The Art of Family Business Continuity
Beyond Best Practices

John L. Ward
Clinical Professor of Family Enterprises
johnward@kellogg.northwestern.edu
Outline

- Review the Field of Family Enterprise Over the Past 25+ Years
- Propose THE 10 “Best Practices” – and Their Limits
- Explore Beyond 10 Best Practices for Essential Capabilities – *The Arts of Continuity*
“The separation of ownership and control [management] is essential to the development of the modern economy and the modern corporation.”

Berle and Means 1932
The Modern Corporation
Harvard Business School Press, and
Alfred Chandler, Strategy and Structure
The Field of Family Enterprise

Family Capitalism 2001+
Managerial Capitalism 1950s-1970s
Investor Capitalism 1980s+

Self-Interested Agents and Impatient Owners
Action, Heroes, Transformations

ENRON, etc.
Anderson-Reeb, etc.

Enlightened Statesman Committed to Company
The Field of Family Business

# Academic Papers;
# Academic Courses per year

1987  |  2001  |  2012
---    |       |      
Zero   |       |      
< 10   |       |      
< 20   |       |      
< 50   |       |      
> 50   |       |      
> 200  |       |      

Not Alone With Challenges  |  Best Practices  |  Different Paradigm  |  Artistry??
Family Business Challenges

- Nepotism (12%)
- Letting Go (23%)
- Sibling Rivalry (31%)
- Cousin Differences, Indifferences (20%)
- Attracting Non-Family Talent (4%)
- Business Challenges (10%)
## Family Firms are More Profitable

<table>
<thead>
<tr>
<th>Source</th>
<th>Performance</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ward</td>
<td>26% vs. 21% ROIC</td>
<td>(5 years)</td>
</tr>
<tr>
<td>Anderson-Reeb</td>
<td>5 – 10% S&amp;P 500</td>
<td>(10 years)</td>
</tr>
<tr>
<td>Vellalonga &amp; Amit</td>
<td>+19% Fortune 500</td>
<td>(7 years)</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>+16%/yr vs. MSCI &amp; 18.5% ROE vs. 14.1% ROE</td>
<td>(5 years)</td>
</tr>
<tr>
<td>Denison-Ward</td>
<td>Culture of 200 companies</td>
<td></td>
</tr>
<tr>
<td>Kellogg 1000</td>
<td>+30% ROIC</td>
<td></td>
</tr>
</tbody>
</table>
Performance and Demography of Europe’s Mid-Size Companies

(250-5000 employees in France, Germany, UK, Italy and Spain)

**Total Companies: 34,000**

<table>
<thead>
<tr>
<th></th>
<th>#FBs</th>
<th>Turnover FBs</th>
<th>Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Companies</td>
<td>34,000</td>
<td>38%</td>
<td>44%</td>
</tr>
</tbody>
</table>

**Performance (2005-2007)**

<table>
<thead>
<tr>
<th></th>
<th>Non-FB</th>
<th>FB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs Created</td>
<td>+5%</td>
<td>+13%</td>
</tr>
<tr>
<td>Turnover Growth</td>
<td>+17%</td>
<td>+21%</td>
</tr>
<tr>
<td>Cash Flow Growth</td>
<td>+21%</td>
<td>+33%</td>
</tr>
<tr>
<td>ROE</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Asset Renewal</td>
<td>36%</td>
<td>40%</td>
</tr>
</tbody>
</table>

ESCP Europe/Ernst & Young 2010
Continuity is Tough

After 14 years

33% Retention!

34% Dropped
28% Acquired
5% Bankrupt

Family Businesses 53%;
Non-Family Businesses 30%

Bain & Co.
Dynamic Capabilities → Competitive Advantage → Distinct Strategy & Culture → Performance: +25% ROI

Governance Conditions
Ownership Unity & Commitment
Adaptability & Longevity
Loyalty & Motivation
Shared Values & Vision

