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### Executive Life

## Can Two Chiefs Be Better Than One?

By MELINDA LIGOS

**S**OME chief executives complain that it's lonely at the top. But Rachelle Friedman has all the company she needs.

Ever since Mrs. Friedman and her husband, Joseph, founded J & R Music and Computer World, a Manhattan company with 700 employees, as newlyweds 32 years ago, they have shared the title of chief executive.

"It's almost like cloning yourself," Mrs. Friedman said.

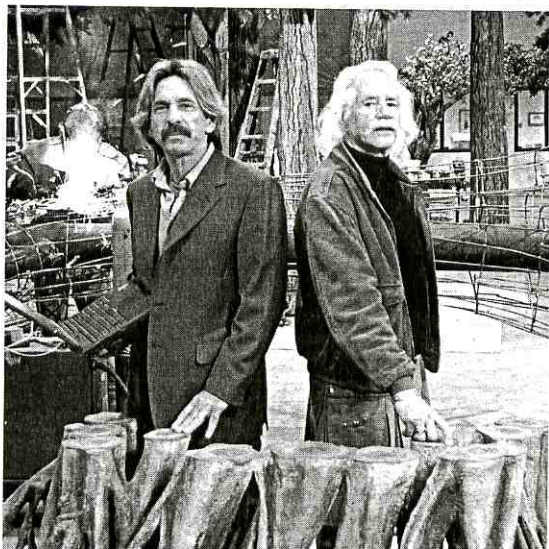
The couple may be trend-setters. The number of companies with two or more chief executives has risen in the last few years, with the change especially visible at small companies — and even larger ones that are family-owned. More than 12 percent of family-owned businesses have two or more C.E.O.'s, up from 9 percent in 1997, according to a January study of 1,000 such businesses sponsored by the Raymond Family Business Institute and the MassMutual Financial Group. More than 35 percent of the respondents said the appointment of co-chief executives would be a possibility in the next generation.

At the same time, co-chief executives and even multiple C.E.O.'s have become more popular at start-ups and other small companies that have merged with other businesses, said Michael R. Littenberg, corporate partner at Schulte Roth & Zabel, a New York law firm with many small-business clients. The reasons, he said, are typically political.

"There may be a brother or sister working together, or three founders, who don't want to assert authority over one another, so they decide they're going to be equals," he said.

As good as those intentions may be, management experts say dual- and multiple-C.E.O. arrangements can be plagued by jealousies, ego clashes and morale problems. Mr. Littenberg estimated that 75 percent of such arrangements resulted in the failure of the business or the return to a single chief. And a 1999 survey by the communications consulting firm Burson-Marsteller found that 87 percent of 1,377 chief executives felt that co-C.E.O.'s were less effective than single ones.

The most common reason these partnerships derail is resentment from one of the other's perceived incompetence or lack of effort, ex-



Dave Gately for The New York Times

Bennett Abrams, right, says he and Gary Hanick work well together as co-chief executives of a design company because they are so different.

pects say. "I call it the slighted co-C.E.O. syndrome," Mr. Littenberg said.

Charles A. Gustin, founder of Gustin Partners, an executive search firm in Boston, recalled a clash of wills three years ago at a client company, a fast-growing Internet start-up whose young chief executive had little operations experience. The board elevated the company's more seasoned vice president for sales and marketing to the position of co-chief executive, and within months, the new co-chief had branded his counterpart incompetent and engineered his ouster.

In family businesses, the mood at the top can become even touchier if spouses or other family members are involved, said Ivan Lansberg, a fellow at the Raymond Family Business Institute who studies co-chief executive partnerships. He recalled how one small business began to deteriorate after the wife of one co-chief began complaining that he was doing all the work while his brother

and partner drove around in a Mercedes and took his family to Disney World.

To guard against such conflicts, experts recommend that co-chiefs delineate their responsibilities — ideally, in differing corporate roles. F. Duffield Meyer, a partner at the Carl Marks Consulting Group in New York that advises financially troubled companies, said co-chiefs should draw up organizational charts and display them so that everyone understands who is in charge of what.

**C**OMPLEMENTARY skills and personalities also help such arrangements. The Friedmans have stuck to the same roles since they began their business in 1971. Mrs. Friedman, for instance, negotiates with vendors, while Mr. Friedman is in charge of the factory and the company's store. "Joe's the risk taker; he's always looking to buy more store space," Mrs. Friedman said. "I'm the more practical

one, so I served as a reality check." Mr. Friedman agreed with that description of their roles.

Bennett Abrams, 71, co-chief executive of NatureMaker, a design company in Carlsbad, Calif., is convinced that his 20-year partnership with Gary Hanick, 49, works so well because the two are so different. The 22-year age difference aside, Mr. Abrams, sees himself as the creative half and Mr. Hanick as the workaholic, a description with which Mr. Hanick agrees.

"We allow each other to do what they do best," Mr. Abrams said.

A plan to resolve conflicts can come in handy, too. Mr. Lansberg of the Raymond Family Business Institute recalled a ploy by the owner of a meat-packing business in the Midwest to avert future squabbling among his four sons: Just before the owner died, he pulled out a bolo tie from under his pillow and gave it to one of the sons. He told them that whoever possessed the tie had the last word about the business. But once he exercised that right, he had to randomly hand the tie off to one of the other three.

"Whoever has the tie stores it for a really important day," Mr. Lansberg said. "He has to really choose his battles, and as a result, there are fewer conflicts."

Richard Kirshenbaum and Jonathan Bond, co-C.E.O.'s for 13 years of Kirshenbaum Bond & Partners, an advertising agency with 240 employees and based in New York, use a similar method, which they call the 100 percent rule. "If one of us really feels strongly about something, we say 'I feel 100 percent about this,' and the other one defers," Mr. Kirshenbaum said.

The rule has been invoked about a dozen times, once by Mr. Kirshenbaum to veto a new partner whom Mr. Bond wanted to bring in. Mr. Kirshenbaum gives it partial credit for the working relationship's survival.

But good communication helps, too. The two men have adjacent offices and dine together at least once a week. "It sounds cliché, but you need to sit down regularly and talk about your feelings with your partner," Mr. Kirshenbaum said. "We've achieved an incredible sense of realism by doing this." □