

# Haunted Mansion

## Secrets and Ghosts in Client Families

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### **For Professional Advisors**

This article was written for professional advisors who work with families: family business advisors, business and management consultants, estate planning attorneys, cpas, wealth advisors, insurance professionals and mental health professionals who consult with families. The focus is on families in business, but it applies equally well to all families with whom we work. A companion piece written for client families is available.

# Haunted Mansion: *Secrets and Ghosts in Client Families*\*

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Many things, including secrets in the family and ghosts of lost relatives, haunt our clients. These “hauntings” make themselves present in the client’s unending family conflict, lost riches and decline of the family business. This article explores what these ghosts are, how they are manifest and what we might do as advisors to help our clients move ahead.

There is something compelling about ghosts. They are the stuff of movie thrillers, novels and children’s books. As we are drawn to what we neither know nor understand, they become more fascinating, irresistible, and sometimes dangerous to us. We are pulled in.

Each family we work with has its own unique history. Buried deep in that history, many times, are family secrets, the “ghosts of the past.” These ghosts, be they the long-shadow of the founder, lost, disinherited or forgotten members of the family or long-decayed family values and culture, have unseen and powerful effects on the family system. These spirits take many forms and guises, but they all share one common element: they hold power and sway over otherwise mostly normal people.

In this article we will explore the magnetism and influence of these ghosts with our client families: what they are, how they become manifest and how they influence the families and us.

## **The Ghost: The past in the present**

What is a ghost?

1. It is the form of a dead person
2. The image is nebulous, ephemeral, moving in the shadows
3. It is a remnant of the past, now manifest in some way among the living

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\* Many thanks to Patricia Annino, Esq, for our conversations on families and secrets.

Whether we believe in the reality of ghosts as the actual return of the dead to the living world, is the subject of debate. The day-to-day reality advisors face, however, is that many of the families with whom we spend our time attest to the fact that “events and memories from the past *do* influence the present.”

### How to think about this

1. Something from the past, i.e. a dead relative, a story, emotions, family secrets, or memories, influences those living in the present.
2. This *something* manifests itself in some manner. That manifestation may be disguised as physical or psychological symptoms in the family or a member of the family system; or the inability to get through an issue and reach resolution, even when the answer appears simple, rational, evident and clear.
3. The link to the past can be rather foggy, remote, out of focus and in the shadows of awareness to those in the present. For example, the substance abuse of one family member has some meaning or significance to that person and others in the family. Perhaps one person (or all) was emotionally or abused in some fashion. This unresolved, sticky emotional conflict underlies and fuels the person’s current-day drug problems.

#### Some ghosts and secrets:

- Alcoholism and substance abuse
- Sexual abuse and incest
- Emotional abuse
- Past family lawsuits
- Historical Ghosts in the DNA
- Bankruptcy, loss of fortune
- Spousal cheating and mistresses
- Illegitimate and adopted children
- Mental illness
- Death of a close family member

### Three types of families

To frame our discussion, let’s consider three types of families.

1. There are ordinary families that have developed their own methods for dealing with conflict, bad feeling, disappointment, loss and heartache. They seem robust and resilient in the way they deal with each other as family members. These resilient families are **good-enough**: they have problems and issues, yes, but they find ways to resolve them, move on and remain connected to each other as a family. They will always find the way to have Thanksgiving dinner or holidays together. They care about each other, love each other (more or less), are connected to each other and are committed to working things out, because they want the family to stay together.
2. Other families are more conflict-ridden and emotionally entangled. These **high-conflict families** are characterized by ongoing, unresolved emotional discord; they

always seem to be in the thick of it. Nothing really gets resolved. Things get dropped from lack of energy or inability to see any resolution. They just go ahead, not getting issues resolved, because this is what they know -- nothing changes and nothing gets better. They themselves are depleted; they wear us out as advisors.

These are the families in which, for example, a family member is permitted to work in the family business, even though he has been an active alcoholic for many years, is unproductive at work and is a drain, financially, emotionally and to the health of the family. Nobody knows what to do, so he stays and no one is happy.

3. The third type of family is one in which the members are emotionally disconnected from each other. The family is *barely alive*. They move away from emotional engagement; they would rather resolve problems through legal documents rather than direct, open communication; they can look good on the surface, but just below they are a collection of unhappy, narcissistic individuals. If there were conflict, they would rather hire someone else to deal with it than dirty their own hands. Their emotional disengagement belies longstanding, troubling and deep emotions that do not get expressed directly. They are more ghost-like than either of the other two families: they are, *themselves*, nebulous and somewhat not real.

