

FAMILY INTERNSHIPS: Building engagement

Internships are a good way to introduce college-age family members to the family firm and enhance their career skills, whether or not they end up working for the business. Here's some advice from family business leaders who have developed successful internship programs.

BY MARGARET STEEN

Georgia Mae Parrish grew up spending a lot of time with her grandparents at Lundberg Family Farms, a rice grower in Richvale, Calif. As a fourth-generation member of the Lundberg family, she attended family meetings and heard about the business.

But when she began an internship at the company in the summer of 2013, she realized that "I didn't know as much as I thought I did about growing rice."

As family businesses move from one generation to the next, a key challenge is ensuring that younger family members—future owners and possibly future leaders of the company—feel a connection with the business. Many businesses address this by offering internships for high school or college students in the family.

During Parrish's internship, she conducted market research, investigating questions such as how the increasing popularity of gluten-free diets will affect the company, and what additional rice products the company should introduce. But some of the real learning came away from the office, such as when one of her uncles took her for a drive on the rice fields.

"He told me everything," says Parrish, 20, a junior at Southern Methodist University in Dallas who is majoring in marketing with a minor in psychology. One of the things she learned from talking to her uncle, she recalls, was that her family business broke new ground in the state. "We were the first farm in California to start growing organic rice," she says.

Setting goals

The benefits of a family internship program can be great, for young family members as well as for the business. The students gain work experience that will prove valuable even if they don't ultimately work for the family firm. The company benefits from family members' deeper understanding

of the business. In some cases, internships spark the interest of talented young family members who develop into key employees.

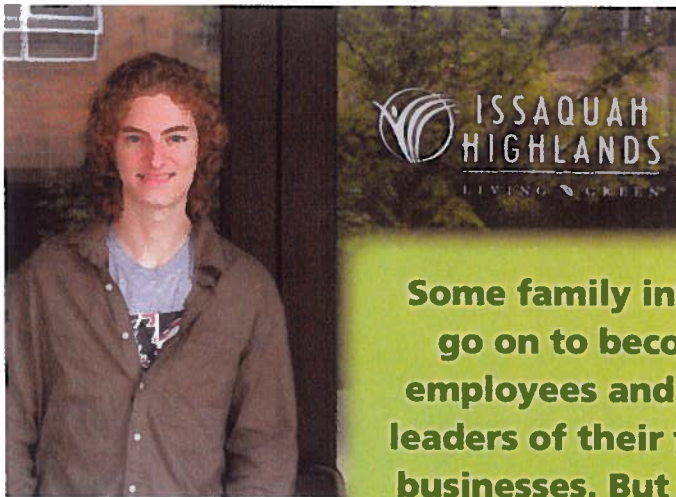
But setting up a successful internship program requires careful planning in order to realize these benefits—and to avoid pitfalls.

Phil Clemens, third-generation chairman of Clemens Family Corporation, in Hatfield, Pa., recommends clarifying the rationale for an internship program during the planning process. "You have to be intentional: 'Here's why we want to have it,'" Clemens advises.

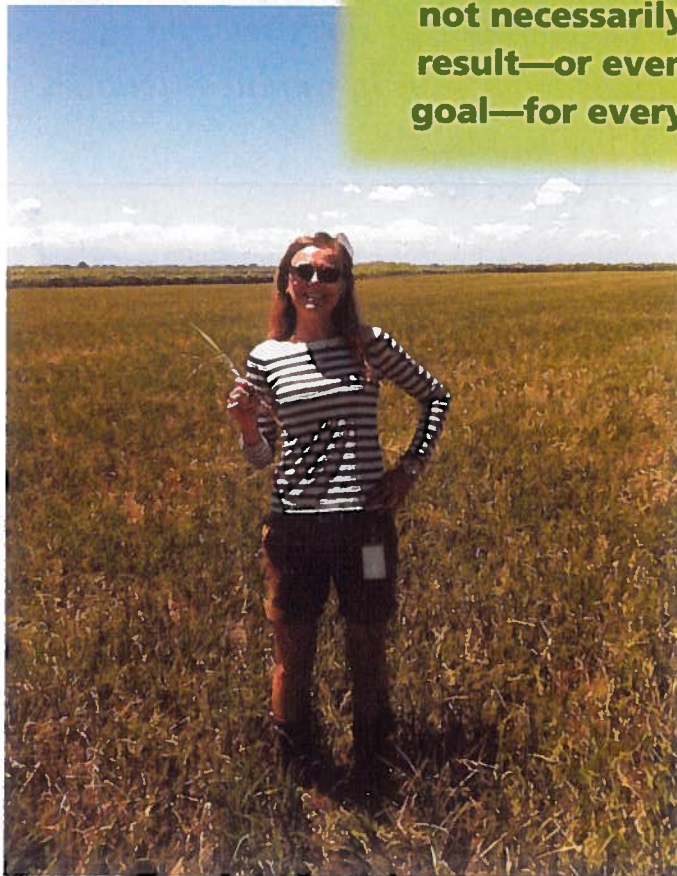
Setting a specific goal—such as giving the next generation an understanding of the business—will make it easier to address questions about who is eligible for the internships and what is expected of the company, the interns and their

Clemens interns Abby and Maddie Clemens with 'Smiley.'





