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Business

Accidental Bosses Seize the Opportunities

Jodi Hilton for The New York Times

Elizabeth Williams took over her father's company, Roxbury Technology, after he died. It has nearly tripled its sales volume under her reign.

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When Archie Williams, an entrepreneur in Boston, died in his bed on Thanksgiving Day in 2002, his youngest daughter, Elizabeth, recalls confronting feelings that went beyond grief.

Should she take over her father's company and give up her career, she wondered? At 38, she had been director of diversity at Blue Cross/Blue Shield of Massachusetts for two years, and the future seemed promising. Ten days earlier, Ms. Williams, a single mother, had just bought her first home.

"It came down to the fact that I was the only qualified person in the family to take over," she said. "If it wasn't me, it was close the doors."

Her father's company, Roxbury Technology, remade used toner cartridges for copying machines. Though her father started the company in 1994, it was still a fledgling operation with three employees and less than $4 million in sales. Ms. Williams knew nothing about the business, she said, but she admired her father's devotion to building a business in the inner city.

Consultants and others who advise start-ups and track small businesses agree that accidental entrepreneurship is a tough undertaking. Notable chief executives like Martha Rivers Ingram of Ingram Industries have surprised people by successfully steering a company after the death of a leader — in Ms. Ingram's case, her husband. More recently, Apollonia Poilâne gained fame in France when at age 18 she took over Pain Poilâne, her family's renowned Paris-based bread business, after her parents were killed in a helicopter crash in 2002. Ms. Poilâne is a senior at Harvard running the $18 million business from afar.

But for many who face such unexpected opportunity, the task is daunting, the failure rate high. So many factors figure into the decision to pick up a business and run with it. The stability of the enterprise, the presence of trusted employees and advisers, and the financial well-being of the company are all crucial decision points. But in the case of the sudden death of a parent or spouse, these decisions are often supplanted by emotional concerns and burdens.

Ms. Williams reached out to her father's business associates, including Thomas G. Stemberg, founder and chairman of Staples, for advice. Within a few days, she decided to make the leap.

"This thing really dropped in my lap," she recalled. "I was scared to death and thought, 'What am I going to do?' I believed in my father's legacy and what he was trying to do for the community. I also knew the company supported my mom, who had never really worked. I knew I had a responsibility to get this done."

Her four years at the helm have been difficult, particularly because of health problems along the way. Yet Ms. Williams says she is convinced she made the right decision. Roxbury Technology has blossomed into an $11.5 million company with 35 employees and a thriving business model. “I’m still amazed sometimes that this happened,” she said. “I cried a lot of nights.”

Mr. Stemberg said: “She had the combination of her dad’s entrepreneurial genes and some business experience at great companies like Blue Cross/Blue Shield that give her business discipline. She’s done a great job building the company.”

Andy Birol, founder of Birol Growth Consulting in Solon, Ohio, interviewed more than 5,000 business owners, and estimates that 50 percent of businesses inherited unexpectedly fail or are sold in a year or two. He suggests that prospective business owners must answer three essential questions when considering what course to take.

The first is, Can you do the job? “This is critical because there is so much guilt along with the assumption of the duty or responsibility to take over the business,” Mr. Birol said. “Many people end up making irrational decisions. They go into it with the idea that they have to do it, and they may simply not have the capability.”

Then there is, Will you do it? “The person they are replacing had that confidence and conviction that they could run a business, and the new person rarely brings the same level of confidence,” Mr. Birol said.

If the heir can and will take on the job, the third question is, How will they do it? Mr. Birol noted that this last question is made more difficult because the business owner who died might have been on the wrong track, leaving the new leader to figure out “the best and highest use” of the company.

When Radha Jalan’s husband died at age 47 in 1992, for example, she had to either find a job or take over her husband’s six-year-old company, ElectroChem. Ms. Jalan had a Ph.D. in education but was a stay-at-home mother in Concord, Mass., raising the couple’s two daughters, one of them still in high school. She knew nothing about the company’s fuel-cell technology but realized that she had to make a living to support herself and her daughters. She decided to run the company, but then all but one of the 10 employees quit after three months.

It was time for a change. Ms. Jalan decided to refocus the company away from research and development to sell products for fuel-cell researchers.

"I had no credentials in technology, but I also never really thought about selling the company," she said. Nearly 15 years later, Ms. Jalan is still president and chief executive of ElectroChem, based in Woburn, Mass., and the company is three times the size it was when she took over.

"I've eked out a living with this," she said. "My family in India are Marwaris, a group known for their business acumen. I guess business was in my blood."

An unexpected death is not the only catalyst for accidental entrepreneurs. Family obligations can lead to unexpected careers as well.

Kent Griswold, armed with a Harvard degree and a master's degree from the Wharton School at the University of Pennsylvania, moved to Australia permanently as a financial consultant, or so he thought. His mother, Jean, an entrepreneur, had started her own home health care business, Griswold Special Care in Erdenheim, Pa., in 1982, despite having multiple sclerosis. Two years after Mr. Griswold left the country, his mother fell and broke her arm and shoulder. His father, a Presbyterian minister, could not run the business, so Mr. Griswold returned to help until his mother mended. He thought it would be a six-month stint.

"I felt an obligation to my parents to try to help them with something they were working very hard at," he said. He realized that his mother's concept was ahead of a coming trend and he found himself enjoying the work. He ended up as president and chief executive of the fledgling company. Despite the intensity of living and working with his mother who threatened to resign numerous times, Mr. Griswold helped her build a $100 million business.

Richard Stim, a lawyer in San Francisco and author of “Whoops! I’m in Business,” warns that getting into family businesses can wreck personal relationships. “You need to address financial issues in a businesslike way so you are not sitting around at Thanksgiving with relatives wondering where their money is,” he said.

For Ms. Williams, her success has justified the faith her father had in her as she was starting her own career. “I found a letter he wrote to me when I was 22,” she recalled. “He wrote: ‘You don’t see what I see in you. I’m building this business so you can take it over someday. I see you as a star.’ I think he would be very proud of me.”