*Each of these family types represents a particular way the family has dealt with the secrets and ghosts of the past.*

## Cases

Three case examples serve to illustrate these types of families.

1. The **Gray family** had a long entrepreneurial history. Over the generations, they accumulated significant wealth throughout the several branches of the family. The family company, *Acme Corp*, did well, generating generous disbursements for the family. They seemed to have it all: the *stuff of wealth* – beautiful homes, great educations, and lots of time to play and enjoy their lives. Lives of luxury. They never went without. Yet, they were **barely alive**.

So what was wrong? The current fifth generation cousins, although well educated, were uninterested in the business, preferring other pursuits unrelated to the business. The older generations could not understand what was wrong with these kids. They called them “spoiled brats” and indeed, they were just that: entitled, arrogant, and unproductive.

What was wrong, at least on one level, was that there was no central, core set of values or enduring culture for this family. They operated as a collection of individuals and not as blood-relatives who cared about each other and the family. Was there a ghost or some horrible secret, or what? How did this historically hard

working, involved, committed, and entrepreneurial family tumble into what it is today?

The roots of the answer go deep into the past. Fifty years ago two brothers, unable to resolve differences about the business, sued each other, divided the business, and did not speak to each other for the next 25 years. The branches of the family tree split, each side blaming the other side.

The present-day generation of cousins embodies the fractured legacy of the past: they have no direction, and no interest in working in one or another of the family enterprises. They are tired of the stories of what happened in the past. What they have learned is that ***nothing is ever resolved***: the old guys went to their graves with their resentments and bitterness deeply rooted. They left the mess for the succeeding generations to deal with.

This is a legacy of sadness, arrogance, and blaming – all rooted in that inability or unwillingness to work things out for the good of the family. The ghosts judge them as they peer down from the walls of each family’s home, preventing this family from healing and coming together. It is a powerful, sad mess.

**2.** As the **highly conflicted Fieri family** welcomed the third generation into the business, trouble was brewing on the horizon. Uncle Bob, head of marketing and a long-time alcoholic, was becoming more of a problem. He had arrived at a client meeting under the influence. His young associate, his nephew Billy, did not know what to do, as this was only his third week on the job after graduating college. Billy had known about his uncle’s problems with drinking, but was unaware, until that very moment with the client, that these problems literally spilled over to the workplace. The client, enraged, left, saying, “You guys better clean up your act, or we are gone!”

Within minutes, news spread through the 350-person distribution company. Text messages and emails flew and soon Tony, the CEO, heard about the situation. He summoned Bob to his office, and in the course of their brief conversation, Tony said, “This is it. This is the last straw. You really blew it this time, Bob. You’re my brother and I love you, but this can’t go on. You are out of here until you do something about this. Go!” With that, Bob left the office and headed out the front door to his car. After stopping at the local bar for a “few quick ones” he continued driving, heading home. After being pulled over for erratic driving, he was arrested for driving under the influence.

That evening the seven members of the family, all working in the business and all owners and members of the board of directors, met to discuss the situation. Emotions ran high, with many blaming each other for allowing the situation to reach this point, where the business was threatened not only by bad publicity but also by clients threatening to leave as a result.

The family endured many other instances not only of Bob's bad behavior, but other members of the family not pulling their weight at work, being unproductive and sometimes incompetent. This was just one more in a long series of crises that had escalated in the last couple of years, soon after Tony was voted in as CEO. The arguments and fights back then over who would become CEO were contentious, nasty and personal. All of that bad feeling returned with this most recent crisis. Tony's stance with Bob, that he would not be allowed back until he could prove he was getting help and that his drinking was under control, fueled the angry outbursts during the meeting.

This family had never resolved issues in a way that improved business or strengthened the bonds in the family. These days, bad feeling always seemed to be abundant and just below the surface. Sales, morale and the bottom line all plummeted as a result.

During the board meeting, family members spouted off about everything that had been brewing for years, "You always do that, Mr. Know-it-all." "You always favor your side of the family." "How come you make so much?" "You wouldn't even hire my cousin's friend. He was a good kid!" "I can't stand this anymore."

