



Reimagining Family Business Transitions

Rethinking, Rebalancing, Reinventing





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Domains of Family Wealth

associated with this White Paper

- Leadership and Transition Planning
- Governance and Decision Making
- Family Dynamics

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Successfully passing the reins of the family business to the next leader or owner is one of the most important challenges that family businesses face. It is also one of the most emotional given the life and career changes that often affect every generation of the family.

Because the senior generations are well-established and experienced in their roles, it's often assumed that they require minimal transition support. Consequently, the focus to date has generally been on the rising generations to help them develop the skills and capabilities they'll need to take on leadership and ownership roles.

We're challenging those assumptions.

Family businesses are complex social systems, and we believe that everyone involved in the transition process needs new skills, capabilities and support to successfully transition *into* – as well as *out of* – their roles.

In contributing to existing family business literature and conversations related to continuity and succession, we are sharpening the focus on the senior generation, and the



specific support that they need in order to facilitate their own personal transitions as well as those of their family and the business. In our view, the starting point is the important preparatory work that is necessary to enable their interest, motivation and capacity to open a new chapter in their lives – one that creates a clear path forward for both themselves as well as their successors.

Looking at the Future Through the Senior Generation's Lens

In today's environment, it's impossible to ignore the expanded and productive lifespan of the 100-year life.¹ It's becoming increasingly common, for example, to find senior generations remaining in their roles for five or more decades with as many as three generations of the family who are working in the business at any one time. The motivation and timing for senior generations to 'pass the torch' is often ambiguous, as are the prospects for their increasingly impatient rising generation family members.

To add to the ambiguity, longer lifespans are also enabling second (or more) marriages and children whose ages are widely dispersed across the generations. It isn't unheard of, for example, to find that the oldest members of the sixth generation are older than the youngest members of the fifth in some family businesses.

In the past, these generational dividing lines were more discrete, making it possible for senior leaders to pass control in a relatively linear fashion to a clear set of candidates in the generation behind them. But the demographic profile and diversity of these 'blended generation'² families is changing the family dynamics, and making traditional primogeniture and generation-to-generation succession processes less feasible.

Family Demographics – A Critical New Driver in Successful Transitions

The demographics of the family cannot be ignored.

'Generational blurring' is making the path to succession less clear-cut for rising generations. Do they know where they're positioned on the timeline and what they can look forward to? Do they even have (or want) a future in the family business? And, if so, how long will it take?

The demographic reality of the different life stages in the family must be recognized, and the goals and plans of different family members must be respected by keeping a balanced perspective on everyone's position in the transition timeline.

Without question, the personal goals and plans of different family members adds complexity to family business transitions. However, ignoring this reality only adds further anxiety to the challenges of such an important process. Without clarity on the timing and process for the transition, there is a danger that talented rising generations may disengage from the business altogether, pursue opportunities outside the business and disrupt the multi-generational continuity of the business.

Take for example, a family business with whom we're familiar where the father retained management control of the business because he continued to enjoy it and wasn't looking to make a change. His son, however, was reaching an age and stage in his life where he wanted more authority and autonomy. Recognizing that the family business wasn't going to provide it, he established his own business, independent of the family, which ultimately had a negative impact on family harmony. It also subsequently created disproportionate

1 To explore further, see "The 100-Year Life – Living and Working in an Age of Longevity"; Lynda Gratton and Andrew J. Scott.

2 To explore further, see "Blended Generations: When thinking generationally breaks down"; Dennis T. Jaffe and Nick De Loretto.



