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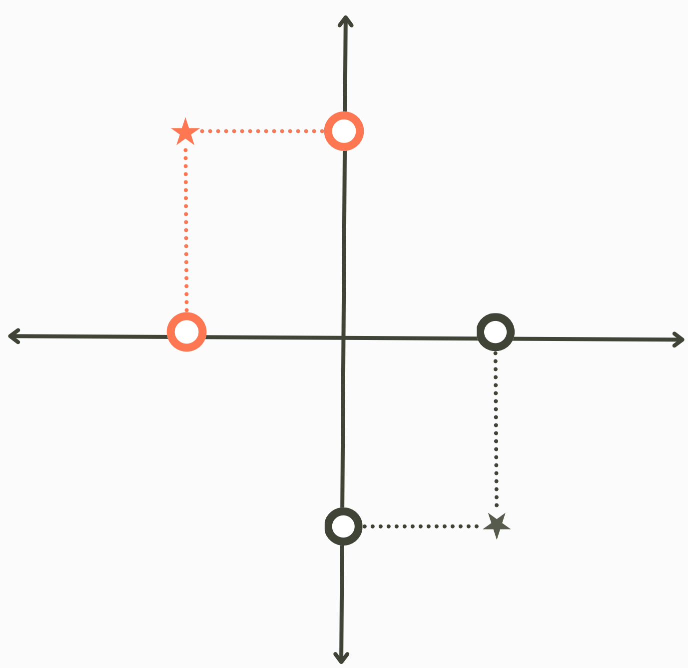
COACHING

Field Notes For Family Enterprise



Legacy Tensions Grid

by Kile Graves

Why Family Business Matters

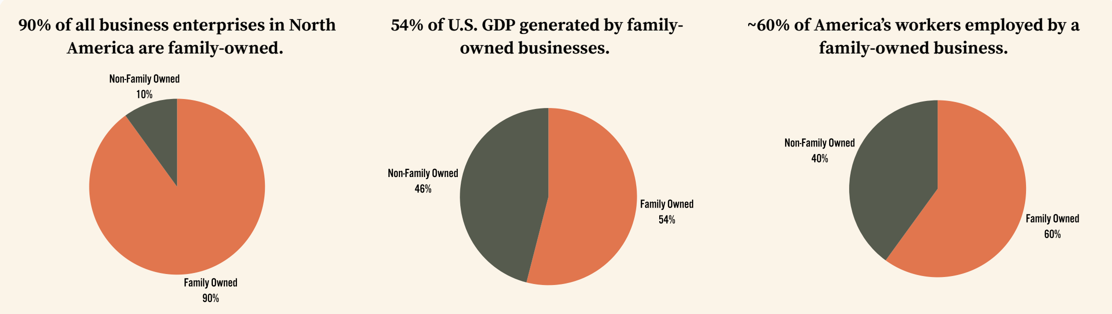
Over the last few years, I've developed an obsession with family business.

Be it fathers and sons, mothers and daughters, uncles, cousins, in-laws, you name it, there's something amazing about a family gathered around a shared purpose of work. Done well, that combination of business and family can create something really powerful: generational opportunity, wealth, and momentum that compounds with every transfer.

That fascinates me on several levels.

1 | On A Macro Level: Our Country Depends on Family Business

Family-owned businesses make up close to 90% of all business enterprises in North America. They generate over half of U.S. GDP and employ close to 60% of the American workforce. Which means the way any one family handles its own relational dynamics isn't a private matter. Six in ten Americans depend on those families working well together.



U.S. Census Bureau data via the Conway Center for Family Business

2 | On A Professional Level: I Serve People in Family Businesses

This is the work we do at Cornerstone Coaching. As I meet with CEOs, the conversation may start on strategy, structure, org charts, numbers, etc, but before long, talk turns to the relationships underneath it all. Business takes on a special nuance when you layer family dynamics on top, often impacting the performances of the organization.

