Some women who have taken over a business from their fathers never even expected to work in the family company, let alone become the CEO. Yet once they took the helm, those daughters discovered that they have the right skills, experience and values to guide their companies through the transition to the next generation and beyond.

Karen Buchwald Wright is chairman, CEO and president of Ariel Corporation, a highly successful business that manufactures reciprocating natural gas compressors in Mount Vernon, Ohio. She became the CEO somewhat by default when she and her husband (who had been president) divorced and her younger brother, who decided to pursue a different career, sold her his half of the company.

Karen’s dad, Jim Buchwald, an engineer and entrepreneur, started the business in the basement of the family home in 1966. He expected that eventually his son would take over running the business after his daughter and son-in-law divorced.

Karen’s mother, Maureen Buchwald, also worked in the business, as vice president of administration, and made a major contribution to Ariel’s success. Karen began working there in 1980 and for three years was in an “impromptu management-training program.” She decided to work part-time when she had her first son in 1983, and continued while raising four sons. When her mother retired, Karen took over her mother’s role, working full-time at Ariel.

No one, including Karen, thought she would take over the company until 2001. Her marriage had ended and her brother had left, and she was, as she puts it, “the last man standing.” Her family, who doubted she would be able to run the business herself, suggested she hire a non-family executive. Karen did hire someone, but within a couple of weeks it was evident that the new hire was not qualified.

At the same time, Karen was in the process of rehiring a former employee to replace her brother as chief engineer. He suggested that she was perfectly capable of running the company and didn’t need to hire someone else. Karen took his advice. “All I needed was for one person to say I could do it ... that one vote of confidence,” she says. “That’s all it took for me to stop and say, ‘You know, that’s right! I can do this.’ Men often have less trouble with personal validation, but women tend to look for external validation. It was an ‘Aha’ moment for me.”

Of course, it took more than encouragement to prepare Karen for the role of CEO. Karen considers raising four boys while working part-time to be a significant component of her preparation for leadership. “As a mother, you’re a manager, a psychologist, a disciplinarian, a motivator, a time manager and a leader,” she says. “It’s a real job that requires you to
learn on the job, and learn it fast. As it turns out, that’s very much like being the CEO.” Her advice to hiring managers: “If you know a woman who has raised several children and is looking to get back into the workforce, hire her right now, because she can do anything you throw at her.”

Soon after taking over, Karen realized the most important task she faced was taking the business to the next level of development, from an entrepreneurial start-up model to a broader-based, multilevel management structure that would be important for the next phase of growth. “There was a lot of turf-guarding, and people were sensitive about their roles,” she says, “but the task of the second generation is to create that structure for growth. It’s important to understand that one person cannot know and do everything and that the leader is only as strong as the team she leads.”

The man who encouraged Karen to take the lead is now her second husband and one of her closest team members. Her older two sons have joined the company and are working toward significant leadership roles. Her dad, now 88, still likes to come into the office and is writing a book on the early days of founding and establishing the company, which celebrates its 50th anniversary this year. He has told her, “I am so impressed. I could have not possibly done what you’ve done.” It is clear that Karen has successfully transitioned Ariel from a small company to a large, complex and successful enterprise.

Earning support
When Kristy Knichel took over her dad’s company, Knichel Logistics, based in Gibsonia, Pa., she had the full support of her family and her employees, but she definitely had worked hard to earn it. Her father, William Knichel, founded the company, which is now an international freight and shipping business. Kristy began working there at age 19. Her dad was a very tough and stubborn boss, yet she ultimately proved to him that she could succeed in a male-dominated industry. Neither Kristy nor her dad expected her to take over the company, but it was definitely a good move. Under Kristy’s leadership, Knichel’s annual revenues have grown from $2 million to $50 million. “My relationship with my dad fueled my determination, and it still does,” says Kristy, Knichel Logistics’ president and CEO. “He instilled a strong work ethic in me from an early age and pushed me to constantly strive for success. I didn’t like his management style and we would often disagree on business decisions, but I believe his guidance helped make me the leader that I am today, and for that I am grateful.”