Long-Term Decision-Making
Unconventional & Contrarian Strategy

Values Driven
Intrinsic Performance Management

Business Model
## Different Values

<table>
<thead>
<tr>
<th>Non-Family Business</th>
<th>Family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>Courage</td>
</tr>
<tr>
<td>Empowerment</td>
<td>Dignity</td>
</tr>
<tr>
<td>Teamwork</td>
<td>Fairness</td>
</tr>
<tr>
<td>Change</td>
<td>Open-mindedness</td>
</tr>
<tr>
<td>Leadership</td>
<td>Authenticity</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Hard Work</td>
</tr>
<tr>
<td>Quality</td>
<td>Dependability</td>
</tr>
<tr>
<td>Creativity</td>
<td>Curiosity</td>
</tr>
<tr>
<td>Learning</td>
<td>Humility</td>
</tr>
<tr>
<td>Customer Service</td>
<td>Do The Right Thing</td>
</tr>
</tbody>
</table>
## Best Places to Work

- Founder Businesses: 34%
- Family Businesses: 26%
- Partnerships: 16%
- Non-Profits: 12%
- Associations/Co-Ops/ESOPs: 4%
- Widely-Held: 8%
Especially,

Integrity

Mutual Respect

Stewardship

Personal Responsibility

FUN
Familiness and FB Performance

Performance

“Familiness”

Low  High

Fundamental Configurations

<table>
<thead>
<tr>
<th>Young Company</th>
<th>High F Ownership</th>
<th>Low F Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>F CEO</td>
<td>Family CEO</td>
<td>NF CEO</td>
</tr>
<tr>
<td>No F Board</td>
<td>Low F Board</td>
<td>High F Board</td>
</tr>
<tr>
<td>NF Chair</td>
<td>NF Chair</td>
<td>Family Chair</td>
</tr>
</tbody>
</table>

Source: Garcia-Castro and Sharma, 2011
A Healthy Society?

- Owner Controlled
- Entrepreneurial Ventures
- Private Equity
- Change
- Capital Markets Driven
- Government Controlled
- Non Profits Co-Ops
- Widely-Held Public
- Sovereign Funds
- Private Foundations
- Family Firms
### The Family Capitalism Paradigm

<table>
<thead>
<tr>
<th>For the Family Firm</th>
<th>For the Non-Family Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>The purpose is continuity</td>
<td>The purpose is maximizing near-term share price</td>
</tr>
<tr>
<td>The goal is to preserve the assets and reputation of the owning family</td>
<td>The goal is to meet institutional investor expectations</td>
</tr>
<tr>
<td>The fundamental belief is that the first priority is to protect downside risk</td>
<td>The fundamental belief is that more risk promises more return</td>
</tr>
<tr>
<td>The culture is values driven first</td>
<td>The culture is strategic fit</td>
</tr>
</tbody>
</table>
## The Family Business Paradigm (continued)

<table>
<thead>
<tr>
<th>For the Family Firm</th>
<th>For the Non-Family Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>The strategic orientation is adaptation</td>
<td>The strategic orientation is constant growth</td>
</tr>
<tr>
<td>The management focus is continuous incremental improvement</td>
<td>The management focus is innovation</td>
</tr>
<tr>
<td>The most important stakeholders are customers and employees</td>
<td>The most important stakeholders are shareholders and management</td>
</tr>
<tr>
<td>The business is seen as a social institution</td>
<td>The business is seen as a disposable asset</td>
</tr>
<tr>
<td>Leadership is stewardship</td>
<td>Leadership is personal charisma</td>
</tr>
</tbody>
</table>
FAMILY FIRMS + CORPORATE PERFORMANCE

- FFs very significantly more social initiatives
- Especially when higher family and later generation involvement
- And, especially with community and employee stakeholders

The theory is that the relational/collective orientation of family firms raises the level of social identity compared to transactional/individualistic orientation of non-family firms.

John Bingham, et al.,
2010 Journal of Business Ethics
Study of S&P 500
From Best Practices to Essential Capabilities

1. Succession Plan
2. Family Employment Policy/Outside Work Experience
3. Family Constitution
4. Independent Board
5. Family Council
1. Family Meetings and Education
2. Shareholders’ Agreement and Redemption Policy
3. Portfolio of Engagement Opportunities
4. Leverage Competitive Advantages of Family Capitalism
5. Implement Distinct Culture
What is Artistry?