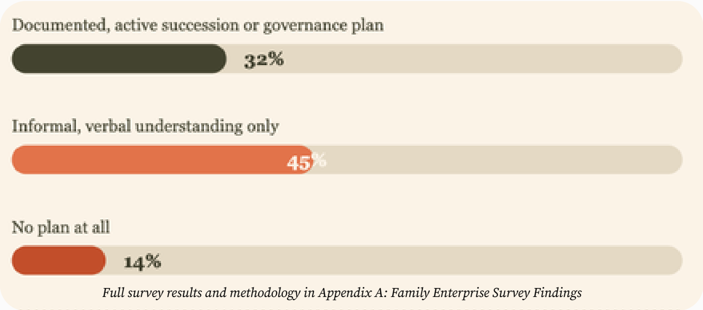
Over the last year, I've had hundreds of conversations with people about family business. My dad and I also sat down for what became the Cornerstone Conversations series, where we interviewed six families doing this in real time across different industries, generations, and starting points.

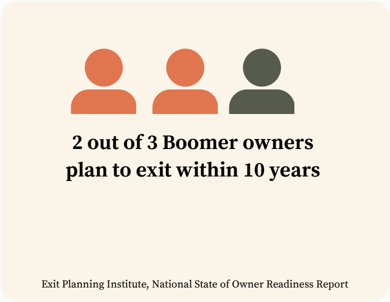
When we surveyed leaders across multiple generations from a range of family-owned businesses the older generation (G1) and incoming generation (G2) pointed to completely different concerns.

- For G1, 75% named **governance structure** and letting go of control as their top concern.
- For G2, defining **clear roles** and **getting ready early** tied as the top answers at 44%.

Founders are almost entirely focused on the mechanics of the handoff, while G2 and G3+ leaders want to know what's actually expected of them day to day.

But they all agreed when asked what matters most: defining clear roles for family members in the business and letting go of control at the right pace.





The common thread through it all was fear of what happens if we wait too long to pass the torch. Despite the majority naming its importance, few family-owned businesses have an active, documented succession or governance plan. Most are operating off of a handshake or have no plan at all.

> "It's never too early to have conversations between G1 & G2 regarding clarity on the future and what is expected of you in the next season."
> **— G2 respondent, 26–50 years in family ownership**

3| On A Personal Level: I'm Part Of A Family Business

I work alongside my father, Steve, and we're navigating these exact tensions ourselves, in real time as I've stepped into the coaching practice he's built over the past 35 years. Working alongside him is one of my favorite things about the work I get to do. It also means I've found myself asking questions like: who am I next to who he is? is this a casual father-son fishing trip or an offsite? Point is, this isn't just theoretical for me. I live it daily.

Zoom back out with me. Here's what I truly believe: **the state of family business matters.**

A family business has the ability to pull on multiple generations' worth of experience and perspective at the same time. But it also faces relational tensions that can't be fixed by an org chart. Those leading family businesses must learn to walk in these tensions and adjust for the sake of generational business success and the wellbeing of the familial ties.

A handful of frameworks came out of those conversations. **The Legacy Tensions Grid** is one of them, and it's the one I want to unpack for you here.

Two Categories of Family Business

One thing you should understand before we get into the grid: there are two main categories of family business: **Legacy Businesses** and **Joint Family Ventures**. The tensions we'll explore show up in and apply to both of these categories, but they each have their own nuances.

The Legacy Business

Legacy Businesses have an established name, story, and way of doing things before the incoming generation got there. This may span everything from a second-generation butcher shop to a bank six generations deep. Everyone in town already knows whose kid you are before you got a seat at the table. That's not a good thing or a bad thing, but it's something the person stepping into it will have to wrestle with.

Central Tension: Honor what exists while owning what comes next.

G1's Fear: The business losing what made it *it*.

G2's Pressure: Being compared to a standard they didn't set.

