

# Preparing the Next Generation to Take Over the Asian Family Enterprise

by Christian Stewart

Bridging the gap between generations is critical for achieving a successful handover and maintaining family unity.

When do you start preparing the Next Generation of leaders ("Next Gen") to take over the Asian family enterprise?

Ideally the founder of the family enterprise would have developed a general succession plan by the time the Next Gen have completed university. However, this does not mean bringing the Next Gen straight into the family enterprise to work. The family office can help the founder to develop such a roadmap for his family. Here are six key steps for the founder to take.

## First, clarify your vision

In many families, there is a communication gap between generations and often the Next Gen do not know where they fit, or what is expected of them. Are they expected to come back and work in the family enterprise, and if so, at what age and what experience do they need to? What should they be studying at university? One way to start to build a bridge between the generations is for the founder to develop their own written vision of how they see the future of the enterprise and the family. By sharing this vision with their children, the founder can begin a conversation about the future needs and direction of the family and its business.

## Second, identify your family elders

In order for the founder to develop their vision statement they need someone who they can talk it through with before they are ready to share it with their family. The ideal person to do this with is a family elder. Family elders do not need to be a family member, but they need to be trusted by the family and they need to be wise. They need to be someone who can help to bridge the communication gap

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between the founder and his children. Family elders are an important part of the family governance system. If there is a trusted non-family member who is the chairman of the family office, that individual might fit the role.

### **Third, give the Next Gen outside work experience**

When the Next Gen finish university, don't bring them back to work in the family enterprise. Let them go and work somewhere else first for several years. Let them learn what it means to be an employee working for someone else. Let them see how successful they are on their own away from the family. This strategy may cause some challenges. They may come back with very different ideas on how the family enterprise should be run. However this strategy is the best investment you can make in their own personal development and will pay off over the long run for both the family and its enterprise. Some family firms have an employment policy which requires a number of years of outside work experience before family members can come and work for the family.

### **Four, avoid making your child the “Son of the Owner”**

When the Next Gen do enter the family enterprise, try to make a clear distinction between the role of the owner of the business and the role of an employee or manager in the business. When the Next Gen first come back to the family enterprise, they are not ready to play the role of owner yet. It's better to bring them into a management role first, let them report to somebody other than the founder, and let them work their way up.

### **Five, develop collaborative skills**

If there is going to be a number of different owners in the future, for example, a group of siblings or cousins, it is critical for this group, which may be of different ages, to learn how to collaborate together. Collaboration means knowing how to share power. Over the long run, ownership of the family enterprise will be more important than the management role. Many Chinese family enterprises fail because the owners cannot make joint decisions together.

### **SIX, hold yourself accountable**

If there is going to be a single successor in the future, they can follow the same model of command and control leadership as the founder generation. If there will be multiple owners in the next generation, then the second-generation business leader will need a new model of leadership and they will have to hold themselves accountable to the owners. The founder can help the next generation to prepare for this new model of leadership if the founder can build a model of accountability for how they run the family company. If the family is making financial investments through a family office, its CEO can work together with the founder to help develop processes for testing the founder's decision making and making those decisions transparent.

### **The family constitution**

The family constitution is becoming popular with Asian families. A constitution or charter is a written document that explains how the family will make joint decisions together. It will also help to clarify the different roles that are present in the family enterprise. If there will be a single owner in the future, a

family constitution will not be necessary. If there will be multiple owners in the future, the constitution will be a very important tool to preserve family harmony. When making a constitution, it is important to keep in mind that “the process is more important than the product”. Whether it will be effective or not depends on how the family implements it. Ideally, it should be developed by the family, but the family will usually need to use an outside consultant to guide them in the process.

### **The family office**

The purpose of the family office is to help preserve family wealth for future generations. It can help with more than just ensuring that the financial capital of the family is properly managed. As a family passes its wealth from one generation to the next, its affairs become more and more complex. The family office can help the family achieve an organized way to deal with this increasing complexity. It can help the family develop its own system of governance or joint family decision-making. This will include developing the family constitution and organizing regular, facilitated, family meetings. It will also include overseeing family education and development; in particular, focusing on ownership education. This means teaching the Next Gen how to be effective owners of the family wealth. **BM**