From: John Dewey & James G. March

When?
- Complexity
- Ambiguity
- Intensity

Integrating
- Mastery
- Originality

Open-minded

When?
- Uncertainty
- Instability
- Indeterminatability

Practices

Processes
# In Depth Case Studies (36)

<table>
<thead>
<tr>
<th>STAGES</th>
<th>I</th>
<th>I → II</th>
<th>II</th>
<th>II → III</th>
<th>III</th>
<th>III → IV</th>
<th>IV+</th>
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<tbody>
<tr>
<td>ASIA</td>
<td>Mewar</td>
<td>Lee Kum Kee (A)</td>
<td>Lee Kum Kee (B)</td>
<td>Lee Kum Kee (C)</td>
<td>Murugappa</td>
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<td></td>
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<td>SRF</td>
<td>Harilela (A)</td>
<td>Harilela (B)</td>
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<td>GMR</td>
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<tr>
<td>EUROPE</td>
<td>KWS</td>
<td>Bata (A)</td>
<td>Beretta</td>
<td>Bata (B)</td>
<td>EC Family</td>
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<td>Hilti</td>
<td>Clinton Devon</td>
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<tr>
<td>Latin</td>
<td>Entrepreneurial Philanthropy / Leal</td>
<td>Klaveness Group</td>
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<tr>
<td>America</td>
<td></td>
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<tr>
<td>NORTH</td>
<td>Wang Laboratories (A)</td>
<td>Wang Laboratories (B)</td>
<td>SC Johnson (A)</td>
<td>Keystone (A)</td>
<td>Freedom Communications</td>
<td>Lehman Family Office</td>
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<tr>
<td>AMERICA</td>
<td>Rogers Family</td>
<td>Distera</td>
<td>Prince Co Boardroom</td>
<td>Magid</td>
<td>Communications Fel-Pro</td>
<td>SC Johnson (B)</td>
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<td>Keddeg</td>
<td>Star Machining</td>
<td>Scott Family</td>
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<td>Abt</td>
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<td>Weston Nurseries</td>
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<td>Omeda</td>
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<td>Communication</td>
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<td></td>
<td></td>
<td>Spatz Laboratories</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>OTHER</td>
<td>Four Generations Owens Family (A) – Australia</td>
<td>Oracle of Omaha Meets the Visionaries of the Galilee – Israel</td>
<td>Four Generations Owens Family (B) – Australia</td>
<td>Four Generations Owens Family (C) - Australia</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Please see [http://www.kellogg.northwestern.edu/research/family/cases.htm](http://www.kellogg.northwestern.edu/research/family/cases.htm) for more information
#1 Succession Plan

“Letting Go”
“Taking Charge”
“Choosing”
and
“Implementing”

The beginnings:
Attracting NxG

The endings:
Succession Task Force
1. Internships  
2. Early Interactions  
3. Family Harmony  
4. Frequent “Tweets”  
5. Some Ownership  
6. Education in Family Business  
7. Outside Experience  
8. Parents’ Expectations  
9. Excellent Governance  
10. Formal Reports

Adapted from Bjornberg & Nickelson plus Ward
The Succession Task Force

WHO?

WHEN?

WHAT?

Communications

Remuneration

Monitor Culture

Family Career Impacts

Strategize Stakeholder Relations

Board and Advisor Evolution

Symbols & Ceremonies

Organizational Development

Etc.

Facilitate Transition
Therefore,

Continuity Planning
#2 Family Employment Policy and Outside Work Experience

YES, 60% and 60%

BUT…

What do we really want the next generation to learn about leadership?

And is it different for family businesses?
What is Leadership?

Not Charisma → Humility

R. Khurana, Harvard

Beyond Skills and Knowledge → “Practical Wisdom” (Phronetic Leadership)

Nonako & Takeuchi, Hitotsbashi U., Tokyo
Charisma Trap

#1 Perceived Quality

Founders were charismatic; successors may want to be; luckily they are not likely so

Nigel Nicholson, LBS

CEOs as Heroic Visionaries and Transformers

- Another Product of Investor Capitalism
Problems with Charismatic Leaders

- Belief in the superiority of outsiders
- Overestimate impact on results
- Destabilize organization and culture

“The Curse of the Superstar CEO”
*Harvard Business Review*, 09/01/02
Instead, Humility

- Know strengths and weaknesses
- Select complements
- Accept context and complexity
Limits of Knowledge

“The scientific, deductive, theory-first approach assumes a world independent of context and seeks answers that are universal and predictive.”