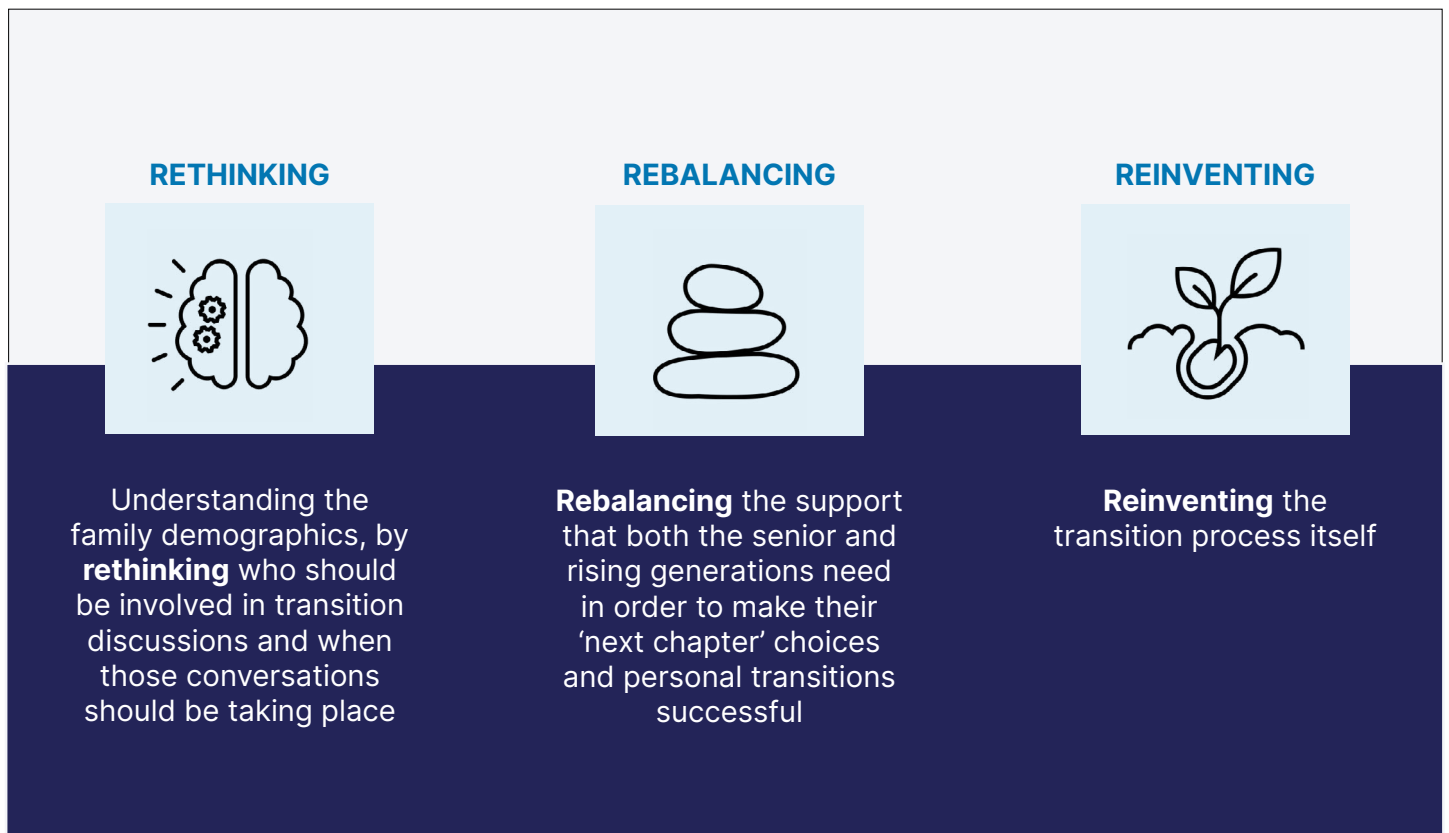
levels of wealth in the family as the son became wealthy, independent of the collective wealth where he continued to have an interest.

Reimagining Business and Family Transitions

In our experience, the extended productive lives of the senior generation, combined with the impact of blended generations is having a significant influence

on the timing and process of family business transitions. It's also creating a new reality that most successful multi-generational families will face eventually.

Therefore, understanding and addressing the demographic make-up of the family has become of paramount importance, and there's a need to reimagine family and business transitions by: *rethinking, rebalancing and reinventing*.



Rethinking

Taking the First Step

Self-Reflection – And Knowing When to Let Go

One of the biggest leadership challenges for existing power holders is knowing when – and how – to let go. Without the motivation to introduce changes, senior leaders can become unwitting bottlenecks in transitioning the ownership and leadership of their businesses.

What does the future hold for senior leaders whose identity, self-respect and sense of purpose have been intertwined with their business for decades? How can they go about envisioning a different future? Are they motivated to explore the opportunities of ‘what might come next’? And are they prepared to let go when the rising generation is ready to take the lead?

It’s complicated, and not surprising to find several generations in many family businesses becoming increasingly impatient for the current power holders to take the first critical steps. What’s holding them back?

There are many practical and emotional questions about the future that need to be addressed by the senior generation.

- What would need to be true in order for me to be ready to transition the business?
- What does the next stage of my life look like?
- Am I even interested in opening a new chapter?
- Is there a continuing role for me to play in the business?

- Or can I apply my knowledge and experience in other areas outside the family business?
- Are there new areas of personal interest that I’ve been eager to explore?

For senior generations, the answers to these questions often require deep self-reflection on their values, priorities and purpose and to be motivated by the vision of an inspiring new chapter of their lives. The ability to look at themselves from a slight distance with interest and curiosity does not always come naturally, and it’s a special skill that must be developed.

The Impact of Regret

Often, honest self-reflection also results in the acknowledgment of powerful regrets or ‘absences’ – the things that people didn’t get around to doing (or chose not to do) in pursuing their life and career choices. As Daniel Pink points out, *“If we know what we truly regret, we know what we truly value.”*³

This marks an exceptional later-in-life opportunity for senior generations to achieve a deeper awareness of what they value most in life and enhance their sense of meaning and purpose. And it can have a powerful impact on the mindset of senior generations and how they can begin to build their next legacy.

3 The Power of Regret, Daniel H. Pink danpink.com.



As Sarah Lawrence-Lightfoot, author of [The Third Chapter](#), has described, “We must develop a compelling vision of later life; one that does not assume a trajectory of decline after age fifty, but recognizes this as a time of potential change, growth and new learning; a time when our courage gives us hope. This third chapter is a stage in life when the traditional norms, rules and rituals of our careers seem less encompassing and restrictive; when many women and men are embracing new challenges and searching for greater meaning in life.”

