

Building a Learning Family: Why Collective Ownership Development Matters

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Jim Burton, a highly successful entrepreneur, recently sold his business, PPI Management Inc. He allocated a sizeable portion of the proceeds to invest in a multigenerational legacy with his six children, their partners and his grandchildren. As a result, he created a private family foundation referred to as the James A. Burton and Family Foundation and asked his adult kids to be part of it. He wanted to build a shared dream with them which he believed would bring growth and advancement to the family and the communities in which they live and work. Although Jim had been charitable his whole life, this situation gave him the chance to advance a philanthropic family legacy together with his children.

Over the last couple of years, the Burton family has been growing their shared understanding and capacity surrounding philanthropy, financial literacy and family communication. To advance their progress as a collective, they partake in tri-annual family meetings, monthly financial coaching, regular learning sessions and more. The Burton Family exemplifies what it means to be a learning family.

Developing Cohesion, Connection and Trust

A learning family, as we define it, is a group of relatives who are passionate about the resources they own presently or will own in future, and who work together to actively produce an owner's mindset and the ability to advance their family's capital (spiritual, financial, human, social and intellectual). A learning family is a desirable state that is the result of a never-ending cycle of learning and development. Consequently, it is the process of becoming a learning family, not the achievement of being one, that yields the advantages of collective growth.

As family enterprises grow in size and complexity, it's critical to move beyond individual development and advance the

entire family. Collective ownership development promotes cohesion, connection and trust among family members who may look, think and behave differently, enabling the group to come to consensus decisions.

Any team working on complex issues requires a common set of frameworks and vocabulary for effective dialogue. A family enterprise is no different. Collective family enterprise education yields a shared language across members, including as related to business terms (e.g., growth, risk, profits and liquidity), ownership terms (e.g., trust, shareholders agreement and dividends), communication terms (e.g., empathy, consensus, and active listening) creating a more level playing field and efficient, effective decision-making processes. In this article, we aim to explore the processes for becoming a learning family and some of the challenges involved in doing so.

Creating Purposeful Learning Opportunities

Learning families manifest a proactiveness. They purposefully create learning opportunities to advance both individual skill and their combined knowledge base. They commit the time and energy to enhance their capacities, striving for a shared dream together.

A learning family starts by conceiving of a vision for and expectations of development opportunities, including a budget and an action plan. Learning and development activities are devised in reaction to family members' needs and interests apart from the business requirements. Learning families experiment, take risks and attempt novel ways of doing things. The aim of collaborative growth is mostly based on talents and knowledge that promote cohesion and teamwork. When the family is not sure of their destination, they don't give up. Instead, they persevere to find the right path based on the needs in their stage of life.

Learning families master the art of fostering trust and respect. Even the most knowledgeable of family businesses will come to a standstill and will not reach their desired outcome without a shared feeling of trust and respect. They understand that trust is a tangible asset which is comprised of values, competence and dependability generated over time in small moments and activities.

Even though it may appear to be an unorthodox opinion, trust can be reconstructed once it is broken. So, when events occur that challenge cohesion in the family, they take the time to unpack the issues and find the means to address their differences. The collective processes of learning should focus on establishing higher levels of trust among the ownership group.

Advancing Collaboration Aptitude

Owners of various ages, stages, expertise and roles must be able to communicate their ideas and opinions in a respectful manner while making room for those of others. Therefore, one of the key goals is to enhance their capability to work together proficiently. Families need to grow their ability to handle disagreement constructively and peacefully on everything from a shared vision to familial employment to setting up effective governance. Collaboration is at the center of family enterprise continuance, and among the main convictions of an owner's attitude. Therefore, one of the principal objectives of collective growth is advancing collaboration aptitudes and a feeling of partnership among relatives, which can be passed on through the generations.

The fundamental capacity to develop a family and future investor group involves collective choice-making which means gathering to examine alternatives and choosing a way forward in a participatory style. In this process, all voices are heard and assessments are shared openly. When agreement can't be reached, returning to the issue again later demonstrates to all that finding synergy amongst the collective is most important.

The optimal place to initiate ownership development and becoming a learning family is with a family conversation. This will help build buy-in about the importance of collective growth, the advantages of being a learning-oriented family, and create enthusiasm for the same. Interest in the process should be evident immediately, as will any potential challenges.

We recommend keeping the growth process simple, fun, and applicable to each member of the family. Possibly begin by selecting one or two ideas such as a scheduling learning trip, constructing an important policy together, or building shared knowledge in a joint area of interest such as financial literacy. The key is to relate the learning activities to the personal circumstances of family members.

Common Challenges to Family Learning

When it comes to collective development, there are several common issues to be aware of. To begin, it's critical not to rush things. Building a learning family takes time, and an abundance of activities all at once could cause burnout or rejection of the process. It can be easy to get discouraged if everyone is not engaged, but it's important to keep trying in small ways to build momentum. It's an art to get family members to learn, and it needs to be done in a way that combines personal interests, business needs and family priorities. Finally, it's essential to prioritize strengthening trust and communication if family learning is to be successful.

Here are the three main mistakes which may impede the progress of a collective development:

1. Acting too quickly. Becoming a family that learns is a long-term journey and trying to introduce too much at once can cause confusion and overwhelm. Changes to how the family system operates need to be done carefully and all involved must be on board.
2. Giving up too easily. It's easy to give up on the idea of family learning when everyone is occupied with the business and raising young children. One patriarch's comment of "You clearly haven't prioritized this" when family members couldn't attend his learning events just made the younger generation resentful. Engaging family members in learning requires uncovering each individual's interests and combining them with the business requirements, but doing it in a strategic manner.
3. Sacrificing the needs of the many for the issues of the few. Every family faces the dilemma of whose needs to put first: the group's or the individual's? Ideally, both types of needs can be satisfied with relationships, policies, practices and values related to ownership and other areas. Sometimes, families' ownership development efforts can be derailed by the issues surrounding one individual or a small subset of people

— such as an unwillingness to buy into a collective vision or to abide by long-standing policies.

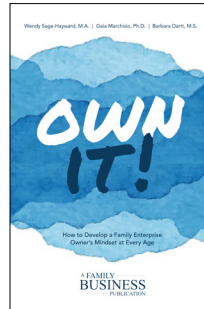
Many families will try to engage everyone around all things, especially something as important as ownership development. Sometimes that's simply not feasible, and it makes sense to move ahead on ownership development with those who are willing to learn and grow rather than to let one person exert a disproportionate influence on the enterprise's future. Skillful moderation is critical in such circumstances, whether by the family or outside advisors.

Start with Patience

We recommend starting with patience and a long-term view. Be intentional in creating a positive experience around learning encounters. The investment of time in any kind of ownership development is critical. The value of

development is rarely visible after each meeting or activity but builds over time and becomes more evident when tested — such as when two third generation members from the Burton family attended their first meeting and volunteered to participate in a committee to develop a learning program for all 14 G3 family members.

Keep at it but be patient about results. Trust they will emerge organically over time.



Wendy, Barbara and Gaia are the authors of *Own It! Developing an Owner's Mindset at Every Age*.

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