> "We've been very blessed to continue to take this to a level I know my father would be very proud of, and my grandfather and my great-grandfather and his uncle, I know they'd be real proud of what we've done."
>
> **– G1 Leader, 5th Generation**

> "For a while, I only introduced myself by my first name. I wouldn't say my last name to people in the organization unless they asked. I didn't even have the opportunity a lot of times to make a first impression. That impression was impressed upon me pretty early."
>
> **– G2 Leader, 6th Generation**

The Joint Family Venture

> "We're risking our livelihood to some degree and risking our relationship on a regular basis. But I'm comfortable with putting capital out because I know my son. I think it's less risk because I know him."
>
> **– G1 Leader, New Joint Venture**

> "I have this manufacturing experience, you have this construction experience... that's pretty much what [new venture industry] is. It's this mirror of both."
>
> **– G2 Leader, New Joint Venture**

A new enterprise where legacy isn't handed down so much as created by both generations at once. That may look like buying an existing business together or starting something brand new. I think this category is growing in tandem with the "Great Wealth Transfer" as more and more Boomers realize they don't have to choose retirement and instead decide to invest in a new venture with a son or daughter for the express reason of spending more time with them.

Central Tension: Equal investment, unequal authority.

G1's Fear: Treating a co-built business like one he ultimately still controls.

G2's Pressure: Assuming shared effort means shared decision-making power.

The Tension Each Generation Holds

Inside every generational transition, four tensions are at work. Two belong to the incumbent generation (G1), and two belong to the rising generation (G2).

Keep in mind, tension isn't bad. Think of a guitar. Unless the strings are pulled to the correct tautness, the sound will be terrible and out of tune. So imagine each generation as a string on an instrument. As G1 holds its tensions correctly and G2 is pulled between its own, they come into tune and can both play their assigned note in the song.

So what tensions do each generation face?

G1's Tension: Steering and Releasing

G1 carries a responsibility to steer. They have the instincts, the relationships, the hard-won judgment only years in the seat can build. It's their duty to protect what the company stands for, and to give G2 real guidance until they find their footing.

But G1 also has to let go. Releasing real authority, on an actual timeline, and trusting the next generation to carry it. Pulled only toward steering, G1 will control, micromanage, and stifle G2. Pulled only toward releasing, G1 disengages and leaves G2 to figure it out alone.

One father I know has a phrase for how he thinks about developing the next leader: *you've got to go around the sun again, and then again.* Real competency is a muscle you build through repetition of the business's rhythms more than once. He moved his son through role after role deliberately — analyst, sales, operations, marketing — and used the rotation itself as a pressure valve. When he saw impatience building in one seat, he moved him to another.

Holding the tension between steering and releasing keeps G1 in tune.

G2's Tension: Ambition and Humility

G2 carries the weight of the future. They bring fresh vision, energy, and drive to take the business somewhere it hasn't been yet. Their ambition is needed.

But G2 is also still earning the credibility to lead, which means humility. That requires learning before leading, and receiving what G1 actually knows instead of assuming it's already theirs. Pulled only toward ambition, G2 tips into overreach and entitlement. Pulled only toward humility, G2 tips into timidity and passivity.

One family we interviewed has developed an inside joke that captures what healthy balance here looks like. Whenever a pitch gets ahead of itself, they say, "Slow down, Ricky Bobby." It's become shorthand between them to reset, and the laugh works better than a lecture.

Holding the tension between ambition and humility keeps G2 in tune.

Putting Them Together

That's what each generation must hold in tension individually, but no matter how well tuned, a single string can only play a single note at a time. It takes multiple to play a chord and create a song.

What happens when you lay the tensions of G1 and G2 on top of each other?

The Legacy Tensions Grid

Lay G1's line and G2's line on top of each other and you have a grid that you can map yourself on to as you learn your own tendencies and that of your G1 or G2 counterpart. Depending on where you each index, you likely fall into one of these quadrants that describe how those mistmatches play out.