Confronting the Fear of Loss

While the idea of exploring new challenges can be revitalizing for some, others are hesitant to change. Some may not be prepared to think about their own mortality; or they may not have the psychological or physical energy or inspiration to contemplate the opening of a new chapter.

Also, people generally care deeply about what others think about them. And internalizing the praise and blame of others for decades can result in senior leaders seeing themselves as others see them. They value themselves as others value them. And their personal identity may be so tied to the business that they can’t accept the idea of a future for the business without them – or a future for themselves without the business.

Caring what other people think drives a lot of human behavior, even if it isn’t always consciously acknowledged. So it shouldn’t be surprising that this often inhibits the motivation for senior generations to step out of their current roles and commit to new goals that are personally fulfilling rather than attempting to meet the standards and expectations of others.

Again, it requires exceptional self-awareness and personal accountability for senior leaders to recognize the impact that others’ perceptions have had on their appreciation of their own self-worth and value.

To break through this self-perception log jam, it’s often necessary for senior generations to confront the ‘fear of loss’ – to shift their attention from the legacy they have built (which is often tied to status, importance, involvement – and something they were naturally good at) to a ‘curiosity for the future’.

There are costs to remaining wedded to old ways and an unwillingness to embrace change and innovation. Paradoxically, these old ways were likely the hallmarks of the executive’s earlier leadership and success. Justin Craig refers to this phenomenon as “entrenchment”, where existing leaders overstay their welcome and inhibit an effective succession process.⁴

Only by disengaging from a steadfast commitment to their existing goals – and stepping up to the prospect of exciting new goals⁵ – can they shift their mental model from being afraid of losing ‘what they used to be’ to embracing ‘what they want to become’ and contribute in new ways.

Honest self-reflection requires both skill and courage, and senior generations need the understanding, encouragement and support of everyone around them to take on this important challenge and begin the writing of their next chapter.⁶

4 Continuity Model Generation – Integrating Wealth, Strategy, Talent, and Governance Plans, Justin B. Craig, Wiley, 2022.

5 Adaptive Self-Regulation of Unattainable Goals: Goal Disengagement, Goal Reengagement, and Subjective Well-Being Wrosch, Scheier, Miller, Schulz, & Carver, 2003.

6 Further ideas for self-reflection can be found in Stephanie Brun de Pontet’s Transitioning from the Top – Personal Continuity Planning for the Retiring Family Business Leader, 2018.

Rebalancing

Supporting Every Generation

The Importance of Empathy

Because of the family's interconnectedness, it's ineffective to solve one issue in isolation, or to support one group of people, or deal with only one aspect of the family dynamic. Business and family transitions can create uncertainty and anxiety if they aren't recognized as continuous and natural progressions that need to be navigated in a careful, thoughtful and skillful way.

Given this reality, we believe there needs to be more balanced attention on how both the senior and rising generations can support each other in stepping up to new challenges and future opportunities. It has often been assumed that the senior generation is doing just fine. Judging and developing the rising generation has, therefore, received most of the attention.

The time has come for a fresh perspective.

It's our view that the rising generation is generally doing well. Many are already bringing a lot to the table through their energy and new ideas. They're moving faster, communicating faster, and their tech savviness is accelerating many family businesses into a revolutionary digital future.

There are many potential options for younger generations outside the family business, and they're becoming increasingly impatient for their senior generation leaders to open the door. Too much emphasis in the past, however, has been on judging the family's rising generations and questioning whether they are "good enough to be in the family business."

Such negative messages rarely recruit the best family members, and there is a concern that the most talented will take their MBAs and seek out exciting new opportunities elsewhere.

For senior generations, listening and learning from the ideas and experiences of rising generations is a way to stop asking "is the next generation good enough?" and to start thinking, "what opportunities can I present that will make it compelling for them to apply their talents in our family business?"

This requires senior generations to put themselves in the shoes of younger family members; to be engaged and listening to their dreams and concerns; to understand their goals and the value of what they are learning, experiencing, hearing and seeing in business that is different from what the founding generation may be exposed to.



Supporting the Power Holders

While understanding and appreciating the goals, dreams and expectations of the rising generation is critically important, it's our view that an equally important (and perhaps more pressing) challenge is the support that senior generations need in order to sustain business transition/continuity process.

Recognize that Releasing Control is Hard: As the power holders, they are the ones deciding whether (and when) to release control. While the process (or lack of it) can be viewed as “selfish or unfair” from the rising generations’ perspective, the power holders are facing potentially life-altering psychological and sociological challenges that often aren’t fully articulated or acknowledged. Without the recognition and support that the senior generations need in order to address these challenges, it isn’t surprising if they aren’t motivated, ready or able to step out of their lifelong roles and relinquish control over their ideas, preconceptions and leadership.

Understand What’s at Stake: When senior leaders aren’t able to reflect this honestly on their personal continuity plans – let alone those of the business and the family – the decisions and actions that are necessary for *everyone* to progress to the next stage of their lives will continue to fall behind.

