

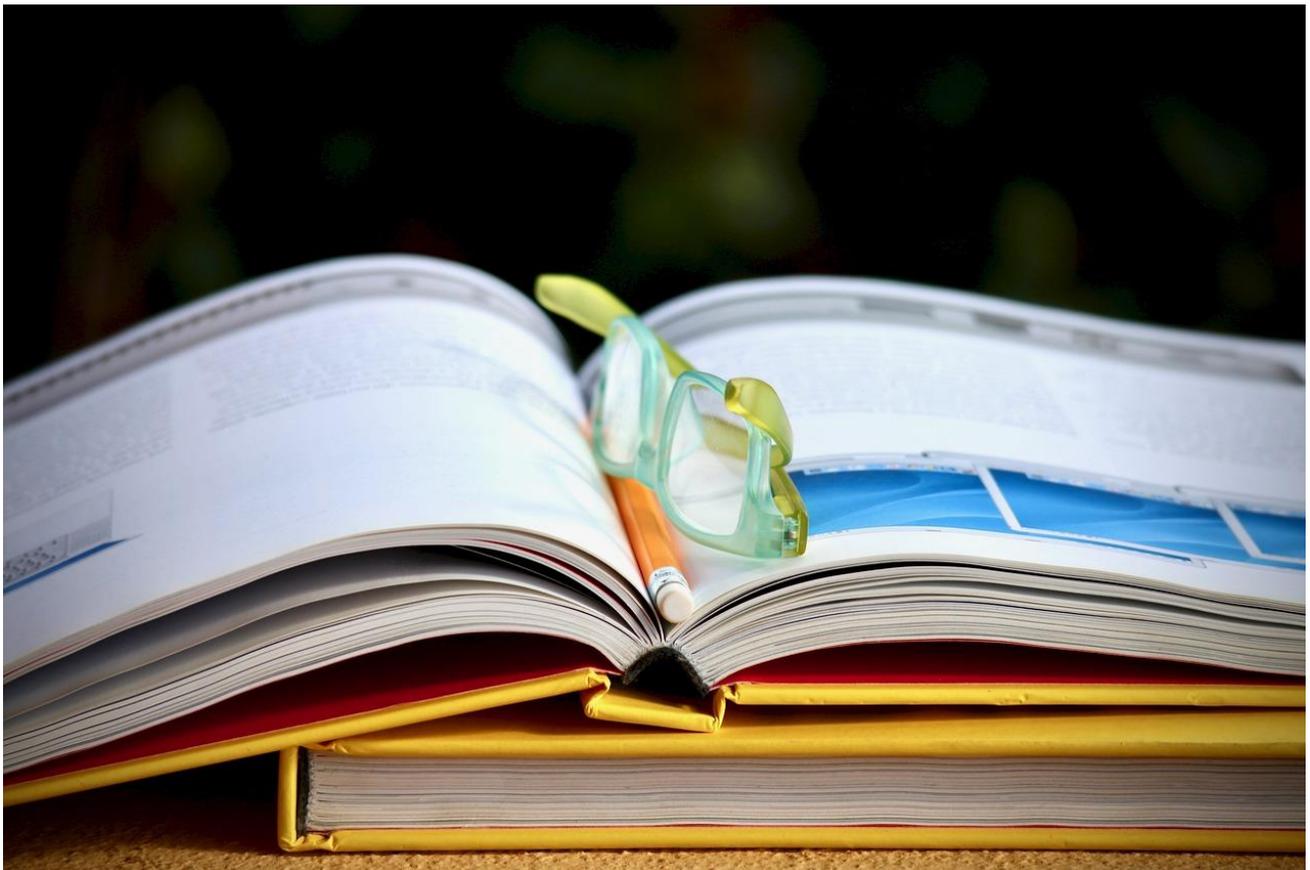
PLANNING A FAMILY EDUCATION PROGRAM: CONSIDER GOALS, LOGISTICS AND CONTENT

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If you hope to maintain business ownership and wealth across multiple generations of your family, you'd be wise to develop a strong family education program. While there is no "one-size-fits-all" template for a family to follow in designing and launching an educational program, there are common content and logistical decisions families need to work through. The following topics are a good starting point for addressing your family's particular needs.



Why is a family education program so critical?

Open communications, trust and information sharing are important to the health of all families but particularly those with shared business and wealth assets. Here are some of the key benefits of having an established education program:

- It is a uniting factor for the family and strengthens connections across family members to their shared history as business owners. This becomes more critical as the family moves into the third generation and beyond. Later-generation family members likely didn't all grow up together, and some feel less connected with the business.
- It ensures all family members have a strong foundation of knowledge about the family and the business.
- It provides a meaningful way of physically bringing the family members together for the purpose of learning.
- It keeps enthusiasm for the family business strong and encourages direct family participation with the business (whether that means employment, board participation, committee participation, etc.).
- It provides a platform for the family to move forward together and is a means of being deliberate about the family's future as business owners.

What should a family education program include?

There is typically wide variation in educational needs across the family; not everyone requires the same level or depth of information on the different issues and topics. As the family looks to build out more formal programming, it can be helpful to determine what information is necessary for all owners. Individual family members with direct roles in the enterprise, of course, will need education and training related to those roles.

A diagram similar to Maslow's Hierarchy of Needs can be a good way to visualize and break down the different levels of educational requirements and responsibilities across the family.

