



Perspectives of the Younger Generation

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I recently attended a conference for enterprising families - those in family businesses and others who had significant assets in common. At that conference there was a panel of members of the "next" generation. These were the heirs apparent, the chosen ones who are challenged with the opportunity and responsibility to take their families' enterprises to the next generation. Theirs is a role of stewardship for not only the tangible assets traditionally associated with wealth, but for the intangible ones - the values that can sustain and even propel the family forward. The key talking points of these stewards is worth noting and can serve as a guide to members of the senior generation on topics they need to address.

Bringing Value to the Family

First, and perhaps foremost, they talked about their desire to bring "value" to the family and its holdings. They realize that they are not clones of their parents and the value they bring to the enterprise needs to be their own. Next was "communication," recognizing that all too often challenging matters are left unspoken for fear of making them worse. These younger generation members, unlike

many of their parents, are willing to take the risk to have difficult conversations, realizing that the potential payoff is worth it.

They next spoke of the need for "planning" and recognizing that "alignment" among stakeholders of both vision and strategy, short-term and long-term, is vital to success. As these younger generation members talked about planning, they expressed the desire to work together with their parents and other family members to craft the necessary plans that will afford a seamless transition of both leadership and ownership with clarity on responsibilities and decision-making authority. They want to be sure that their roles are determined by the match of their skill sets with the needs of the business. As dialogue continued, "contingency planning" was discussed, acknowledging that the unexpected might occur and both the family and the enterprise need to be protected from the unknown.

The Heart and Soul of Transition Challenges

The panel then shifted its focus to the heart and soul of transition challenges, "the younger generation taking hold" and "the senior generation letting go." There is the classic dynamic here that the younger generation can't take hold until the senior generation lets go. And, of course, the senior generation won't let go until the younger generation is ready to take hold. The responsibility for transition lies in both hands. Seniors must help the next generation understand what knowledge, skill and experience is required of them in order to be able to take hold. Likewise, the next generation must address a professional development plan with benchmarks and accountability that demonstrate competency to the seniors. Implicit, but infrequently talked about, is what the younger generation needs to do to be sure that the needs of their parents are met. These



needs are social and emotional as well as financial.

As discussion about the process of transition unfolded, the younger generation spoke of the value of "keeping employees informed." The water cooler and coffee bar are still the hubs of chatter among those who work with enterprising families. Little can be more destructive to employee morale than inaccurate rumors. Younger generation family members will always be viewed through critical microscopic eyes, so why not set the record straight at the outset and even provide a vehicle for feedback? Though not discussed at the conference, we encourage 360-degree performance appraisals for members of the next generation to support them in their quest for leadership. As we've said so many times before, "self-awareness is the most important attribute of leadership" and a 360-degree evaluation can provide process and content for self-reflection and appropriate action.

The final topic of discussion was "bringing in the right consultant." Mom and Dad's accountants, bankers, insurance professionals, attorneys, and financial advisors may not be right for their sons and daughters. Simply yet painfully stated: they might be too old to relate effectively. We encourage that next generation of emerging leaders to be involved in the selection process of those professionals as well as for family business consultants if and when needed.

A great opportunity exists here for the senior generation to acknowledge and reinforce these contributions of next generation family members. The messages from these young leaders could more than prime a text book on successful succession.

What's that old expression? "From the mouths of...?" We still have a great deal to learn.

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