Gain Perspective: A key skill in adult development is the ability to gain perspective – to put a specific idea, problem or situation in a larger context – and contribute to new approaches and solutions that have yet to be considered. Every generational cohort has to rise above their own perceptions to appreciate what others may be going through and how that is influencing their decisions and behavior.

Engage the Board: Active and strong boards can play an important role in supporting the senior generation. For a reluctant senior, boards can serve to initiate

crucial conversations that nudge the process along and prevent it from dragging or stopping altogether. Boards can make introductions to other senior leaders who have successfully transitioned and are willing to share their experience. Boards can also help senior generations see the bigger picture of the greater good and pivot when necessary to avoid derailing the transition process.

Listen and Support: So, just as senior generations need to be able to put themselves in the shoes of their potential successors, the rising generations also have to be able to put themselves in the shoes of the senior generation; to be engaged in listening to their challenges and concerns, and to support them in helping to re-imagine the next chapter of their lives.

In today’s environment, rebalancing the empathy and support that is needed by the members of each of these cohorts will be necessary for the successful continuity of business families.



The Practice of Empathy

Showing empathy is about looking through the lens of everyone whose lives are affected by the evolution of the business. It's the way the family system works, and everything that each family member does has a consequence for the other people they care about.

Fundamentally, it requires everyone to be more curious about what they can learn from each other by actively seeking new ideas, asking questions and taking personal accountability for understanding the views, challenges and concerns of everyone in their cross-generational partnership.

You may be interested in trying this empathy exercise.

Put yourself in the shoes of a family member, and complete the Empathy Map Canvas below, developed by David Grey, ©2017.

The Empathy Map Canvas is a diagram shaped like a person's head in profile, facing right. It is divided into seven numbered sections for gathering information about a person's experience:

- 1 WHO are we empathizing with?**
Who is the person we want to understand?
What is the situation they are in?
What is their role in the situation?
- 2 What do they need to DO?**
What do they need to do differently?
What job(s) do they want or need to get done?
What decision(s) do they need to make?
How will we know they were successful?
- 3 What do they SEE?**
What do they see in the marketplace?
What do they see in their immediate environment?
What do they see others saying and doing?
What are they watching and reading?
- 4 What do they SAY?**
What have we heard them say?
What can we imagine them saying?
- 5 What do they DO?**
What do they do today?
What behavior have we observed?
What can we imagine them doing?
- 6 What do they HEAR?**
What are they hearing others say?
What are they hearing from friends?
What are they hearing from colleagues?
What are they hearing second-hand?
- 7 What do they THINK and FEEL?**
PAINS
What are their fears, frustrations, and anxieties?
GAINS
What are their wants, needs, hopes and dreams?

Below the head profile, there is a line for: What other thoughts and feelings might motivate their behavior?

Last updated on 16 July 2017. Download a copy of this canvas at <http://gamestorming.com/empathy-map/> © 2017 Dave Gray, xplane.com



Reinventing

A New Demographic Succession Model

Just as senior generations need to be inspired and motivated by a vision of the future outside the family business, rising generations need to be equally inspired and motivated by what could lie ahead for them *inside* the family business. This is often an updated version of the senior generation's role, which has an impact on the stages of adult development that are necessary to prepare them for new roles, financial security and wealth.

The 'blended demographic' profile of family businesses is changing the generational succession model, and the life development stages of family members is introducing a potential new framework for transition processes.

We believe that the shifting sands of the senior and rising generations' needs and expectations requires a change in mindset— away from the traditional "intergenerational succession" ethos to a "demographic" approach based on the ages, stages and capabilities of the rising generation.

It represents an evolution from the old primogeniture succession principles to demographic successions that are structured in terms of the stages of the adult development lifecycle,⁷ with several transition models that are tied to the development of the rising generations' capabilities rather than the generation of the family where they happen to be positioned.

Adopting a Continuity State of Mind

The shift towards transitions based on adult development stages is also adding to the current momentum to move away from transitions as decision-making 'events' to evolutionary 'processes'. And it's changing the terminology away from 'succession planning' to the longer-term nature of 'continuity planning'.⁸

By definition, the concept of continuity suggests stability and consistency with little disruption over long periods of time. A continuity mindset enables senior leaders to maintain their formal power, while also beginning the process of letting go by transferring some of their informal power to the rising generation.

Continuity principles are also focused on the importance of 'evolving' versus the need to 'change' and disrupt the status quo. It reflects a growth mindset that embraces challenges and remains resilient. It also provides senior generations with the time and space they need to develop the introspective capabilities that will ultimately help them in refining their purpose, identifying future opportunities and reducing the fear of losing their identity.

We support the view that continuity is a more contemporary and relevant perspective on transitions. It represents a crucial mindset shift from the binary "in

7 For more, see "From Child to Citizen of the Family Enterprise: The five act family drama of next generation development"; Dennis T Jaffe, 2011.