At the base of the triangle are the foundational issues and topics that *all* family members should know and understand. This includes things like the family history, history of the business, current health of the business and issues of top concern for shareholders. The center layer may include more in-depth details on family and business issues that are important for members who are active on the family council (or other subcommittees) to know. At the top are specifics that may pertain only to family members working in executive positions within the family business as well as those who are family representatives serving on the company's board of directors.

Whether broad or individual, there should be a level of consistency in the educational options and expectations for family members. Particularly for family members seeking specific roles in the family business, the more uniformity there is in terms of training requirements, hiring and standards for promotions (or disciplinary actions), the less a family will be open to accusations of favoritism or nepotism. That's not to say changes cannot be made over time, but having defined processes and logic behind those decisions goes a long way toward preventing conflict and hard feelings.

What are the logistical decisions involved?

The logistics of a family's educational programming are just as important as the topics in terms of ensuring long-term success and helping (or hurting) participation levels. No matter how

fantastic your program is, if you are hosting it on an inconvenient date or choose a location that is hard for most people to travel to, it will flop.

To avoid tripping over logistical landmines, get input up front from family members on key elements like dates and locations. For more detailed decisions, it can be helpful to have a committee of family members, whether the family council or a subcommittee, to determine issues such as:

- How often will the family get together for educational programming? Given geographic dispersion, time availability and flexibility across the family group, etc., what is realistic?
- How will topics and speakers/teachers be chosen?
- How will related expenses be handled? Cost decisions may include whether and how family members will be reimbursed for travel to educational events as well as the source of funding for expenses such as a consultant or educators to lead programs, special equipment or materials and childcare for attendees.
- Who should be invited to participate in which parts of the program? Direct descendants only? In-laws?
- At what age can children begin to participate in different educational sessions?
- What are the family expectations for participation, and how will that be communicated?

Family members will be more accepting of these decisions if the logic behind them is communicated. There is less pushback when people feel there is a process in place, particularly if they have a way of participating in that process either directly or indirectly. Again, you will likely need to do a little trial and error to find what works best and make changes as your education program evolves, but helping people understand the reasoning and goals behind decisions goes a long way toward building trust and confidence in your programs.

What are key elements of successful, enduring family education programs?

Getting an education program started and creating enthusiasm and interest across the family for it to continue involves more than selecting a date, time and topic. There are many ways to make programs more enticing and exciting for family members—and thus increase the chances of long-term participation and success.

- **Define the goals.** Family members will be more inclined to participate in your education program if you clearly define and communicate what you hope the program will achieve. Don't leave it to people to draw their own conclusions—tell them the purpose and how they play a role in the success.
- **Get buy-in early and often.** Just as you want family members to feel a sense of ownership of a multigenerational business, you want them to also feel ownership of the family education initiatives. People get excited about things they have had a hand in developing. Measure and take feedback on a regular basis. Survey family members on what they've enjoyed so far, what they want to learn next and their suggestions for change.

- **Identify a leader.** Look for a family champion to head up the educational initiatives. Seek out someone who is really energetic and has the time and dedication to move things forward. He or she can and should work with or establish a committee to spread out the work. If this doesn't exist in the family, consider hiring an outside consultant to take on this responsibility.

- **Go for easy wins.** Early success is critical. Start with topics that are universal—things that all family members have in common. One example is the shared history of the family and the business. This could incorporate storytelling from the older generations and pictures of the family and business. These are things that unite people and are fun to learn about. Don't dive in with prickly or controversial topics. It's important that family members' initial experiences be positive. This will boost enthusiasm for the program and encourage future participation. Learning together takes practice. Once family members are used to the format and process and recognize value in coming together, you can think about tackling tougher issues.

- **Embrace variety.** Different family members have different learning styles and preferences. Lecture formats might not be helpful to (or appreciated by) teens and kids. Too much reliance on interactive media or video clips might be off-putting to older generations. Try to find a balance of formatting options and think about what works best for a particular audience on a specific topic. For the broad topics that everyone needs to learn, provide breakout options geared toward different age groups and/or learning styles.

- **Don't reinvent the wheel (on format or content).** Family education need not be a do-it-yourself project. There are many professionals who can help with curriculum development and direct teaching, and there are also people who are experts at event planning. Also, never fear repetition. If the family really loved a particular location, consider going there again. If a certain topic was really meaningful to family members, it probably bears repeating. Don't be afraid to reprise programs, particularly around detailed or technical issues.

- **Connect between in-person events.** Look for opportunities to support your education initiatives beyond direct meetings. Skype calls on special topics, postings of family videos, family newsletters, a private family website, announcements about special classes at university programs or industry forums—all these things keep the interest and energy going.

- **Make it fun!** Pair learning with family outings and activities—a tour of the factory followed by bowling and pizza, a session to meet with the family trustee followed by a campfire s'mores party. Also memorialize your family meetings with “swag”—T-shirts, beach towels, hats. These items build a sense of community and are a fun, low-cost way to generate ongoing good feelings about your family gathering every time someone uses that item in the future.

Given all the advantages, it is well worth the investment of time and money to get a family educational program going. It can seem daunting, but the important thing is not to get overwhelmed and discouraged by the details. Find a working starting point and begin. If your family needs assistance in getting started, seek out professionals to guide you in the process.

Remember to keep in mind that family education is not a one-and-done exercise; it's a long-term commitment. Your programming will evolve over time to reflect the changing needs of the family.

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