G1 Steering + G2 Ambition

The Holiday Wrecker

Put a G1 who's steering too hard next to a G2 who's pushing too hard, and you get constant combat. Two strong wills, both convinced they're right, both refusing to yield. That's the kind of combo that can ruin Thanksgiving. Business decisions don't get made because nobody will yield, deals stall out, the transfer suffers, and G2 may even start looking for somewhere their ideas will be taken seriously.

G2: Ambition

G1 Releasing + G2 Ambition

The Runaway Train

Pair an absent G1 with an ambitious G2 and thing can move fast, too fast. G2 sprints with no experienced couterpart to say, “Not so fast.” The business can change so fast that it loses it’s distinct identity and outgrows its systems. Cash flow isn’t watched closely enough, hires get made faster than they can be trained, and a brand shifts so fast loyal customers stop recognizing it.

G1: Steering

Healthy Tension
Healthy Transfer

G1: Releasing

G1 Steering + G2 Humility

The Fumble

Pair a G1 with a tight grip and a G2 who won't push back, and the business stalls. G2 becomes a permanent apprentice. G1 mistakes obedience for readiness. Years pass. The business doesn't grow, nor does the leader who's inheriting it. The role never gets a real title or real authority attached to it, and the team notices, making it that much harder to promote into or hire around.

G2: Humility

G1 Releasing + G2 Humility

The Slow Death

Pair an absent G1 with a passive G2 and you get the quietest pitfall of the four because nobody's actually driving. No one's fighting for direction, so the business coasts on whatever momentum it already had. It can look peaceful from the outside, but it’s dying. Margin quietly erodes, competitors pull ahead, and a governance plan never gets written because nobody was clearly in charge of writing it.

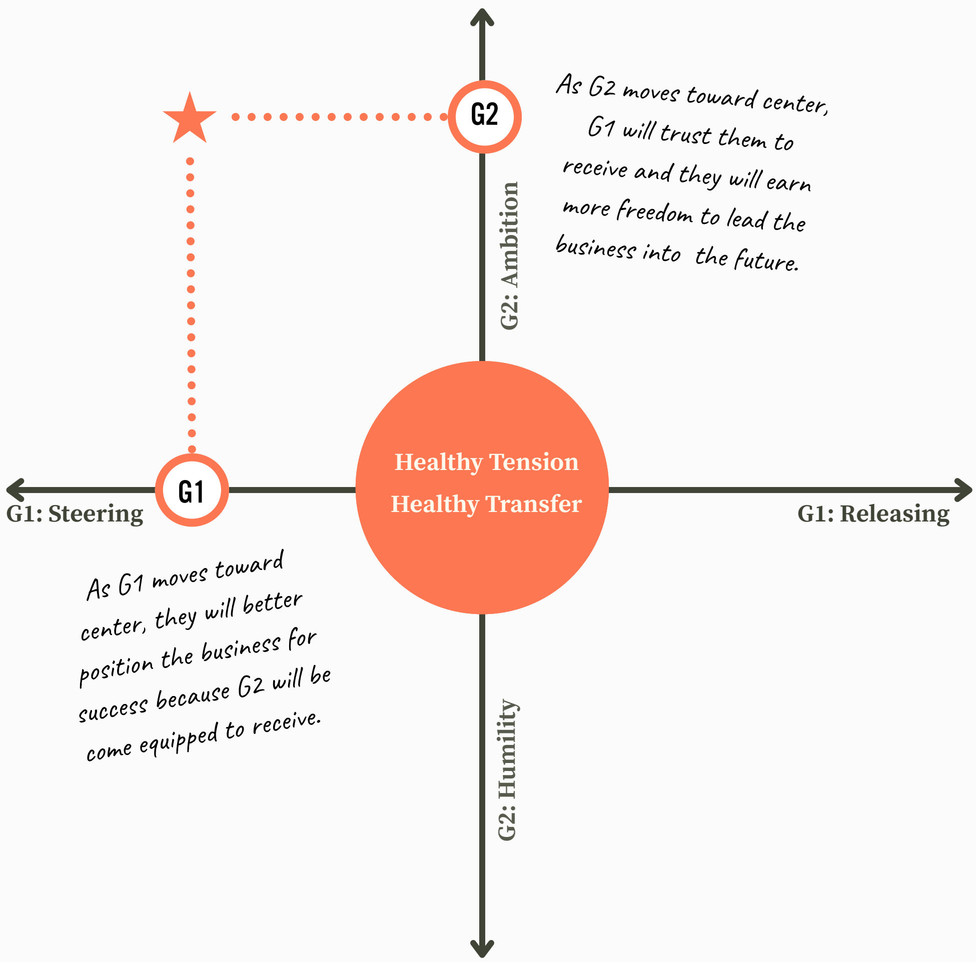
None of the six families I sat down with for Cornerstone Conversations were living fully in one of the four boxes, but every one of them could point to a moment they felt the pull toward a corner. The son who told me, more than once, "I pushed too hard there," after his dad reeled the line back in. The father who told me flatly he doesn't want to be the guy still gripping the wheel at eighty.