***If it was thought,  
it was said.***

*If it was thought, it was said.*

The family and the business appeared to be coming apart at the seams. But the question loomed large, "Where was all of this coming from?" Although no one actually asked the question, it hung like dense, soupy fog in the background, neither talked about nor addressed. Certainly, as advisors to this family, we would be wondering the same thing. The reaction, the anger, the venom all seemed out of proportion to this as an issue that the family needed to deal with. Clearly many families deal with similar problems all the time, but somehow this was so extreme that, as an advisor, one would have to wonder, "Where is this *really* coming from?"

The answers were not far away. Five years previously, two seventeen-year-old cousins, Pete and Lisa, tragically had been killed in a single-car auto accident. Each part of the family blamed the other – going too fast, inexperienced driver, distracted, etc. The loss cut so deep in this family that others, outside the family, wondered if the family would ever recover. In the recent situation, seemingly so removed from those tragic events of the past, raw emotion was expressed in angry, hurtful and out-of-proportion ways.

Surely, we can understand and empathize with the cavernous grief of this family over the loss of two great kids. Yet the legacy is real and palpable: now seen in the present and not addressed, as if the participants are living in a bubble, frozen in time, seemingly disconnected from the past. They behave *as if* they are actually talking about the present. An observer on the scene might well feel the presence of the two lost children in that room.

This poor family, the Fieris, lost quite a bit that fateful day five years ago. They lost what they once had: that commitment to each other, to be good to one another as a loving, close family. They lost the belief in the wonder and joy of life. Most of all, they lost two beloved children.

This case, then, illustrates much more than a family's chronic inability to resolve important issues. The unresolved grief over that tremendous loss is with this family every day. They cannot get beyond it. They are stuck.

**3. The Martin family** seemed to have it all: a flourishing high-end retail business now going into its third generation; grandchildren and cousins who grew up together and now connected to each other. Everything seemed to be falling into place. Mom and Dad, now in their late sixties, looked forward to more time at their vacation home, less time in the cold north and greater freedom away from the business. They were a *good enough* family.

The big issue confronting them was succession in the business. As was true with many of the families they came to know at the local university family business center, they were not alone. Succession was the big thing. With the three children, Jennifer, John and Ann Marie, working in the business and each doing quite well, Mom and Dad felt fortunate that they had some good choices in terms of the business going forward under the leadership of the next generation.

They even hired an advisor to help guide them through the transition. Friends referred her. They believed she would help them, as she had many years of experience working with family businesses, and even came from a family business herself.

In one of the scheduled family meetings with the advisor, the discussion was lively and engaging. The topic was "understanding your family history." In one exercise, they worked on the family history, constructing a *Genogram*<sup>†</sup>, going back four generations. There was talk of the great grandparents and family struggles in trying to make a go of it in a business. In their own history, they talked of the early years of the children, with many stories about Jennifer, John and Marie as babies. At one point, John offhandedly remarked, "There are 5 years between Jennifer and me. Were you guys just too busy to think about having more kids?" He intended nothing by it, as he was just wondering out loud. Mom, usually quite composed, was irritated, "What do you mean by that? We were fine." The conversation stopped. Mom said, "I can't believe this is happening now. We are doing so well. Why bring that up!" Jennifer said, "What are you talking about? He was just wondering."

The conversation took a turn that the children did not comprehend. Tearfully, Mom went on, "When Jennifer was just two, we had another baby. His name was Thomas.

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<sup>†</sup> The *Genogram* is a graphic depiction of the family history, similar to a family tree.

He was a wonderful little boy. When he was 15 months old, he got very sick. We didn't know what it was. We took him to the hospital and two weeks later he died. It was a serious infection in the brain.”

In the silence, Jennifer, John and Ann Marie looked at each other, but mostly they looked at Mom and Dad. No one said a word. The silence hung in the air. Finally, Ann Marie said, “I remember when I was seven I was in the attic with my friend and we opened this dusty, old box and it had a bunch of stuffed animals and toys with the name Thomas. I asked Mom about it and she said it was just stuff from a relative named Thomas. She wouldn't talk about it anymore. That was it.”

This stunning news, after more than 30 years shook each member of the family. This meeting was a turning point in many ways: the three children each looked at Mom and Dad, wondering what other secrets there might be. Over the next few months, the discussions, with the advisor, and later on with a family therapist, were emotional, heart wrenching, confrontational and, sometimes, quite disturbing.

This family had to deal with the long-buried secret of another child. For whatever reasons, Mom and Dad had decided that it would just be better to never talk of Thomas again and “just let it be.”

