

Next Generation Development with a Mentor Team

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Career development for next-generation family members who aspire to leadership in a family business can be quite challenging. One of the biggest obstacles is providing these individuals honest feedback on their current job performance and objective advice on steps they can take to get the opportunities they will need to make it to the next level in the business. Family leaders in the business may be uncomfortable or unable to give objective feedback to a family member, and many non-family executives may also struggle with being entirely objective with the boss' son or daughter.

Quoting from *Nurturing the Talent*, a book from the Family Business Leadership Series: "A mentor is an older, more seasoned person who wants to share his or her experience with someone younger." A mentor is also a resource to whom the mentee can turn with a question or concern—a trusted advisor. In addition, the mentor can point out when the mentee needs to adjust something in his or her work performance and can give the mentee insight on opportunities he or she should pursue.

Finding a person who can adequately fulfill this role can be a challenge. As a result, some family businesses have explored developing a mentor team to give the next-generation family member access to a broader range of perspectives and to give mentors a little cover so they can be more honest in their feedback to the family mentee. A mentor team may include a long-term employee who can provide insight on fitting into the culture and another member who might provide industry insights or deeper knowledge in an area of business that appeals to the mentee. In addition, if suggestions and feedback come from the "group," it can defuse some of the tension or concerns executives might have in being honest about the limitations of a person who is related to the boss and who could one day become their boss.



So how might one go about setting this up? First, a mentor team may be appointed by either the board of directors or through consensus among the ownership group (if there is no functioning board). This team is accountable either to the board (or owner group), and in larger firms, the head of the HR department may coordinate the mentor team. In some firms, the mentor team provides an annual report on its objectives and general progress on objectives. When practical, this team could include executives from outside the business—either members of the board who are willing to take on this developmental role or business leaders from other companies who can be uniquely objective.

Mentor contact does not need to be with all mentor team members simultaneously; one-on-one contact is encouraged when practical. Mentors might provide practical and conceptual recommendations to a family member as well as providing reading suggestions or introductions to other resource individuals as deemed appropriate. As it is expected that next generation family members have access to the knowledge and experience

of their senior relatives in the business; a mentor team's existence should not prohibit contact nor replace learning through family relationship channels. A formal mentor team can also help provide reliable oversight of the successor's professional development for the ownership group or the board.

In order for this process to be taken seriously by all players, many mentor teams use contracts that engage all parties in the commitment. Specifically, such a document sets mentoring objectives and clarifies how the family member(s) to be mentored will make progress on objectives and how often the mentor team will meet with the individual. A contract also provides a means to maintain the effectiveness of the arrangement, and if it is not working, a way out.

Many firms choose to be less formal in setting up a mentor program in their family businesses. It should be noted, however, that a well-designed and -implemented mentoring program may be the only way next-generation family members gain objective feedback on how they handle their responsibilities in the business. The involvement of a team of non-family employees as

mentors can help build commitment outside the family for a successful succession process. A formal mentor team can also help provide formal and reliable oversight for the ownership group or the board.

In summary:

Value to the next generation entering the business:

1. Provide objective, honest, and constructive feedback.
2. Provide multiple resources that supply a variety of experience, skills, and style.
3. Provide objective, impartial resources that offer advice, counsel, and listening that is both supportive and challenging.

Value to the owners or board of directors of the business:

1. Assurance that the next generation is being provided with dedicated support toward their success in the business.
2. Regular communication regarding the progress of the next generation in meeting their developmental goals.
3. Objective resources to help with the development of the next generation of family business leaders.

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