Rather, *Practical Wisdom*

Experience, guided by morals and values for prudent judgments

*Phronesis*

*Toku*

*Yukta*

Source: Nonako & Takeuchi
“Phronetic leaders understand it’s essential to appeal to both logic and emotion and also strive to understand all the contradictions of human nature—good and bad, civil and uncivil, optimistic and pessimistic, diligent and lazy—and, more than balance them, synthesize them at a higher level.”
“Management is the last of the liberal arts.

“The fundamentals of the liberal arts are

self knowledge

wisdom

practice and

application

“We need to bring art back into management, thinking and teaching…”
One More Family Successor Advantage:

Idiosyncratic Experience and Knowledge
### Passing on a Legacy

<table>
<thead>
<tr>
<th>Jacques-Yves Cousteau (100)</th>
<th>Jean-Michel Cousteau</th>
<th>Philippe Cousteau</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>Ocean Futures Society</td>
<td>Oceanographer</td>
</tr>
<tr>
<td>Determination</td>
<td></td>
<td>to 1979 seaplane</td>
</tr>
<tr>
<td>Passionate about youth</td>
<td></td>
<td></td>
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<tr>
<td>Vibrant Energy</td>
<td></td>
<td></td>
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<tr>
<td>Ability to seek out hope</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Researcher</td>
<td></td>
<td></td>
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<tr>
<td>Photographer</td>
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<tr>
<td>Film Maker</td>
<td></td>
<td></td>
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<tr>
<td>Inventor</td>
<td></td>
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<tr>
<td>Adventurist</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Story Teller</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: “Cousteau’s Legacy”, Susan Castle, 2010
Passing on a Legacy

“People will protect what they love”

Fabien (43)
Environmental economics
Quit office NGO job
PBS Ocean Adventures
Plant a Fish
Shark submersible

Céline (38)
Cause Centric Productions
Tells environmental stories
TV series in Chile
Reefs at Risk

Alexandra (34)
Earth Echo
National Geo Explorer
Bio diesel bus
Colorado River Watershed
Uses all social media to tell stories

Philippe (30)
First film of BP for ABC/CNN
Students Reporting Environmental Action (Citizen Journalist)

“We are not Cousteaus because of our birth certificates. We are Cousteaus because of the values we share and the actions we take on behalf of our planet. That’s a legacy each and every one of us can share.”

SOURCE: “Cousteau’s Legacy”, Susan Castle, 2010
A Family Successor Disadvantage

- Feedback
- Career Pathing
- Coaching

Our Belief,

Family Human Resources Committee
#3 Family Constitution

+ 50% Do

< 50% Successfully
8 P’s of Highly Effective Family Agreements

- Positive
- Participative
- Partnership
- Personal
- Philosophic
- Professional
- Process & Project
- Paradoxical Resolutions

SOURCE: Montemerlo & Ward, 2005
Process over Policies

Best,

Preambles
As a family we have drafted this participation policy for future generations. Before you read it, we want to explain why we have written a policy that at first reading might sound overly restrictive. There are several issues that this letter will address:

1. The role of merit in hiring and advancement
2. The importance of family values
3. The hiring of family members at the management level & potential for executive leadership
4. The value of outside experience
5. The ineligibility of spouses and their relatives for employment
Participation Policy Preamble (900 Words)

1. We believe... as an individual, you have the best chance for success when you are in a job that you are prepared and qualified for. Self worth is very much tied in to being productive and successful at work, whatever field or type of work one chooses.

2. ...when a family member is employed by the company he or she is naturally held by all concerned to a higher standard than other employees...

3. We believe that for the sake of family equity and harmony, as well as for the good of the company, qualified family members should enter the business at middle management or above... Having family members in a lower level positions can create distortions in the workplace hierarchy; etc.

4. Along with this Preamble you should also find a letter your uncle/father has written on the value of outside experience. His letter explains the thinking behind that part of our Participation Policy...

5. ...however, we believe it is best to exclude spouses and their relatives from future employment at ABARTA for several reasons. With 17 members of the 4th generation we already have a very large talent pool for the future; etc., etc., etc.