Of course, it was difficult to address the issue of succession planning without first talking about the ghost that haunted this family. The odd thing about the situation is that the children, even Jennifer who had some vague recollection of another child, were forced to reconsider family memories, birthdays, holidays and family gatherings in light of the startling new information. “Is this why Mom and Dad got so sad in the fall? Is that when Thomas died or was he born then?” There was a lot of ground to cover.

Although Jennifer, John and Ann Marie could appreciate the tremendous grief of their parents back then, they were also angry, disappointed and confused about how Mom and Dad could keep such a secret for so long.

Eventually, the family did have to turn its attention to the more pressing business issues facing the company, notably the issue of the transition to the next generation. With such a stark backdrop, the discussions sometimes mired down, as if no one knew how to get out of the mud.

**The present  
is rooted in  
the past**

With help from the family business advisor, they were able to gain some perspective and get more focused on the transition issues facing them. The family therapist helped them over the course of 2 years to deal with the emotional upheaval of such news.



The Martins were back on track. They had many serious, difficult discussions about a broad range of family issues, many related to the business. How is it, then, that this family not merely survived this critical period, but moved ahead?

Several interlocking factors seem to be at play here:

1. The *Martins* abiding love and respect for each other
2. Their commitment to finding a way to “work it out, no matter how difficult”, and
3. Their judicious use of advisors, colleagues, and the connections to other business families and many other supports to them as a business family.

### **A perspective**

The characteristics of the *Good Enough Family* are:

- They negotiate conflict: *they work it out*
- They deal with the present
- They use the family resources to strengthen themselves
- They know what is important to them and try to live accordingly
- They are dynamic, interesting and, many times, fun

***They know what is important to them and try to live accordingly***

In contrast, we can characterize **more troubled families** thus:

- They don't resolve conflict
- They are shackled to the past
- They attempt to resolve personal or family conflict through legal and financial modes and tactics
- They are not focused on important things in the business and family
- They are demanding of those around them
- They are depleted: they weaken themselves by all of the above

***They attempt to resolve family conflict through legal and financial modes***

### **Implications for our work as advisors**

Often, as advisors, we are concerned about the family dynamics that roadblock movement forward in the business. Even with the best of training and years of experience, we get stuck in the work with some families. While in the midst of our engagement, it may be difficult to gain a perspective on “what is really going on.”

In light of our discussion about family secrets and ghosts, here are some suggestions for countering that pull:

### **1. Watch out for the deadly trio:**

The deadly trio, as we have seen with the *Fieri* and *Gray* families, consists of:

- Unhealthy, destructive behaviors
- A culture of entitlement
- The lack of value creation, coupled with incompetence, laziness, and lack of commitment in the family

This trio is deadly because it can result in:

- Splits and fractures in the family, spilling over into the business
- Deep-seated and decades-long resentments, i.e. *bad blood*
- Living in the past, with a resulting inability to attend to the real business challenges, or family issues, facing the family
- Lack of both focus and strategic thinking, resulting in poor decisions

### **2. Seek advice, supervision and input from colleagues and peers.**

- We all can benefit from getting another perspective. Seek out trusted colleagues and peers to “bounce things off of.”

**3. Take a look at yourself and your own particular dynamics** – what you “bring to the party” when you work with families. What in your own family history is a “hot button” for you? For example, a passive, disengaged father in the family not taking a stand when it is called for, perhaps, may be a reminder of your own experience and can interfere with your objectivity.

**Reminders of  
the past are  
all around us**

### **4. Remember that the past is embedded in and living in the present.**

- Ghosts, secrets and memories influence the roles family members play and their dynamics with each other.

**5. A team approach to the work** can help counteract the stickiness of the relationships with the family and help add some perspective. Team members can share experiences and insights with each other.

**6. Don't blame yourself.** The family is doing what they do. The difference is that they have allowed you to be a participant-observer who is there to help them. They need the hope that they can change.

**7. Be the champion of hope:** Your clients want to believe that you are confident and hopeful that they will get through this, that they will succeed and that you are with them all the way. They may have mixed feelings about the current situation. Your positive outlook will help them enormously.

### **A final note**

*The past lives on in the present; the present is embedded in the past.*

Whether wealth manager, estate planner, accountant, therapist, insurance professional or consultant, this simple reminder can help get us back on track when the process (inevitably) bogs down. Take a breath, step back and wonder, *“What is really going on here?”*

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