



Leading in a Family-Owned Business: Know When to Push and When to Pause

Leading inside a family-owned business as an externally appointed executive requires more than functional expertise. It requires judgment, diplomacy, patience, and the ability to understand where business decisions, family history, ownership identity, and personal trust intersect — all within an environment defined by legacy, resilience, continuity, and long-term thinking.

This theme was at the centre of the latest Pedersen & Partners Family-Owned Businesses Live Talk Series, hosted by Marek Petruš, Global Head of the Family Business Practice Group, and Katharina Kaiser, Country Manager Austria. The session featured Lucas Mott, Managing Director and Chief Sales Officer at Salzer Papier, an Austrian family-owned business founded in 1798.

Drawing on more than 25 years of experience across family-owned, partially family-owned, and institutionally influenced companies, Lucas offered a practical view of what it takes to lead, transform, and build trust when you are not part of the family.

A Career Shaped by Family-Owned Companies

Lucas Mott's career spans several ownership models: a state-influenced utility, fully family-owned businesses, a large Austrian family group, and a listed company with significant family ownership. His move to Salzer Papier marked a deliberate return to a smaller, fully family-owned environment, closer to ownership.

At Salzer Papier, Lucas works across sales, innovation, business development, contracts, logistics, and customer communication. More broadly, he described his role as being an interpreter between customers, the company, and the owner family. In a family business, leadership is not only about executing strategy. It is also about translating between worlds.

Why Family Businesses Are Different

Lucas's central observation was that in a family business, the formal role is only one part of the picture. A managing director, owner, board member, or family representative may hold a title, but they also carry family history, legacy, and identity.

This means business decisions are rarely only technical. Discussions about sales, performance, innovation, customers, or structure often carry an additional emotional and historical layer. That does not make family businesses less professional. It makes them more demanding.

For external executives, the task is to read both the visible organization and the invisible ownership context.

Criticism of the Past Is Often Criticism of Legacy

Executives joining from outside usually see quickly what can be improved. In many corporate environments, direct criticism of past decisions may be expected. In a family-owned business, the same approach can create resistance. Criticizing past choices may be heard as criticizing the founder, a parent, a grandparent, or another family member who shaped the company.

The lesson is not to avoid change. It is to frame change skilfully and carefully. Improvement should be presented as continuity, not rejection. The ideal message should be: this company has built something valuable, and the next step is to adapt it for the future.

Trust Is Built Through Results, but Not Only Results

When asked how to build trust with owners, Lucas was clear: results matter, but they are only the starting point.

Owners also need to trust the person behind the role. That trust is built through discretion, consistency, listening, and alignment with the company's spirit.

In family businesses, especially in the age of social media, leaders must be careful not to over-communicate publicly, over-centre themselves, or use company achievements as personal branding. They are part of something larger.

Many important do's and don'ts are not written down. They are learned over time by listening to what is said, and just as importantly, to what is not said.

Confidentiality Is a Cultural Issue

Confidentiality is often non-negotiable. Lucas shared an example from a previous role where a customer asked the owner directly about turnover and EBITDA. The owner refused to answer, politely but firmly.

For executives, the message is clear: access to information does not mean permission to share it.

Details about financial performance, growth, rankings, customer development, or commercial progress should not be communicated externally unless ownership has approved it. This applies to conferences, media, employer branding, and social media.

Family Members Are Assumed to Represent Final Authority

When a family member is present in a customer meeting or external setting, their presence changes the room, regardless of formal title. If they carry the company name, customers may assume they represent final authority.

This can signal commitment, but it can also complicate negotiations. Once the owner is in the room, there may be no higher level to escalate to. If the owner says no, reopening the discussion becomes harder.

The same applies internally. When owners bypass formal processes and engage directly with customers, they may unintentionally weaken their executives. Once customers gain direct access to the owner, they may continue using that route.

The Candidate Perspective

For senior executives considering a family business role, the key question is often empowerment. Will they have real authority? Will ownership override them? Will family dynamics affect the role?

Lucas emphasized that the selection process must go beyond experience and job fit. It needs to explore personality, ownership expectations, family background, and cultural alignment.

Candidates should spend meaningful time with owners before joining. Formal interviews are not enough. They need conversations that reveal how both sides think, decide, and handle difficult topics.

In a family business, title and compensation are not enough. The relationship with ownership can determine whether the role succeeds.

Fast and Slow Decisions Can Coexist

Family businesses can often move quickly because there are fewer layers and direct access to ownership. When the owner has authority and conviction, decisions can happen at speed.

But some decisions take longer because they are not only financial or operational. They may touch history, succession, family expectations, legacy, or long-term ownership identity.

This is one of the paradoxes of family business leadership: the same ownership structure that enables speed can also create hesitation. The external executive must understand when to push, when to pause, and when to reframe.

The Competitive Advantage

When trust is strong, family businesses can move with remarkable speed and commitment. Engaged ownership, long-term thinking, and direct access to decision-makers can become real advantages.

But this only works when the relationship between owners and executives is healthy. Without trust, speed becomes interference. With trust, speed becomes agility.

Less Politics, More Personal Accountability

Lucas noted that family businesses can involve less corporate politics and more personal accountability. Executives cannot always hide behind committees, processes, or roles. Owners often expect them to state clearly what they believe should be done.

But this does not mean there are no politics. When several family members are involved, unresolved family dynamics can shape business discussions.

External executives need to be direct without being naïve. They must speak clearly while recognizing when a business debate may also carry family tension.

Implications for Leadership Advisory

The conversation with Lucas Mott offered a practical view of leadership in family-owned businesses. The executive's task is not only to deliver results, manage customers, build strategy, or drive innovation. It is also to understand legacy, earn personal trust, respect confidentiality, and know when to push and when to pause.

For external leaders, family-owned businesses offer proximity to decision-makers, long-term orientation, entrepreneurial speed, and meaningful transformation opportunities. But they also require a higher level of personal accountability.

In a family business, leadership is rarely only about the role. It is also about the person.

This conclusion reinforced a clear point: appointments in family businesses require deep understanding of both the role and the ownership context.

The right candidate is not only the person with the strongest functional background. They must also have the judgment to operate where family identity and business authority are closely connected.

Candidates need realistic insight before joining. Trust-building must begin during the search process. And external executives must be able to challenge with respect, not bluntness for its own sake.

The strongest executives bring their experience without dismissing the family story. They challenge with care, stand behind their recommendations, and build the trust required to be heard.

That may be the defining leadership skill in a family-owned company: moving the business forward without disconnecting it from the legacy that made it possible.



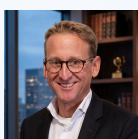
Marek Petruš

Global Head of the Family
Business Practice Group
Pedersen & Partners



Katharina Kaiser

Country Manager
Austria
Pedersen & Partners



Lucas Mott

Managing Director and
Chief Sales Officer
Salzer Papier