Your family worked long and hard drafting this Participation Policy. It took about five years for us to come up with a policy that we all could feel comfortable endorsing. Along the way there were lengthy deliberations and tough decisions. Please understand that this policy was created to ensure continued success for our family business without compromising our family values and standards. It was written with the utmost love and compassion for future generations of this family.
Family Statement
- Values, Vision, Principles
- Family Mission

Protocol/Family – Business Policies
- Policies & Procedures
- Charters of Roles, Responsibilities with Expectations
- Commitment to Business Continuity

Owners’ Charter
- Shareholders’ Agreement

HOW OWNERS ADD VALUE
Owners’ Charter

- Why are we committed?
- What are our expectations as owners?
- How do we add value as owners?
- What is our structure of ownership?
- How do we make decisions as owners?
- What is our vision for our enterprises?
- What is the design of our boards?
- What are our roles and responsibilities as individual owners?
- How do we hold ourselves accountable?
- How do we enhance the emotional meaning of ownership?
- How do we prepare ourselves and the next generation for ownership?
#4 Independent Board

Evidence is Persuasive – yet only 15 - 20% have three
Top Ranked of 35 “Tricky Issues”

1. Family Member Inclusion-Selectivity
2. Familial and Professional
3. Nose In – Fingers Out
4. Family First or Business First
“Tricky” Family Enterprise Governance Contradictions
Non-Employed Family on Board 57%

Family Education for Board Role 17%
#5 Family Council
How “Professional” is the Family Council

- Merit
- Assessment
- Development
- Compensation
- Selected
VERY IMPORTANTLY,

ONE Business; ONE Family
MOST IMPORTANTLY

WHY FAMILY?

Belonging
Community
Continuity
Learning

Values
Roots
Identity

Collective
Resources &
Networks &
Impact

Etc.
Etc.
Etc.
Why Family?

“A family is a community in a world where connectedness is increasingly difficult to find…”

Scott Family

“We recognize that our families have provided us with a strong platform for success, and we believe that a sustained, positive experience of family will continue to bring us together and provide similar opportunities to those that follow…”
#6 Family Meeting and Education

WORK (50-70%)

FUN (20-30%)

LEARN (10-20%)
Education as Means... to Education as an End

- Family University as “Business Unit”
- Learning Culture
- Sharing with Other Families
- Creating Proud, Compelling Sessions
Interpersonal Skills Curriculum

Level IV
- Self-Facilitating
  - Family Succession & Continuity Planning

Level III
- Managing Change
- Leading Teams
  - Family Governance
- Family Codes, Roles & Policies

Level II
- Understanding Groups
- Developing Consensus
- Negotiating Conflict

Level I
- Listening to Others
- Understanding One’s Self
- Presenting One’s Views
- Conducting Meetings
- Family Meetings

FAMILY BUSINESS INVITATIONAL CONFERENCE: SUCCESS AND CONTINUITY
Personal Health

The “Art of Giving”

Meaning of Family

Etc.
#7 Shareholders’ Agreement & Redemption Policy

Policies Before Need

Who?

How Much?

What Terms?

24% have had exit; 45% no policy
Voluntary Commitment

Building the Emotional Asset
#8 Portfolio of Family Role Opportunities

To engage individual interests and common good:

- Family Philanthropy
- New Venture Funding
- Family Office Employment
- ...As Well as Family Governance Roles
BEWARE…

Too much accommodation of individual interests fragments family and compromises meritocracy
BETTER…

- Family and Business Philanthropic Synthesis
  i.e., workplace safety and safety products

- New Ventures Where Markets Aren’t Efficient
  i.e., unconventional, unique insight

- Governed, not Managed Family Office
#9 Leverage Family Business Competitive Advantage

- Long-Term Decision-Making
- Unconventional, Contrarian*
- Market Perceived Quality
- Internal Brand
- Fast/Agile

...because of ownership concentration and commitment

*vertical integration, diversification per Villalonga & Amit, 2004
We’ll pick you up.
## Our Survey Results

<table>
<thead>
<tr>
<th>Statement</th>
<th>NFB</th>
<th>FB</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe my company under invests in the future (CEOs)</td>
<td>43%</td>
<td>8%</td>
</tr>
<tr>
<td>Our planning horizons are getting shorter</td>
<td>84%</td>
<td>59%</td>
</tr>
<tr>
<td>There is no doubt in my mind who will control this company in five years</td>
<td>40%</td>
<td>82%</td>
</tr>
<tr>
<td>If I see a near-term problem I shift my focus to it to the detriment of long-term initiatives</td>
<td>74%</td>
<td>47%</td>
</tr>
<tr>
<td>The future will be better than the past</td>
<td>68%</td>
<td>90%</td>
</tr>
<tr>
<td>In our company we actively promote the past</td>
<td>21%</td>
<td>75%</td>
</tr>
</tbody>
</table>
Dynamic Capabilities ➔ Competitive Advantage ➔ Distinct Strategy & Culture ➔ Performance: +25% ROI

