickly.

Find help that understands the whole problem

My family loved each other. We were not a family that couldn't be helped. We simply never found the right kind of help at the time we needed it most.

What we needed were advisors who could see the whole of it at once. Not the ownership question in isolation, or the succession question, or the litigation strategy, but the entire system: what was actually driving the conflict underneath the disputes we kept arguing about, which parts were urgent and which could wait, and what was genuinely at risk beyond the balance sheet.

We needed help that began by understanding our family rather than by telling us what families like ours are supposed to do. Most importantly, we needed that help while we still had the ability to choose our own future. By the time the receiver was appointed, there was very little left for us to decide.

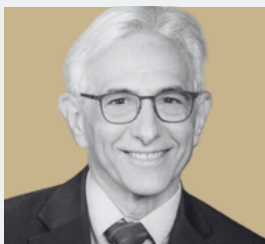
That is the practice I built at Continuity. When we work with a family in conflict, we do not begin by recommending a structure. We begin by trying to understand what is happening and why, because a recommendation a family cannot act on is worse than no recommendation at all. I learned that the expensive way.



Our family did come back together. We healed over the ashes of what could have been, and I am grateful for that. Though I wish we had understood sooner that there may have been a way to preserve more of both the family and our company.

If your family's private conflict has found its way into the courtroom, the boardroom, or the newspaper, it can feel as though the important decisions have already been made for you. In my experience, more of them remain yours than it appears.

We know what this looks like from the inside. If it would help to talk with someone who does, we're here.



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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.