Naming the pull toward a corner is usually what keeps it from becoming the pattern.

Map Yourselves

As a helpful exercise, draw out the grid and map yourself along your G1 or G2 axis. If you want a real wake up call, ask your counterpart to map you from their perspective. Not as a way to call one another out, but an honest assessment of where you both need to get in tune, as an individual and as a partnership.

Example:



This isn't a one time exercise. Just like instruments require tuning and retuning, so do we. Our tendency to over index to one of our tension points doesn't go away. It takes discipline, self awareness, and accountability to maintain healthy relationships and, therefore, be able to execute a healthy business transfer.

For some, this framework will put language to the problem and lead to growth. For others, it might reveal a business partnership between a parent and child that isn't possible.

Either way, understanding the relational dynamics of a multigenerational partnership lays a foundation for the practical elements of a transfer.

What Comes Next

If you only take one thing from this document, take this: **the hardest business problems in a family enterprise are rarely *just* balance-sheet problems. They’re unclear answers to relationship questions: who's actually in charge of what, who's ready for how much?** Then, they show up later as governance gaps, stalled decisions, and good people walking out the door. I've sat across the table from my own dad enough times now to know that. Get the relationship right, and the business decisions get a lot easier to make. Get it wrong, and no org chart or governance document fixes it on its own.

Anytime I sit down with a G2 leader stepping into a family business—be it legacy business or a joint family venture—we usually end up back here with some version of the Legacy Tensions Grid. Before we get to the org chart, ownership percentages, or strategy execution, we start with the tension between the two of you, because that's usually the thing driving the practical pain point that brought them to Cornerstone Coaching in the first place.

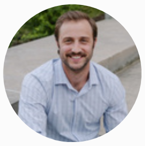
Once a family can actually name where G1 tends to over-steer or check out and where G2 tends to overreach or hold back the practical stuff gets more workable. Probably because you're solving it together instead of trying to work around each other.

From there, two more frameworks usually come into play.

I call the first one the **Three Seasons of Transition**: *Season 1.0: Foundation,* where G1 leads and G2 is still earning it; *Season 2.0: Shared Leadership,* where both of you are genuinely running things at once, and it's the hardest season because the conflict is structural, not personal; and *Season 3.0: Legacy,* where G1 shifts from authority to advisory.

The second is the **Four Pillars of Transfer:** financial control, operational power, culture, and legacy and vision. A single handoff is really four separate transfers moving at four different speeds. I've watched families hand over the operational side completely while G1 still holds the financial veto for years after. Mapping where each pillar actually stands, one at a time, is one of the more useful exercises I walk families through.

If either of those interest you, I’d be happy to share more. And if working through your own transition would help—your seasons, your pillars, or just where you and your G1 or G2 actually stand right now—reach out through the contact form at **kilegraves.com**, or reply to whichever email brought you here.