8 Transitioning from the Top: Personal Continuity Planning for the Retiring Family Business Leader; Stephanie Brun de Pontet, 2018.



and out” replacement concept to one that has softer edges and is less daunting to all the parties involved. Given the interdependencies within the family business system, a continuity approach helps senior generations to ease their way into the process of letting go, while also providing opportunities for rising generations to assume various responsibilities over time.

Embracing a continuity state of mind is a critical first step in recognizing the need to begin to build those capabilities and being motivated to do so. We’ve often heard business leaders say that their successors need more advanced skills than what was required of them. The speed of change is amplifying the motivation to advance the leadership capabilities of rising generations in an increasingly complex world.⁹ Ayelet Fishbach studies motivation science, and she describes the “goal gradient effect” – the more progress that people make, the more eager they are to keep going. It increases their level of commitment, builds confidence in their ability and continuously affirms the value of the goal that they are pursuing.¹⁰

There are many actionable pathways to assist family business leaders in building the necessary capabilities and making practical progress with their continuity planning to sustain their success across generations. The recent publication of “Continuity Model Generation”, for example, provides family businesses with pragmatic ways to manage their strategy, wealth, talent and governance in achieving multi-generational success.¹¹

Beginning to Let Go

Although he still had power and authority as the family business owner, one retiring senior leader we’re familiar with made

the decision to come to the office only on afternoon each week. He also moved from the CEO office to a smaller interior office sending a clear message to everyone in the family and the business that he was releasing some of his decision-making power to the new leader. Such symbolic examples of ‘letting go’ is often just as important as the formal process of giving up power, and it helps to support the transition of elder leaders and their successors.

9 Unleashing Your Complexity Genius: Growing Your Inner Capacity to Lead; Jennifer Garvey Berger, Carolyn Coughlin, 2022.

10 Get it Done: Surprising Lessons from the Science of Motivation; Ayelet Fishbach, 2022.

11 Continuity Model Generation: Integrating Wealth, Strategy, Talent, and Governance Plans; Justin B. Craig, PhD., 2022.



Leaders in Transition

Preparing for “What Comes Next”

A combination of sociological, psychological and demographic factors influence the timing and nature of the succession process among senior generations. But we believe that one of the most significant is the psychology behind their ability to see and prepare for a purposeful, meaningful role beyond the one they have played traditionally.

There are many different types of family business owners and leaders operating in a variety of life stage environments. It's human nature to continue to do what is comfortable and not actively seeking out the unknown, and there will always be some who will want to hold on forever.

Before they're ready to make decisions and take action on major business transitions, the senior generations must be able to contemplate their own next stage, to see a clear path forward and be motivated by the options ahead.

Transition ideas of the past – such as ‘retire in your 60s, relax and enjoy life’ – are no longer relevant. Perhaps they never were particularly germane or practical. And with longer lifespans, they now have to invent their own next stage. But first – if they haven't already recognized it – they have to believe that there *is* a next stage, and the potential to open an exciting new chapter.

The wealth creator now has to figure out ‘what's next’, a question that Arthur Brooks explores extensively in his latest book “From Strength to Strength”¹², which shows

how to accept the gifts of the second half of life with grace, joy and ever-deepening purpose.

One recent example that comes to mind is that of a business owner who knew he needed to transition the business, but he was having difficulty in pulling the trigger. With the aid of a professional coach, he recognized that the reason holding him back was lurking beneath the surface as an “unknown, known” – watching his retired friends spending their time playing golf and feeling like they wanted more.

He realized that he didn't want to become yet another example of someone going from “deeply engaged” to “wanting more”. And that insight sparked his energy to consider what an engaged next chapter could look like. He ultimately created an ideal mix of involvement in the entrepreneurship program of a local university, combined with travel, philanthropy and – yes – even some occasional golf. The key to unlocking the transition process was in finding the right balance in his life and interests, and knowing that there would be something ahead that would continue to energize him.

But current family business literature – and our own experiences – suggest that many senior generation leaders are continuing to live in a bubble. They spend time with people they've known all their lives and people who agree with them. They're members of clubs and groups of like-minded people who share their views.

12 “From Strength to Strength”, © 2022 Arthur C. Brooks

Unless they actively seek out diverse thinking and divergent opinions, they may fall into the trap and risk of operating without being challenged.

How do they break out of this bubble?

Taking an Honest Look in the Mirror

As suggested earlier, the process begins with honest self-reflection and self-awareness. As they begin to consider the next chapter, senior generations may need to act as their own “impartial spectators”¹³ by positioning themselves as observers of their decisions and behavior and how they would be seen by an objective observer. With this ‘outsider perspective’, they can – at least to some degree – scrutinize the impact of their conduct and accountability for the outcomes.

Such self-reflection is neither egoistic nor judgmental. It’s simply a reimagining of the modern-day senior generation with previously unexplored characteristics including the concept of a portfolio career that enables them to apply their unique and diverse experiences in many different ways – from passion projects to opportunities to mentor and coach others. These modern senior generations embody an openness to examine their purpose, values, past accomplishments and aspirations objectively; and to open their minds and be motivated by new goals for creating a new legacy.

Self-reflection also helps them to practice empathy by recognizing and acknowledging what other people are going through, and asking themselves, “what can I do differently to change that dynamic?”, especially in situations where there’s a power imbalance with the rising generation.