# 為亞洲家族企業下一代接手作好準備

在世代之間建立溝通橋樑，對傳承及家族團結相當重要

“在很多家族中，不同世代之間存在代溝，下一代往往不知道他們可以如何融入，或家族對他們有什麼期望”

你什麼時候開始準備讓下一代繼承亞洲家族企業？

理想的情況是，家族企業創始人在下一代大學畢業之後就制定計劃，但這並不代表就直接讓下一代進入家族企業工作。家族辦公室可以幫助企業始創人為他/她的家人制定計劃。以下有六個步驟可供參考。

## 第一步，確定願景

在很多家族中，不同世代之間存在代溝，下一代往往不知道他們可以如何融入，或家族對他們有什麼期望。他們願意回到家族企業工作嗎？如果願意，應該在何時，或需要先取得經驗呢？他們在大學應該修讀什麼專業？溝通不同世代的其中一個方法就是由企業創始人先寫下對於企業和家族未來的願景。創始人如能和子女分享願景，就有助於發起大家討論家族和企業的未來需要和發展方向

## 第二步，需要認識家族長輩

在和家庭成員分享願景宣言之前，家族企業創始人需要和特定人選討論詳情。理想的人選就是家族中的長輩。家族長輩不一定是家庭成員，但是他們需要獲得家族中人信任，並且很有智慧。他們應可協助創始人和其子女之間建立溝通。家族長輩是家族管治體系的一個重要部分。如果家族辦公室的主管是一個受信任的非家族成員，那他亦可以是擔任家族長輩這個角色的最佳人選。

## 第三步，讓下一代有更多工作經驗

下一代大學畢業後，不要讓他們馬上回到家族企業，反而可以先讓他們到其他地方

工作幾年，以體驗作傭員的滋味，看看自己離開家族的庇護後能憑自己努力獲得多大成功。這一策略可能會帶來一些挑戰。當他們回到家族企業之時，可能會同時帶回一套非常不同的家族企業營運理念。然而這策略有利於他們個人發展，長遠更可為家族和企業帶來利益。一些家族企業甚至會制定有關規定，要家族成員在回到家族企業工作之前需在外面工作幾年。

## 第四步，莫讓你的下一代成為「老闆的兒子」

當下一代進入家族企業之時，請先明確老闆和管理層或員工的角色。下一代回到家族企業之初，他們可能未準備要成為老闆。最好是讓他們先擔任管理者的角色，讓他們從屬其他人，靠自己一步步往上升遷。

## 第五步，發展協調能力

如果將來會有很多不同的老闆，如眾多兄弟姊妹，不同年齡家族成員間學習協調就相當重要。協調意味著知道如何分享權力。在長遠來看，家族企業的擁有者比管理角色更加重要。很多中國的家族企業的失敗都因為企業擁有者不能集體作出決策。

## 第六步，承擔起責任

如果未來只有一個繼承人，他們可以追隨創始人的管理模式。但如果下一代中會有幾個繼承人共同領導企業，那麼第二代的企業領袖就需要建立新的領導模式，並同時向創始人負責。如創始人可以幫助下一代建立營運家族企業的決策模式，便可進

一步協助他們適應這套新模式。如果家族是通過家族辦公室處理投資的話，那麼家族辦公室的行政總裁可以和創始人一起建立決策流程，並讓這些決策更加透明。

## 家族法規

亞洲家族對家族法規的概念很熟悉。所謂法規或憲章是指解釋家族如何作出集體決策的書面文件。家族法規同時也能明確家族企業中的不同角色。如果將來只會有一個老闆，那就沒有必要制定家族法規。如果將來有多個老闆，那家族法規就能在保持家族和諧性方面起到很大作用。在制定家族法規時，需要牢記「過程比結果更加重要」。家族法規是否有效取決於家庭成員如何執行它。理想的家族法規應該由家族成員制訂，但是通常需要在外部顧問的協助下完成。

## 家族辦公室

家族辦公室的使命是為未來世代保護家族財富。除了確保家族財富得到妥善管理之外，家族辦公室還可以發揮更多的作用。在一個家族企業傳承的過程中，家族事務會變得越來越複雜。家族辦公室能將家族成員組織起來處理這些複雜情況，也能夠讓家族建立管理或集體決策的體制，其中包括制定家族法規、定期組織家族會議、監督家族教育和發展。家族辦公室還會關注家族企業所有者的教育，以教育下一代如何有效管理家族財富。**BM**