

# Family Businesses

## An Interview with Mitzi Perdue

**EDITORS' NOTE** *Mitzi Perdue holds degrees from Harvard University and George Washington University. She is a past President of the 35,000-member American Agri-Women and was one of the U.S. Delegates to the United Nations Conference on Women in Nairobi. She currently writes for the Academy of Women's Health. Most recently, she's authored How To Make Your Family Business Last, and How To Communicate Values To Your Children – So They'll Love It. Perdue is the author of The I Want to EggScape Book, A Quick Guide To Successful Media Appearances, a biography of her husband, Frank Perdue, and six cookbooks, including The Farmers' Cookbook series and The Perdue Chicken Cookbook. She was a syndicated columnist for 22 years, first with Capitol News in California and then nationally with Scripps Howard.*



Mitzi Perdue

### With all you have accomplished, how do you characterize yourself?

The common thread through all I've done is communication, which I absolutely love and I feel I have a bent for it. I have loved writing since first grade.

### Are you mainly writing books at this stage?

It's communications mostly, because I am doing a fair amount of professional public speaking these days. I'm excited because I recently got invitations from Dubai and Lebanon, and possibly China.

### Is the public speaking centered around family businesses or is it broader?

It's generally around family businesses, and the reason I care about that is because I'm part of two of them: one that has been in business since 1890, the Henderson Estate Company, which was the forerunner of Sheraton Hotels, which my father cofounded, and the other is Perdue Farms, which began in 1920.

These two companies have beaten the odds – 70 percent of family businesses won't make it to the next generation and, by the time it reaches the fourth generation, only 3 percent survive. Perdue is on its fifth generation and the Henderson family enterprises have reached the seventh generation.

I got interested in this because I have seen a lot of families that have disintegrated and,

when a family business falls apart, it's a tragedy not only for the family but also for the employees, the suppliers, the tax base of the community, etc.

It occurred to me that my two families have some wisdom on how to keep the family together. The basic premise of my talks is that every family that exists has a culture, whether it's a family with a business or not, but the families that leave their culture to chance rarely keep their family business in the family.

I love to share the things that both families do that prepare family members to take on the business. When I said that 70 percent of family businesses don't make it, an interesting statistic is that 70 percent of those that fail to make it do not fail because they had tax problems or competitors, but rather because there were family problems.

Both the Henderson family and Perdue family put enormous effort into teaching us how to handle disputes.

With the Henderson family, we were taught from birth that if we had an issue with someone, the first requirement was to get it out on the table; second was to be willing to see the other side. We were taught that if a family quarrel got loose and was allowed to get out to the press or involve lawyers, it would be immoral because so many people would be affected by a family quarrel. It would be demoralizing for the people working for the company.

We were taught that we weren't supposed to stand on principle, because that was a synonym for being stubborn and not seeing the other person's point of view. We were taught that compromise is key, that we can argue all we want but the basic agreement is that when the decision is made, we come together and move on.

If we're brought up from childhood with that attitude, it really works. For example, when my father died, we faced the issue of whether we were going to sell Sheraton Hotels or keep it. A large part of the family, myself included, wanted to keep it because we had the feeling that no one would care as much about the employees or the standards as we did. We also felt it wasn't respecting our father's legacy.

The other side, which prevailed, pointed out some of the economic reasons why we should sell it, including that hotel companies at

that point needed infusions of cash from partners to keep up the standards.

The disagreements were white hot, but no one ever went to the press or hired a lawyer to emphasize their point of view – we kept it within the family. We came together and made a decision and I don't think anyone ever held a grudge.

The result is that, 50 years later, we're still a happy, united family that loves and enjoys each other. That would not have been possible if we didn't have a lifelong tradition of learning how to solve family quarrels.

The Perdue family has something very parallel called "the Covenant," which says it's good to get things out in the open among the family and, if that means strong words or raising one's voice, we understand and encourage that. If there is an issue, discuss it, but keep it in the family.

I admire my Perdue family enormously because, with a larger operating company, there are many different points of view.

### How does one go about developing that type of family culture?

A culture will develop either by default or by design, and the Hendersons and Perdues put enormous effort into designing their cultures.

After Sunday services, my father would bring my siblings and me together for family hour and he would tell stories about his grandparents or great-grandparents, or talk about how the stock market worked.

There is a lot of academic research that encapsulates much of what I feel I've learned in my home. We are the stories that we tell ourselves and the families that know their family stories are going to have a strong culture. They're also likely to be very high functioning, meaning the kids do well in school and don't get in trouble.

My mother also often shared little vignettes about our family history. There are close to 60 Hendersons who have written an essay on what it means to be part of this family, which has added to the framework of our culture. When everyone is asked to contribute to this book defining what it means to be us, it means that we're focusing on how wonderful the family is and that we don't take it for granted.

We also give a "service to the family" award each year with the winners from the previous seven years being the judges. Any member of the Henderson family can nominate people.

This award recognizes people who do things for the family keeping the focus on what can be contributed to the family rather than what can be taken from it.

People come up with wonderful and innovative ways to contribute. Someone recently digitized our family records, for instance.