In part, this also allows them to consider the ‘greater good’. If the goal is multi-generational success and the continuity of the family business, they may be able to make peace with the idea of stepping away – and how it is the altruistic and right thing to do.

Bolstering Insights Through Assessments

Well-crafted and executed transition plans typically include a formal assessment of the rising leader; these assessments prove useful in answering questions about their readiness and helping to shape a tailored leadership development plan for getting the rising member ready.

Conversely, this valuable practice of drawing on assessments to increase insights to develop an effective tailored plan is frequently left out of the toolkit for the senior generation. For curious senior generations who are open to exploration and guidance on what they might need to work on in their transition, assessments can be a valuable tool.

13 The idea is based on Theory of Moral Sentiments by Adam Smith, published in 1759.



Reimagining the Future

The ability to envision and be inspired by ‘what’s next’ is the first critical step for senior generations to take in managing their own transitions successfully. Their future roles are yet to be known. That’s a puzzle they have to be prepared to explore to see how different pieces of their interests and passions might fit together and revive their sense of purpose.

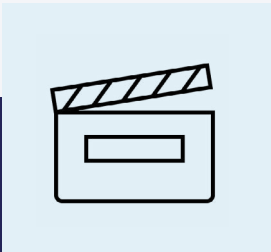
Taking an honest look in the mirror requires them to reflect on how they see the natural implications of the current stage of their longevity and how to begin constructing a new legacy for the future.

It takes courage and clear goals that are focused on the opportunities that lie ahead, rather than what they might lose by stepping away.

The Start of a New Legacy

One family business CEO we’re familiar with had a very successful business in the United States Midwest. He moved to another State to start a venture fund with some of the family wealth. He left the legacy business to his son and daughter, and let them create the next generation of the company. Now, he has built an entirely different and hugely successful business for the second time in his career.

What do you see when you look into the mirror?



What are you doing?



How do you feel?



What are you thinking?

To escape from the bubble, here are some ideas for senior generation leaders to consider; to challenge their thinking and broaden their experiences:

- Retain a coach to support you in becoming a strong, impartial spectator.
 - Participate in peer groups, where members ask each other questions and can challenge your thinking.
 - Study and take courses; go back to school, attend family business elder-leader programs and personal development workshops.¹⁴
 - Serve on the boards of other types of businesses or non-profit organizations to gain exposure to other possibilities and learn new ways of approaching issues and opportunities.
 - Become a mentor:
 - To children or grandchildren
 - To young leaders outside the family through local university MBA programs
 - To leaders of non-profits
 - Get involved in social action activities, such as politics, philanthropy and social causes.
 - Step back from your legacy business and become involved in family office activities that will broaden your horizons.
- Leverage assessments most relevant to the insights you are looking to amplify. Assessments that the authors have found helpful include:
 - **360-degree feedback process** in the family business with the senior leader setting an example by being the first one to be assessed.
 - **Clifton Strengths®** (Formerly StrengthsFinder®) (designed to help you chart your course using the true north of what you naturally do best)
 - **Energy Leadership™ Index (ELI)** (attitudinal assessment tool that captures how an individual currently perceives and approaches work and life; available through an iPEC Certified Coach)
 - **Family Enterprise Assessment Tool (FEAT)** (family 360 to assess family and business dimensions including succession and wealth communication; developed by Dennis Jaffe, and available online through Premier Growth).
 - **Insights Discovery** (high face validity to support self-discovery and awareness; based on the psychology of Carl Jung)
 - **Pro-D** (anchored in the idea that people will find fulfillment in a role that engages their missions, competencies, and style)
 - **Team Management Profiles (TMP)** (allows inter-generational comparison on how to best communicate across generations)

Successful Restarts

A New Chapter in the Senior Generation Dynamic

Forty years ago, John Davis' research demonstrated the interdependency of choice throughout family businesses, noting a direct correlation between each member's actions – and non-actions – and the potential opportunities or actions that other family members can take.

With the new reality of the 100-year life and blended demographic profile of families in business, the decisions and actions that are taken by each generation have even greater consequences today. Succession choices are no longer focused only on the power holder's children, but potentially on their grandchildren as well. And each generation has important choices to make and steps to take in assuming a shared responsibility for their respective futures.

How Senior Generations Can Become Learners for Life

One leadership professor once said that one of the perks that leaders think they have when they become the CEO (particularly when they're the owner-operator) is that they no longer have to learn from (or listen to) anyone else. As a result, there are long-term family business CEOs who were great leaders for the first 20 years and have basically kept doing the same things in the same way.

