

Long Island Business NEWS

Liers Return to the Family Biz

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Danny Lax always wanted to be an attorney. After getting an engineering degree from the University of Pennsylvania, he obtained a law degree from Benjamin N. Cardozo School of Law. Then Lax became a patent attorney, helping firms protect a wide range of inventions. But in 2008, Lax traded in his career as a lawyer for the family business – API, a plastic parts and lighting manufacturer – in Westbury. The bruising economy has brought sons and daughters who had gone out on their own back into the fold to work in their family’s business. But while job security is a big benefit, such a career change is fraught with challenges.

“There isn’t as much opportunity when there’s a downturn,” said Michael Lax, president of API and Danny’s father. “A family business becomes more attractive in that sense.”

Others said they’re seeing more interest from sons and daughters who might otherwise start a company, work for other, often larger, firms or practice a profession.

“The other options are not that prevalent. The business can look like a very good alternative,” said Ellen Cooperperson, president of Corporate Performance Consultants, in Hauppauge, and an adviser to API. “As long as they had their sights set on doing something else, the family business was just the family business. All of a sudden, they take a look at the family business with fresh eyes as an option.” While laid-off workers sometimes try the entrepreneurial route, Michael Lax said it’s tougher to launch a startup in a down economy, making the family company a better option. “The market for startups wasn’t too good,” Michael Lax said of the time when his son, who considered launching a startup, joined the firm. “A lot of projects we were working on had the opportunity to build into larger enterprises. We had all the resources and infrastructure.”

Other trends make the family business an even more formidable alternative to big-company employment. Bank of America, for example, may have appeared a secure place to work, until it announced it would lay off 3,000.

Robert O. Mayer, co-managing partner at MayerMeinberg, in Syosset, said family businesses offer security, since “you’re going to take care of your own before you take care of somebody else.” Danny Lax said the job security comes with its own challenges. “You have the upside of knowing that you’re not going to be fired or if you do get fired, it’s pretty bad,” he said. “But you have the downside of knowing that you need to really invest and go in a new direction.”

Joining the family business after working as a professional in corporate America often means adapting to a smaller firm, itself a challenge. “There’s a big difference in culture from being a cog in a big machine,” said Craig Weiss, who four years ago joined his father, Ted Weiss, at T. Weiss Realty after working for Morgan Stanley and then a hedge fund. “Everybody’s work matters because everybody’s pulling their weight.”

Danny Lax said joining the family company meant adding a new dimension to his relationship with his father. “We’d always been pretty close,” he said. “It changed the dynamic of most of our conversations to business.”

Just as sons and daughters need to adapt, parents who run companies have to adjust to the change. Michael Lax said he initially was reluctant to work with family members because of the trouble he had working for his father. “I never really wanted my kids to go into the business,” he said. “My relationship with my son was more important.”

Cooperperson said “putting the past in the past” set the stage for a successful relationship between father and son at work.

“There are business norms and family norms,” Cooperperson said, noting the importance of “making a clear distinction between those two.” Michael Lax these days sees himself as father and mentor for his son, who has been growing the business.

“He’s doing his own thing. He’s taking charge of a division,” Michael Lax said. “If it’s successful, he’ll end up getting a ton of the credit.”