Long-Term Decision-Making ➔ Unconventional & Contrarian Strategy ➔ Adaptability & Longevity

Values Driven ➔ Intrinsic Performance Management ➔ Loyalty & Motivation

Business Model ➔ Ownership Unity & Commitment ➔ Shared Values & Vision

FAMILY BUSINESS INVITATIONAL CONFERENCE: SUCCESS AND CONTINUITY
The 10 Dynamic Capabilities of Family Enterprises

- Thinking Long-Term
- Managing Paradoxes
- Alliancing
- Retaining Memory/History
- Thinking Options
- Sensing Opportunities
- Assessing Risks Differently
- Building Social Capital
- Building Owner-Manager-Board Relations
- Managing Succession

\[ \text{\ldots and any other sustainable, replicable processes} \]
IRR and DCF => Disinvestment

Risk/Reward Ratio = SD/Return

Risk/Reward Ratio With Increasing Holding Period for an Investment with Annualized Return of 10% and a Standard Deviation of 20% SD = Standard Deviation. (Source: Tom Zellweger)
Managing As If the Future Mattered

- Paradoxically, Push the Past
  - Orientation & Celebration
  - Post Audits
  - Performance Management

- S-T-R-E-T-C-H the Future
  - Planning Horizons
  - Define Purpose & Principles
  - “Distract Attention” to Balanced Scorecard

- Beyond DCF/IRR Think Options & Scenarios
Family Businesses Think Options Naturally

- Limited Capital
- Prudent
- Incremental
#10 Implement Distinct Culture and Performance Management Philosophy

- Hiring for “Fit”
- Orientation and Development
- Operationalizing and Measuring Values and Culture
- Rewarding the Unmeasurables – Performance Management
- Managing Paradoxes
“Slow to Hire; Hasty to Fire”

- Many Interviews; Many People
- What Questions to Ask?
“In this world full of paradoxes, companies that manage paradoxes will out-perform companies that don’t.”

Joe Page
CEO, Cargill
Most Problematic Paradoxes

Change & Tradition (27%)

Selective & Inclusive (25%)

Fair & Equal (18%)

Freedom & Loyalty (16%)

Growth & Liquidity (14%)
<table>
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<th>1st Generation</th>
<th>2nd Generation</th>
<th>3rd Generation</th>
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Living a spiritual life means we are able to live our life in total polarity. This means we are at ease in the in-between spaces…

- Between tradition and progressive viewpoints
- Between rational and emotional responses
- Between taking action and just being there
- Between solitude and leisure
- Between fasting and feast
- Between discipline and wildness

If we are not growing in our spiritual life then we get stuck on one end of the spectrum or other and we can end up bland, lukewarm, mediocre and isolated. The only way to live a spiritual life is to be able to touch both sides at the same time…

*Saint Teresa of Avila*
“What is needed is a realization that power without love is reckless and abusive, and love without power is sentimental and anemic. Power at its best is love implementing the demands of justice, and justice at its best is power correcting everything that stands against love.”

*The Reverend Dr. Martin Luther King, Jr.*
 Tradition *is* Change

- Past Fuels Future

- Personal Responsibility Melds

- Individual Freedom and Collective Commitment

- Stewardship *is* Fulfillment

- Security Enables Bold Growth
In Sum,

1. See Succession Planning as Continuity Planning
2. Define the “Leadership” for Development
4. Prepare Owners for Board
5. Think “One Family” (as well as One Business)
1. See Family Education as an End, a “Business Unit”

2. Build the Emotional Asset

3. Focus on Shared Vision More Than Individual Interests

4. Manage Thinking About the Future

5. Rejoice: “How wonderful that we have met with a paradox. Now we have some hope of making progress.” – Niels Bohr
“We’re not trying to manage your life, young one, but, when you grow up, we do sort of expect you to be a penguin.”