### **How hard do you need to work at something like this to make it stick?**

I write the family newsletters and, initially, it was just for the adults. I would interview people about where the family came from and record family stories. I would interview Frank Perdue about his values and what he wished for his children, or how to handle things like prenups.

I even wrote a book on this recently on how to keep a family connected and it includes templates for newsletters for different situations that arise with families.

People long to know the structure of what they're part of – it's part of their identity.

Since I have a hobby of reading about how cultures are embedded and an interest in the art and science of persuasion, it occurred to me a few years ago that the younger one starts learning about the culture, the better. I then began writing newsletters aimed at the younger kids. From six months on, kids are exposed to the heritage of our family and our company.

With every child's newsletter, I include activities to go with it. I also send out a gift that comes in a treasure chest. It includes a logo they can color and an explanation of the logo so they understand the story behind it.

In the end, they spend some time on this activity and it gets them interested in the family business. It helps them understand the history, and every month there will be a different story and activity.

I also include preachy items in the letters because I want them to learn family values like frugality. I told the story about a great-grandmother who loved to have everyone come over for Thanksgiving and make her sweet potato biscuits. She was very frugal because she would put the biscuits on aluminum foil while she was baking them but, when they were done, she would re-use the foil.

I included the recipe and ingredients for sweet potato biscuits, as well as chef hats and aprons. The kids can help make something that reminds them of their great-grandmother but, along the way, they also learned how she was frugal.

Every newsletter has something designed to deepen their relationship with the culture.

### **Is the importance of culture well understood?**

When I do public speaking, people come up to me and tell me that the things I'm describing are brand new. For generations, family businesses have put a lot of effort into being financially successful but what good is that if the company doesn't make it to the next generation?

One of the things that compelled me to write three books was talking with a man who became suicidal because, although he had a very successful career, his children became alcoholics. He tried tough love, which resulted in his children not speaking to him. That turmoil resulted in his wife divorcing him and, then, in

his 70s, he was left to regret that he had made a fortune but had no one to pass it on to.

There is so much we know now about preventing substance abuse, and I write about this in the books. The research shows that people are vastly less likely to become substance abusers if they have a strong, loving and supportive family culture that would lead them to not want to disappoint the family. Another suggests that kids who have five meals per week with their families are more protected from substance abuse.

Even when parents quarrel with kids, which is totally normal, if they make their feelings about experimenting with drugs known, it can have a great impact.

Kids who have extremely strong relationships with their parents, even when things are rocky, still deep down don't want to disappoint their families. Parent power is far stronger than we generally recognize.

### **When family and business are interrelated, how tough is it to find that centered family time?**

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Not everybody is in the family business. In the case of the Perdues, we cherish and value that we have musicians and artists within our family. We totally value the cultural aspect of the family.

We don't insist that everyone goes into the family business. However, they are exposed to the business from childhood and often realize this is a fantastic opportunity to be part of something amazingly special.

### **How do you maintain a family feel when you've reached the size that Perdue has?**

I put a lot of thought into this and I'm continuously searching for ways that we can leverage the fact that we're a family. Much of my thinking is influenced by the practices of my late husband. Our executive assistant would keep a list for us of associates who were in the hospital and we would go to visit them on weekends. We would then go and visit retired associates. Whenever there was a milestone at a plant, even if it was a night shift, we would be there to attend the ceremony. Frank knew so many plant workers by name. I'm sure Jim is the same way. It's not about being the boss but about being team members and everyone has their role.

I always felt that Frank treated everyone the same.

### **Where did his empathy come from?**

I have sometimes felt his goodness was unfathomable. I admired it to the end. Where did it come from? I'm not sure. Frank Perdue to me was a mystery, in terms of how many skills he had to master to the extreme to do what he did. In many cases, he simply learned what he needed to. He started off as a very shy man, and during his early days as a salesman, he could not look at his prospects in the eye. Yet, he became one of the master salesmen of the ages. It didn't come naturally – he simply made himself learn salesmanship.

### **How important was legacy to him?**

It was all important. When we got engaged, he said he knew he wanted to turn everything over to his son, and he told me what he wanted to do with the rest of his life: family, community, and church. He was wonderful at all of those, but family was first.

I persuaded him to copy what the Hendersons did. One of the ways we stayed together all these years is that, in 1890, John Henderson endowed the Henderson estate dinners, which meant that every year the endowment would pay for us to get together. This has now grown into an annual long weekend.

There is something else about culture. It often happens that the in-laws don't blend well and that's a source of dissension, so both the Hendersons and Perdues put extreme effort into welcoming whoever marries into the family. If a wedding takes place and the elderly members of the Hendersons can't travel to the wedding, we have wedding re-creations at the family reunion.

I will interview the fiancé for the newsletters so, when the family meets the person, they already know something about them. Every bride also receives a special gift that show they're now one of us.

### **Does this even feel like work for you when there is so much passion behind it?**

It's the greatest privilege in the world. The best thing I can do with the time available to me is to share my knowledge so there are fewer situations where someone feels like a family failure because they didn't develop their family culture properly.

There are ways to improve the odds of having a happy family and I want everybody to have the joy of a happy, high-functioning family. ●