Kile Graves
Senior Partner
Cornerstone Coaching

NOW STREAMING

Cornerstone Conversations: Family Business

On Cornerstone Conversations, we explore the unique dynamic of fathers and sons who work together, whether they built something from scratch or carried something forward.

Our mission is to create a space for intentional conversation and storytelling around family business transitions and legacy by enabling more dads to see working with their kids as a discipleship opportunity and more sons to see working with dad as an honor, not a handout.

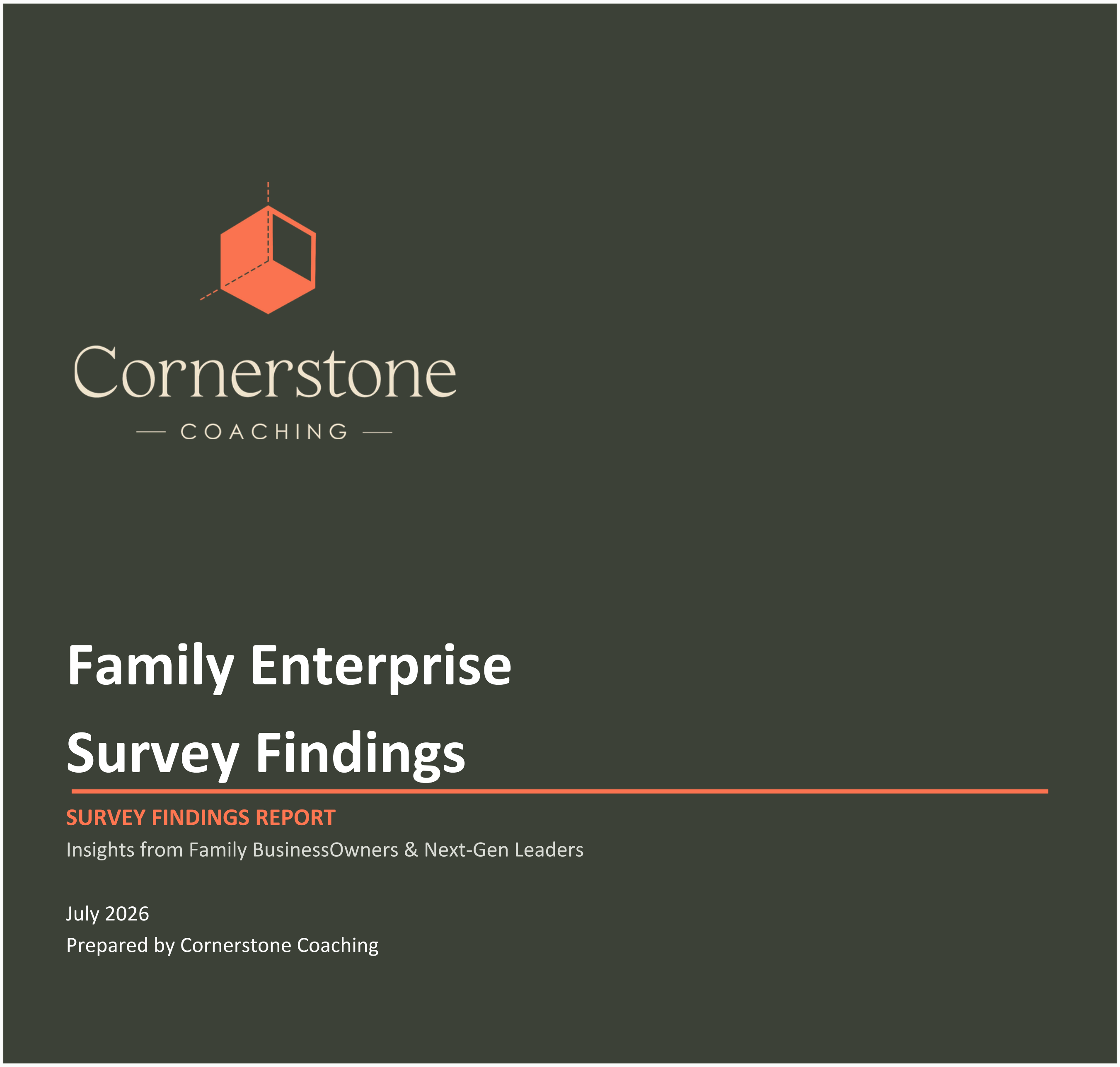
Now available on these platforms:

YouTube Spotify Apple Podcasts

Click the icons above if viewing digitally, or use the following urls.

