

Can We Talk?

Lessons from
Civil Wars for
High Net
Worth Families



When two elephants fight it is the grass that suffers.

Kenyan Proverb

A good portion of my professional life has been spent in conflict resolution. From my position as the founding director of the Conflict Resolution Program at the Carter Center of Emory University, I worked for almost ten years with former President Carter as we monitored the globe for mediation gaps, areas where internal fighting was not being addressed by the United Nations or other multi-national groups. Our efforts took me to over fifty countries where I played a direct role in convincing warring parties to come to the table, to consider alternatives to violence as a means of stopping civil wars.

In the decade from the mid-1980s to the mid-1990s, I worked directly with heads of state, revolutionary leaders and numerous non-governmental agencies to convene negotiations, arrange cease fires, study the state of world conflict, and bring international attention to far-flung places where unresolved conflicts were producing massive civilian casualties, displacing entire ethnic groups, destabilizing neighboring countries, creating famine, spreading disease, and more.

So, one may well ask, what could members of high net worth families possibly learn from these civil war situations? The answer is quite a lot. There are many similarities and lessons, as well as warnings.

First the similarities. In-fighting in high net worth families may take many forms, from protracted divorces, to challenges over estates and trust matters, to decisions over buying or selling parts of family-owned businesses, and even sibling rivalries. Adversaries quickly take sides, dig in, lawyer up, and escalate the conflict without thinking through the possible consequences, both long and short term. Egos get involved and are often the first casualty as many family combatants would face dire consequences before they would consider apologizing, or admitting they were wrong about any matter. Who doesn't know a family member who hasn't spoken to a

Top Lessons from Civil Wars for HNW Families

1. Your unresolved conflicts hurt many more people than you realize.
2. Conflict escalates quickly, often beyond our control.
3. A neutral third-party is often needed when conflict is entrenched.
4. You may be too close to the problem to see possible solutions.
5. What unites families is stronger than what divides them.
6. Life is not a zero sum game.
7. The person who makes us angriest also has the most to teach us.
8. No one is completely faultless in any dispute.
9. There are tools and techniques that can help you find resolution.
10. We will *always* have conflict

sibling over a long-ago transgression but neither one is willing to take the first step to finding resolution?

Some family members tell us that they can never solve the problem because they cannot bear to be in the same room as the other family member with whom they have a conflict. When that happens, I tell them the story of the Camp David peace process convened by President Carter to address the Middle East conflict. During those peace talks neither Prime Minister Begin nor Prime Minister Sadat actually met face to face after the first day. Their tensions ran too high for personal encounters. So President Carter used the tool of a single negotiating text and went back and forth between the Middle East leaders' cabins to present proposals for peace.

The single negotiating text is just one example of a tool that works between conflicting heads of states as well as among conflicting family members. Another tool is to focus the parties to the conflict on super-ordinate goals.

Within families those goals may take the form of agreements on such matters as the family mission, vision, and values. For example, a family that prides itself on its tradition of philanthropy, may be more amenable to agreements with other family members if failure to reach agreement threatens the family's ability to continue to fund an important project. Or a transgressing family member may be more willing to acknowledge his/her wrongful actions when seen through the lens of family values that are shared by all.

One of the important lessons to be learned from civil wars is that if the nature of the relationship is ongoing, the parties cannot afford to treat each other with disregard for the long term consequences of their actions. Nor can families. A simple exercise can demonstrate this point.

In teaching MBA classes on negotiation I have used a simple paper clip exercise to allow my students to experience the value of collaboration over competition in ongoing relationships. In each round of the exercise a small pile of 10 paper clips is placed before a team of students. (Other teams play at the same time and all can see each other's progress.) They are told that there will be several rounds of this exercise and any one of them may take as many of the paperclips as they would like. The objective of the exercise is for each one of them to do as well as possible.

They are also told that at the end of each round, the number of paper clips remaining in the communal pile will be matched, to a total of ten. They are also told just prior to the last round that there will be no more rounds of the exercise.

Invariably, in some of the teams, one person will selfishly take all ten paper clips in the first round, thinking that this behavior will produce the optimum results. Of course, it has the parallel effect of offending the other students on that team, in effect, creating enemies. But when the players see that the other teams, where some paper clips were left in the communal pile, had their remaining paper clips matched before the start of the next round, they realize their strategic mistake. Soon, it dawns on the students that by leaving five paper clips in the communal pile and equally distributing the rest they can continue to receive optimal matching paper clips and still amass them for themselves as well. Often, the greedy student in the first round either voluntarily replaces paper clips to create a communal pile or is pressured by his/her peers to do so.



And when the players are told that the last round is beginning there is often a mad dash to see who can grab the paper clips remaining. Since the relationship is now ending, the motivation to collaborate is subjugated to the desire for personal gain.

Within families there will always be a continuing relationship factor in any negotiations or complicated transactions. By realizing the intrinsic value of maintaining the relationship itself, the pathway opens for compromises, taking turns, or

subjugating one's personal interest for the greater good of preserving the strength of the family bond.

Finally, a warning. In civil wars and in family-based conflicts the parties may become entrenched because of a fear of losing face. No one wants to be seen as weak or as a loser, even if staying in the battle no longer makes sense by any objective standard. An example of this irrational behavior might be a divorcing couple spending way more on litigation costs to resolve the title to a disputed piece of property than the value of the thing being litigated.

When emotions become overwrought, when conflicts escalate to the point that they become conflagrations, a neutral, third-party can create for the adversaries a face-saving way out, an opportunity to step back from the abyss, a chance to cool off.

The role of a trusted third-party is one that we have been playing with our clients for almost thirty years at the Spencer Legacy Group.

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