Some family interns go on to become employees and even leaders of their family businesses. But that's not necessarily the result—or even the goal—for everyone.



Top: James Fitzmaurice during his internship at Port Blakely. **Above:** Georgia Mae Parrish at Lundberg Family Farms.

parents. Having a goal for the program will also help family leaders address whether the internships are effective.

The Clemens Family Corporation's primary business is meat processing, but the enterprise also has units that operate in real estate development, transport and logistics. There are more than 600 descendants of the founder, 273 of whom are shareholders. Currently 22 family members work in the business.

Clemens had two goals for its program: One was to help young family members make sure their college studies were in line with what they wanted to do and, if they

weren't sure what career path they wanted to follow, to help them figure that out through exposure to the business. The second was to create an interest in the business among younger family members, whether they ultimately work at the family firm or not.

"We try to help them get on the right path so when they do show up, they have the right credentials," says John Reininger, a married-in member of the fourth generation who holds the title of chief relationship officer at Clemens.

At Clemens, family members in their sophomore or junior year of college can apply for internships, which are also open to non-family members. The most qualified candidates get the positions, though in case of a tie, preference is given to the family member. Each year, between four and 12 interns work at the company.

An employment policy for family members—which looked at both full-time employment and internships—was among the first topics tackled by the family that owns Port

Blakely Companies when it looked at best practices for family businesses in 1999, say Rene Ancinas, president and CEO. The Seattle-based company is 150 years old; it has 85 shareholders and more than 100 family members, only two of whom work in the business.

"Having learned about the pitfalls of family owners being employed, regardless of the type of employment, we realized it was very important to set expectations for any and all types of employment with the family company," Ancinas says.

The company had historically had an informal internship program in which family owners could send their kids to Washington state for the summer to work in the company's forests. But the fieldwork was not a good fit for everyone, and the internships didn't showcase the other parts of the company. Now Port Blakely offers internships in a variety of departments for those ages 18 to 23.

"We've had interns work in the office and in the financial area," says Charlotte Lamp, a family council member at Port Blakely who was instrumental in starting the company's family education program. "But most of our interns over the years have worked in the forests [because] mainly what we are is a forestry family."

Port Blakely has a unit that is based in New Zealand, and this year the company has added a New Zealand internship opportunity. Applicants for the New Zealand internship must be at least 21 years old and must have completed a U.S. internship with Port Blakely.

At Hussey Seating Co., internships are open to students in college or in their last years of high school. The company, founded in 1835 as a manufacturer of horse-drawn plows and now a maker of spectator seating for stadiums, typically offers paid internships to about five family members per summer.

Tim Hussey, sixth-generation CEO of the North Berwick, Maine-based company, says Hussey Seating attempts to match interns with jobs in their area of interest and provides them with a mentor from the family or the business.

When possible, rotations are created, enabling the interns to experience more than one job.

Family business internship programs can be formal or ad hoc, depending on the needs of the family and the business. But those in the trenches agree that clarifying everyone's expectations is key to the success of any program.

Establishing program criteria

Internship programs can take a variety of forms, depending on your priorities. The company has a lot of decisions to make in setting up the internship program. Consider the best answers to the following questions for your company and your family:

- Will the interns be paid? Some companies pay interns and others offer unpaid internships, usually for college credit. Port Blakely, for example, pays its summer interns because they are expected to do "real work," Ancinas says.
- What regulations apply? Working in a factory or, in Port Blakely's case, in a forest may involve legal restrictions on what younger interns are allowed to do.
- Will every family member who wants an internship get one? At Port Blakely, Ancinas points out, the company's needs will vary from year to year, as will the number of family members interested in internships. "At some point, there's going to be three kids and one internship, and we're going to have to say no to two," Ancinas says. "We're trying to set those expectations with family members."

At the Clemens Family Corporation, by contrast, there are provisions for creating internships for motivated family members. "If a family member is going to school to become an accountant and has demonstrated drive and initiative," Clemens says, "if we don't have an accounting internship we will develop something specific for that person."

- Will there be time limits? Perhaps your business won't need to limit the number of years someone can serve as an intern, or perhaps your internship program is designed for such a narrow age range that no one can participate for too long. But if your program is open to those in either high school or college, consider how you would respond if someone wanted to participate for eight years.

"I don't like to have family interns more than two years," Reininger says. Reininger explains that limiting the number of years someone can participate sends a signal that the family business is not a fall-back employment option.

Setting expectations for interns

Family members who are accepted into an internship program but don't take the work seriously are harmful to company morale. They also compromise the educational objective of the internship program. At Port Blakely, a handbook lays out what is expected of interns. The expectations are based on those described in the company's broader employment policy for family members, according to Ancinas.

For example, Port Blakely will not create a job for a family member if there is no need. Interns must uphold the family values and perform their job well. They will have a manager who may not be a family member, as well as a mentor from the family.