- youtube.com/@coachingbycornerstone
- open.spotify.com/show/5Imh97pneaAxPsjSU4bAjj
- podcasts.apple.com/ie/podcast/cornerstone-conversations/id1894527808

Appendix A



Cornerstone

— COACHING —

Family Enterprise Survey Findings

SURVEY FINDINGS REPORT

Insights from Family BusinessOwners & Next-Gen Leaders

July 2026

Prepared by Cornerstone Coaching

About This Survey

This report shares what we learned from a short survey sent to family business owners, next-gen leaders, and trusted advisors — people navigating the real work of building something that outlasts a single generation.

The group skews experienced: nearly two-thirds represent family businesses that are 26 or more years into family ownership, and most are actively in the middle of a generational transition right now, not reflecting on one long past.

The survey asked what issues matter most, what experiences actually shaped them as leaders, and — in their own words — what they wish someone had told them, the most common mistake they've seen, and what has actually made their own transition work.

Every chart, quote, and finding in this report traces back to what these families said, not a theory about what they should say.

Respondent Profiles

Respondents span three generations of family leadership, plus non-family executives working closely alongside these families. Most are in the thick of an active transition.

Where Respondents Sit in the Business

Position	% of Respondents
G2 — child of founder, leading or co-leading	**41%**
G3 or later	**32%**
Founder / G1	**18%**
Non-family executive or advisor	**9%**

Where the Business Is in Its Generational Journey

Stage	% of Respondents
Actively transitioning G1 → G2	**32%**
Multiple generations working side by side, unclear timeline	**27%**
Actively transitioning G2 → G3	**23%**
Transition already complete	**9%**
Founder-led, no transition planned yet	**5%**

Formal Succession or Governance Plan

Status	% of Respondents
Informal / verbal understanding only	**45%**
Yes, documented and active	**32%**
No plan yet	**14%**

What Respondents Said Matters Most

Respondents selected every issue they considered critical for family enterprises today. Ranked by percentage selected:

Issue	% Selected
Defining clear roles for family members in the business	**50%**
Letting go of control at the right pace	**50%**
Preparing the next generation before they're needed, not after	**46%**
Separating family decisions from business decisions	**36%**
Communicating a shared vision across generations	**36%**
Building a governance structure (board, family council, etc.)	**27%**
Protecting the marriage/family unit under business pressure	**27%**
Building trust between the outgoing and incoming leader	**27%**
Navigating money and inheritance conversations	**18%**
Bringing in non-family leadership without losing culture	**18%**
Handling sibling or cousin dynamics as ownership spreads	**14%**
Knowing when (and how) to sell or exit	**14%**

The Generational Gap

The single most useful pattern in this data isn't the overall ranking — it's how differently each generation answered. Founders and next-gen leaders are, in effect, worried about two different problems inside the same transition.

Top Concerns by Generation

Generation	Top Concerns	% Selecting
G1 (Founder)	**Governance structure**	75%
G1 (Founder)	**Letting go of control**	75%
G2	**Defining clear roles**	44%
G2	**Preparing the next gen early Defining**	44%
G3+	**clear roles**	57%
G3+	**Separating family/business decisions**	57%
G3+	**Communicating shared vision**	57%

Founders are almost entirely focused on the mechanics of the handoff — building structure and releasing control. G2 and G3+ leaders are focused on something more immediate: knowing what's actually expected of them day to day. Almost no one names the other generation's problem as their own.