Working “in the trenches” and taking on every job in the company, Kristy developed strong relationships with employees, vendors and customers. As her confidence grew, Kristy realized she could lead the company. While she had great respect for her father and what he built, she also knew that she wanted to be a different kind of leader and to create a different culture, one in which employees were encouraged to speak freely about their ideas and concerns. She has made it clear to her employees that they should feel comfortable speaking up to her and to her siblings, who also work at Knichel. “It doesn’t matter whether someone is a friend of mine or a family member,” she says firmly. “I’m running a business, and everyone here needs to work as a team. I do not play favorites—value is proven through one’s work ethic, not personal ties.”

Of course, running any business has its challenges. Kristy is navigating Knichel Logistics through the mergers and acquisitions that are occurring within the freight industry. While the competition is real, Kristy believes that relationships are the key to business success. “I still say that there’s a niche market for a company where you can still get someone on the phone,” she says. “With all the changes, there’s a lot of chaos in our industry behind the scenes, but we’re trying to streamline our systems and quickly get customers through the door.”

Thorough preparation
Tacy Byham recently became CEO of DDI, a global leadership development consultancy based in Pittsburgh, and is following in her father’s footsteps on a very well-laid path. Like her dad, William Byham, who co-founded DDI in 1970, Tacy is an industrial/organizational psychologist. The fact that her father was in the business of assessing and
developing high-potential employees and preparing them for significant leadership roles worked to her advantage as she learned the ropes.

Tacy did not immediately join DDI, though her father recognized her leadership aptitude when she was a teenager. Tacy, who was talented in math and computer science, started out at a computer company in New York. That experience helped her decide to enter her father’s firm. In her previous job, she had a difficult manager who neglected her and members of her team; as a result, Tacy says, she learned “what kind of a boss I never, ever wanted to be.” She decided to pursue a Ph.D. in industrial/organization psychology, and then went to work at DDI. She began as a master trainer for the company’s leadership training services, and later took on roles of increasing responsibility and leadership.

“I continued to move purposely through the organization, and learned to not only stand up for myself, but to also step up and ask for what I wanted and deserved,” says Tacy. “Each position involved building trust, pulling the group together as a team, breaking existing paradigms and communicating effectively with various groups. These experiences were invaluable.”

As Tacy tells it, she “drank the Kool-Aid” that DDI offered, and it has served her well. DDI is known for its rigorous and thorough leadership assessment and development process, one used to develop DDI’s staff as well. Like other high-potential employees, Tacy participated in DDI’s assessment center, which focused on her behavior in a variety of challenging situations. The experience tested her ability to make large and small decisions, to negotiate, to coach others and to give the kind of presentations likely to be required of a future executive. The process was not easy, but Tacy valued the feedback, learned from her mistakes and considers the experience an important part of her preparation for the role of CEO.

The company also needed to prepare for her leadership. A full two years before she became CEO, Tacy’s dad and his business partner announced that Tacy and other new senior leaders would be taking over the firm. For the most part, the transition has been smooth, though Tacy remains surprised when employees she has known for years claim that they “don’t really know” her. Tacy knows she has not changed, but she realizes that her transition to CEO will require some readjustment in her relationships with her employees.

Providing training and encouragement

Karen, Kristy and Tacy are successful executives, leading enterprises that evolved from the creative ideas of their entrepreneurial fathers. They are smart, determined and capable women, committed to their businesses and to their communities, but neither they nor their fathers expected them to take over their businesses. Families who want to set the stage for their next-generation women to become leaders can learn a lot from these CEOs’ stories.

First, daughters may need to be encouraged to lead, perhaps more than sons; giving them opportunities to work in the business and offering both critical feedback and praise can boost their confidence. Second, a daughter can take over a business while raising her children—an idea that still meets resistance in many settings. As Karen’s experience shows, parenting skills can transfer to the workplace quite well. Third, intensive preparation is vital. Not every daughter has the opportunity for development that Tacy had, but fathers can provide assignments that challenge their daughters. Formal assessment of young women’s skills and leadership styles can also be helpful.

It is an exciting time for women in family businesses. As they sustain and develop their family’s legacy, assuming significant leadership roles, they have the potential to transform their businesses, their communities and the role of women as an economic force in the U.S. and throughout the world.

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