Another key to the process is that interns must take their application for an internship as seriously as they would an application for permanent employment outside the family business. "We'll send letters to those who are an eligible age, but they have to follow through," Ancinas explains. The process includes filling out an application and being interviewed by the hiring manager and the human resources department.

"We've had instances where internship candidates have missed deadlines or didn't follow through, and we've had to say no," Ancinas says. He adds that the company approaches such situations as a coaching opportunity. Candidates are encouraged to learn from the experience and apply again the following year.

Dealing with parents

Most companies would prefer that parents not get involved in their children's internships, but this may not always be possible in a family business. Port Blakely outlines parents' limited role: to review the internship handbook with their son or daughter, to discuss the responsibilities of ownership and family membership and the multiple hats family owners wear, and to help with housing and transportation.

Parents can encourage their children to submit applications on time, but the application process is the child's responsibility, Ancinas says. "You can coach them, but you

TIPS ON LAUNCHING A FAMILY INTERNSHIP PROGRAM

1. Begin the planning process by setting a goal for the internship program. What aim do you hope to achieve by inviting young family members to join the company as interns?
2. Before launching the program, establish policies on whether interns will be paid, how many opportunities are available and how many years a family member may serve as an intern.
3. Make it clear to prospective interns that they are expected to go through a formal application process and, if accepted, to take the job seriously.
4. Explain to parents of prospective interns that their son or daughter isn't guaranteed an internship position, and that children are expected to complete the application process without parental involvement.
5. Teach interns the importance of confidentiality and separation of family and business issues.
6. Include social events and other bonding experiences for your interns.
7. Review your internship program every year, with an eye toward how it can be improved. Exit interviews with the interns can provide valuable feedback.

can't do it for them," he says. "They have to really want this."

It may be necessary to set limits for parents, as the Clemens Family Corporation has done. "Parents, who are oftentimes owners, may feel that their children are entitled to a job," Clemens says. "We let them know up front there is no entitlement here."

Sometimes, Reininger reports, he will receive a call from a parent whose son or daughter is looking for an internship position. In those cases, "I quickly push back and ask why their son or daughter isn't calling," he says. "A lot of times in a family business, the last name is the calling card. That doesn't work here."

Avoiding pitfalls

It can be complicated to be a family member working in a family-owned business. Interns, who are young and often in their first jobs with the business, may not understand the issues.

"Kids don't really understand how much they're in the spotlight," Hussey says. "It's not as simple as just another summer job." Employees see them as potential future bosses or as spies for their parents, he explains. "If they're viewed as coming home and telling Dad who's not doing what, that doesn't work," Hussey says. "They've got to learn what to share and what not to share."

Explain to the interns what they should do if they can't complete a task or need to adjust their schedule. "It can become very toxic for employees to see family members coming through on an internship who are not working as hard as they are or who are not behaving in appropriate ways," Ancinas says.

Family members should be available to answer questions related to the intersection of family and business—for example, if an intern asks how much information about family members can be shared with other employees.

The big picture

There is room for improvement even in well-established internship programs. Many companies conduct exit interviews with their interns to find out whether the educational objectives are being met and learn what they can do to make the program better.

Last year, for example, some of Clemens' junior leaders decided to add social activities for the interns, as well as a discussion of a book on leadership. "It really helped all the interns get to know other people and bond with each other, as well as see a little bit more of the community here," Phil Clemens reports.

In some family enterprises, internships are part of a broader educational effort for family members of all ages. Port Blakely, for example, responded to family members' requests by creating a program for adults who want to learn more about the company. "You want to have an opportunity for every member of the family, wherever they are, to have some way to become more engaged with the company," Ancinas says.



Above: Sean Fitzmaurice during his internship at Port Blakely.

Interns, who are young and often in their first jobs, may not understand the complexities of being a family member in a family-owned business.

The Clemens Family Leadership Academy is a seven-week summer course for family members ages 16 and up. Sessions, which meet for two and a half hours per week, introduce family members to all aspects of the business.

"The goal is to create a curiosity about the company so they would want to apply for an internship in an area that they found an interest in," Reininger says. "We want to engage them and inform them and connect them."

Some family interns go on to become employees and even leaders of their family businesses. But that's not necessarily the result—or even the goal—for everyone.

"If they can work a summer or two, they have an understanding of what the business is about and can form career choices going forward," says Tim Hussey, who started out at Hussey Seating with a summer job at age 16. However, Hussey says of his company's recent interns, "I don't know if any of them will come into the business."

The primary goal of Hussey Seating's internships is to provide education that can be applied anywhere, in addition to exposure to the family business. Hussey says any full-time employment in the family business would have to come later. "We do have a policy that you need to have a college degree and then work three years elsewhere before you come back into a full-time management track," he explains.

Hussey adds that the interns provide benefits to his company beyond the work they accomplish during the internship.

"These kids really get what the business is," he says. "They've got lots of ideas for me. The energy has been terrific."

Georgia Mae Parrish says her internship at Lundberg Family Farms has inspired her to consider more seriously whether she might like to work at the family business someday. "It's made me appreciate and not take for granted that my family owns this amazing company," she says.

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