> "As a G2 you have to find your own style/leadership voice... it is never too early to have conversations between G1 & G2 regarding clarity on the future and what is expected of you in the next season."
>
> — G2 respondent, 26–50 years in family ownership

Formative Experiences

Respondents were asked what actually shaped them as leaders — not what they read, but what they lived.

Experience	% Selected
Outside mentorship or a coach not related to me	41%
Being given real responsibility earlier than I felt ready for	36%
Watching my parents/predecessors navigate a hard season	32%
Working outside the family business before joining	32%
Serving together in church, community, or a shared cause A	27%
season of real conflict within the family	23%
A transition that went well and taught me the pattern	23%
A failure or loss that forced a reset	9%
A transition that went badly (mine or another family's)	5%

The top answer is notable: more respondents point to mentorship from outside the family than to any experience inside it. Watching parents navigate hard seasons ranks third — real, but not the dominant force it's often assumed to be.

Key Findings

These are the conclusions we draw from the full data set, including the open-response answers.

1

The Generations Are Solving Different Problems
Founders overwhelmingly flag governance and lettinggo of control (75% each). The next generation overwhelmingly flags role clarity and shared vision. Both are right about their own experience — and largely silent on the other's. Naming this gap out loud may bethe single most useful thing a family can do before a transition, not during one.

2

Role Clarity and Letting Go Tie for the Top Concern
Both landed at 50%, ahead of every other issue. Read together with the generational gap, this isn't one problem — it's the same transition viewed from opposite ends. The founder's job is releasing; the next-gen's job is understanding what they're releasing into.

3

Governance Lags Far Behind the Concern AboutIt
Building governance structure and letting go of controlare top-tier concerns, yet only 32% of respondents have a documented, active succession plan. 45% are running on informal, verbal understanding alone. The concern is real; the infrastructure to address it usuallyisn't.

4

“Waiting Too Long” Is the Most Repeated Mistake
Asked independently about the most common mistakethey've seen, multiple respondents converged — unprompted — on the same idea: families wait too longto hand off, too long to have the hard conversation, too long to make roles explicit. One respondent used theexact phrase “waiting too long to pass the torch.”

5

Mentorship That Shapes Leaders Usually Comes From Outside the Family
41% named outside mentorship or coaching as most formative — more than anyin-family experience, including watching parents navigate hard seasons. A trusted voice with no stakeinthe family dynamic appears to carry real weight.

6

The Best Fixes Share One Thing: They Make the Implicit Explicit
A standing weekly meeting with no required agenda. Naming which “hat” you're wearing — owner, manager, or family member — before a hard conversation. Tying compensation to role and market value rather than last name. Different families, same underlying move: stop assuming alignment and build a structure that forces it into the open.

What Respondents Said in Their Own Words

On Patience

"Patience isn't slowing down or holding back. It's knowing which ideas are worth pushing, and when. In a family business especially, the people around you have earned their read on things, and moving too fast can cost you the trust you need to actually lead."

On Making the Implicit Explicit

"We put dedicated time on the calendar every week for open communication. There is no agenda required, just the space to actually talk... Because it's already on the calendar, the hard conversations don't get put off; there's always a place for them to land."

On Naming the Role You're In

"My Dad and I communicate which role or 'hat' we are wearing in a conversation — owner's hat, manager's hat, father-son hat. This helps us know and prepare ourselves mentally and emotionally for the following conversation. It's kind of like agreeing to the terms of a conversation."

On Compensation and Last Names

"A question that helped guide us was: if a private equity firm acquired the business tomorrow, who would they retain in their role and what would they pay them? ... Today, expectations are clear, and we believe people are being paid fairly based on the responsibilities of their role — not their ownership status or family relationship."

On Waiting

"The handoff will take much longer than anticipated." ... "Waiting too long to pass the torch." ... "Elevating someone not prepared or capable of running the company in the next gen."