There's no incentive to keep learning if you have created a successful business that is running itself. Why reinvent

something that has been successful for decades? Here are a few suggestions for kick-starting that process and igniting their enthusiasm for becoming a learner for life:

- Develop the capabilities/skills required for honest self-reflection, refining your purpose and developing a new vision for your next legacy.
- Consider your purpose in the context of your family's mission; the purpose of wealth; and the purpose of the family business.
- Complete self-assessments, such as the "VIA Character Strengths Survey"¹⁵ to help understand and build upon your greatest strengths and work on those that may need revitalizing.
- Encourage feedback on your performance. Leaders often recognize the importance of 360-degree feedback throughout their businesses, but neglect to include themselves in the feedback process.
- Build a continuity plan based on self-accountability with incremental steps to take it forward.
- Evaluate your outcomes and the potential for your over-reliance on work that may affect your choices in the family business going forward.
- Get support from external resources, other generations, and by harnessing the power of learning from contemporaries, such as an affinity group of supporters. There is high value in peer groups and networks, with a caveat that it requires you as a leader to show vulnerability and build trust.

15 VIA Institute on Character www.viacharacter.org.



- Listen and learn from the ideas and experiences of rising generations rather than questioning if they are good enough for the family business. Be open to reverse mentoring.
- Given the complexity of the speed of change, consider accessing the support of a highly skilled coach who can help to accelerate the leadership capacity development of the rising generation.

Bursting the Bubble

It's rare for people who are 'in the bubble' to take action unless something intrudes, but we're encouraging leaders to be more intentional in taking actions now that will give them more control in designing the future of their businesses successfully.

How the Family Can Learn to Support the Senior Generations Evolution

Both the rising generation and the wider family system play important roles in supporting the senior generation through transition processes. They have unique perspectives and views that can add value when the senior generation adopts a continuous transition mindset.

Greater awareness is a good starting point. When we look at senior leaders, we may not be aware of what they are struggling with, and we assume that they know everything. Appreciating that the "coaches need coaching" and that they are human is important. Managing complex transitions may not be a skillset they have developed, so empathy and tolerance are essential.

- What could you be doing to help your parents or grandparents come to terms with the need for a purposeful next chapter? What could you do to help them resolve the difficult challenges they may be facing?
- What is your contribution in helping the senior generation to continue to have a rewarding life? Leaving it up to them isn't very helpful, and you have the power to have an impact on their lives. What do you think they're concerned about? What do you think they expect of you?
- Understand the implications of the timing elements of transitions, and how fast or slow the process may be. Pushing too fast can be just as problematic to the continuity process as moving too slow.¹⁶

Securing the Continuity of Families and Their Businesses Evolution

Understanding each generation's need for support can move the needle on the successful continuity of senior leaders, their families and businesses. It helps to ensure that the senior generation is able to reimagine what comes next, to continue to have a sense of purpose and economic security while opening the door and paving a successful and continuous path forward for the generations that follow.

On a family level, senior generations occupy a natural position as leaders and mentors in helping everyone to make transition decisions. As the generation with the power, they have the best ability to spearhead the changes that are needed to ensure the smooth

16 Gersick, K. E., Lansberg, I., Desjardins, M., Dunn, B. (1999). Stages and Transitions: Managing Change in the Family Business. *Family Business Review*, 12, 287-297.



continuity of their legacy, their business and their family. While they have the most authority to drive change, they also have the most to lose.

But, time waits for no one. Without the right amount of support across the system, the family is unable to move concurrently, and there is a danger that younger family members might make other choices outside the family business before the senior generation is ready to begin exploring their own next chapter.

This is why we believe that a serious realignment of support is needed for both the senior as well as the rising generations. Most importantly, this requires an enhanced, empathic understanding throughout the family of the personal goals and challenges that each generation faces before they are willing and able to begin the next chapter in their lives.



About the Authors



Stacy Allred

*Managing Director, Head of Family Engagement & Governance
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Stacy Allred has dedicated her career to walking alongside individuals and families to more effectively navigate the complexity and promise of wealth. Immersed in the facilitation of family meetings and development of family governance and decision making, her practice includes supporting family systems to build competencies (collectively and individually) that are essential for one's life stage, role and continuity of the family enterprise.

Stacy is a Managing Director and Head of Family Engagement and Governance at J.P. Morgan Wealth Management. Prior to joining J.P. Morgan, Ms. Allred spent three years at First Republic Investment Management and twenty years with Merrill Private Wealth Management, founding the Merrill Center for Family Wealth™ during her time there. Holding a Master's in Science in Taxation, she began her career providing comprehensive financial planning and tax services to multigenerational family groups and executives for nine years with Ernst & Young.

Stacy serves on the advisory board for the UHNW Institute and chairs the Leadership and Transition Planning domain. She is a member of Collaboration for Families Flourishing, Family Firm Institute and Purposeful Planning Institute.



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Dr. Jaffe is a San Francisco-based advisor to families about family business, governance, wealth, and philanthropy, and a Senior Research Fellow at BanyanGlobal Family Business Advisors. He is author of "Borrowed from Your Grandchildren: The Evolution of 100-Year Family Enterprises"; "Finding Her Voice and Leaving a Legacy"; "Cross Cultures: How Global Families Negotiate Change Across Generations"; "Stewardship in your Family Enterprise: Developing Responsible Family Leadership Across Generations and Working with the Ones You Love".

