

# The Impact of Change: An Interview with Aaron Berman

By Wendy Sage-Hayward, MA, FEA

The COVID-19 crisis has changed how we do business. Leaders of all types grapple with how to guide their organizations through these unprecedented times. Family business leaders take on the added complexities, challenges and stress, as they make decisions not only about the future of their business but that of their families as well.

To explore the impact of these changes and how our families are coping with stress and new pressures, we interviewed FEX Family Member and family enterprise leader, Aaron Berman, Vice President of Business Operations, **BERMANFALK Hospitality Group**. Aaron works closely with his brother and father, as well as their larger staff team. BERMANFALK operates in one of the hardest-hit industry sectors impacted by COVID-19, the hospitality furniture industry. Hotel renovations are typically done when revenue and occupancy is high, so the effects of the pandemic have put the industry on hold. BERMANFALK, however, is still busy thanks to the robust pipeline of projects they possess, although some downtime may be expected until hotels return to more normal occupancy levels.

Aaron's current mantra is "Shelter in Place." This means "continue to do what has made the business successful, be hyper-focused on existing projects, and refine and plan for the future." From a business perspective, continuing to focus on existing high-profile relationships will ensure that when the economy starts to ramp up, they will be ready to quickly move forward.

Stress is unavoidable. The hardest part for Aaron has been maintaining morale with the staff. The business has survived challenging times in the past, such as anti-dumping and tariff issues caused by trade wars between the US and China, and the economic downturn of 2008. But as Aaron notes, the COVID-19 pandemic is different "because of so many unknowns, people are nervous. They don't know what to expect. We didn't know if certain projects would go on hold. We had our suspicions, but then it happened."

Like many businesses, they had to pivot quickly to set up staff working online soon after COVID-19 hit. While this isn't perfect, there are some silver linings such as flexible hours and the ability to be with family more. However, comradery is not as easy to maintain from afar. As a result, early in October, staff are returning to work in shifts a couple of days a week. "We are getting the band back together."

Overall, the family is handling the stress and additional new pressures well. The family strives to "maintain a sense of calm and positivity for everyone."

BERMANFALK has a culture of "family first." Transparency and honesty are key parts of the culture. Integrity and respect are core values. This applies to the staff and the customers. They strive for "transparency with our people and our customers. We like to give people the facts and be honest about the current state of things." Aaron describes this as "Canadian swagger – unapologetic, but nice at the same time," treating others as you want to be treated. This culture is more important than ever right now.

By adapting and changing as needed the business is finding its new normal. Aaron feels fortunate that there is a culture of accountability and initiative among the staff. Staff are working from home and being flexible enough to work when needed. While some staff will return in shifts, this lower person count inside the office is looking like the new normal. Communication has been increasingly important, especially given the distance and stress staff are experiencing.

Keeping everyone informed at the right level of information can be challenging, but they feel they are striking the right balance.

When asked if he had any advice to share, Aaron related it back to the Three-Circle Model (Tagiuri, R., & Davis), which have three integrated and overlapping systems:

**1. Family**

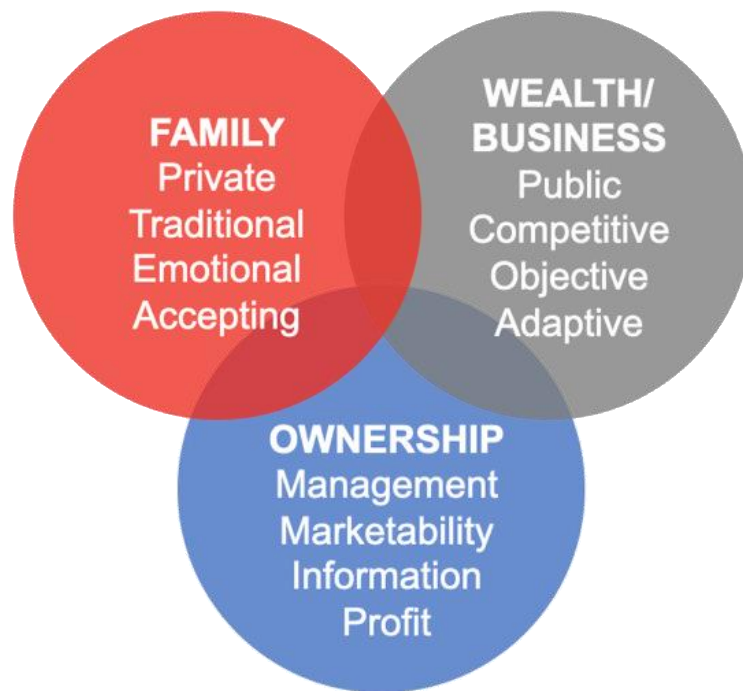
- Over-communicate
- Be united in decision-making
- Lead by example
- Bring your corporate values into everything you do

**2. Business**

- Focus on your people (especially those who are key to the business’s success)
- Take care of your staff if you can (use a pay it forward mentality)

**3. Ownership**

- Focus on core skills and processes
- Ignore the “noise”
- Don’t stretch beyond your means
- “Shelter in place” – it will be better on the other side



Source: Tagiuri, R., & Davis, J. A.. Bivalent attributes of the family firm. *Family Business Review*, 9, 199-208. (Reprinted from Working paper, Cambridge, MA: Harvard Business School)