His global insights have led to teaching or consulting engagements in Asia, Europe, the Middle East, and Latin America. The Family Firm Institute awarded him the 2017 International Award for service, and in 2005 he received the Beckhard Award for service to the field. In 2020 he was awarded a special commendation as an individual thought leader in the field of wealth management by the Family Wealth Report. He has a BA degree in Philosophy, MA in Management, and Ph.D. in sociology, all from Yale University, and professor emeritus of organizational systems and psychology at Saybrook University in San Francisco.





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Ken is a family business consultant and teacher who has worked with family enterprises in various parts of the world. His work includes:

- Succession planning for family businesses and family offices.
- Creating effective governance for these enterprises.
- Helping clients implement their succession and governance plans, including serving on various family or owners' councils and similar bodies.
- Education and training for the different generations in an enterprising family and for their advisers.

He is the co-author and teacher of the following education programmes for the Society of Trusts and Estate Practitioners (STEP).

- The Advanced Certificate in Family Business Advising.
- The Advanced Certificate in Family Business Governance
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Ken is also a Fellow of the Family Firm Institute.



Daniel Trimarchi

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Daniel has worked in the Business Families sector for over 13 years, working in Australia, the UK and Canada. In addition, he is the Global Director for KPMG Private Enterprise's Global Centre of Excellence for Family Business.

He specializes in providing consulting services to enterprising families who are managing change and complexity, understanding their objectives and definitions of success allowing them to co-create an effective plan for the future governance of their business and wider enterprise.

He is a member of the STEP Business Families Special Interest Group Global Steering Committee and Faculty Member of the UHNW Institute. Daniel is an accredited Specialist Family Business Advisor with Family Business Australia, a full TEP member of STEP and an organizational member of the Family Firm Institute and Purposeful Planning Institute.



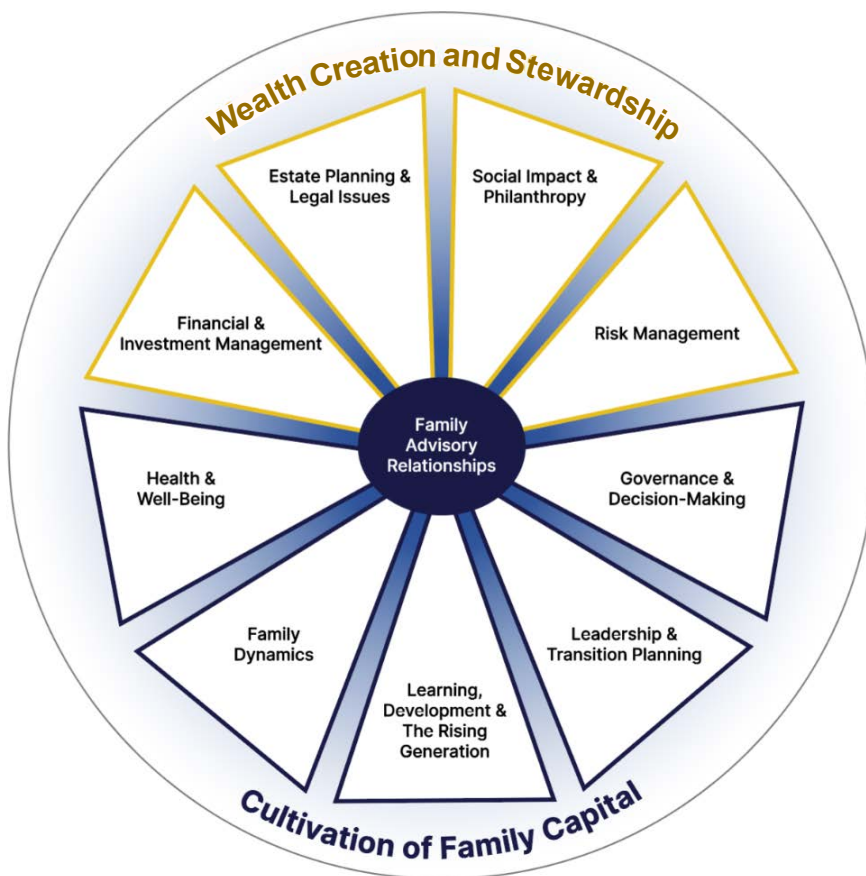
As a nonprofit think tank and learning exchange, The UHNW Institute is elevating the wealth management industry to a new standard so that families and their advisors can foster prosperous and meaningful relationships from one generation to the next.

Domains of Family Wealth

associated with this White Paper

- Leadership and Transition Planning
- Governance and Decision Making
- Family Dynamics

The 10 Domains of Family Wealth



What are the 10 Domains of Family Wealth?

As part of our mission, The UHNW Institute has thoroughly examined the broad range of needs and services that impact the lives of families with wealth. Based on this analysis, we've determined the Ten Domains of Family Wealth—an interdisciplinary model representing the specialized landscape that ultra-high-net-worth families inhabit.

This groundbreaking model includes nine disciplines, each of which requires a high degree of technical acumen, plus a central domain representing the many relationships and skills through which families and their advisors interact.

Click [here](#) to learn more about the domains.

Visit www.uhnwinstitute.org to discover more about The Institute.