A Proud Past,
A Sustainable Future
Sessions Summaries

13 - 18 October 2014
For the past 25 years, the Family Business Network has hosted the FBN Global Summit, the world’s leading event for business-owning families. This gathering provides family businesses with outstanding opportunities to share experiences, exchange knowledge, learn from each other and connect as a community. The Summit takes place annually in a different location with the support of the local FBN Association.

This collection of summaries captures some key ideas from the plenaries and workshops at our 25th Global Summit in Dubai, which took place under the overall theme of ‘A proud past, a sustainable future’.

This landmark event offered members an opportunity to reflect on the past and on lessons learned, and to act on family business best practices in the areas of succession, governance, family conflict resolution, innovation and growth. It was also an opportunity to imagine the future, as family businesses know that in a competitive and complex business environment, they must strike a balance between tradition and new thinking. The focus was on securing a future that is not only profitable for the family business but also sustainable for generations to come. That means ensuring that decisions made now will benefit the individual, the family, the business and society as a whole.

At FBN International we are aware that our summaries can only convey part of the overall Summit experience, in which peer-to-peer interaction is a unique and central factor. We very much look forward to welcoming back old friends, and seeing new faces, at one of our Global Summits in the future.

The session summaries in this document are intended for FBN members only.
Contents

Thursday 16 October session summaries

Hidden Champions: the vanguard for Globalia .............................................................................................................. 3
Managing the family home: strategies for reproducing cultural capital ................................................................. 4
GCC perspectives: a proud past, a sustainable future ................................................................................................ 5
The rise and fall of a 250-year-old family business: what went wrong in the families' shareholder pool? .............. 6
Management of non-family talent: a perspective from the Knauf Group ................................................................. 7
A multi-generational business building on a proud past .............................................................................................. 8
Meet the Next Generation Award finalists! .............................................................................................................. 9
The art of building family unity: leveraging purpose, inclusiveness and pride ....................................................... 10
Powerful strategic tools for enterprising families ...................................................................................................... 11
Mapping family values .............................................................................................................................................. 12
Crisis and conflicts in the family business: the path for renewal? ........................................................................... 13
FBN Next Generation Award ...................................................................................................................................... 14
IMD-Lombard Odier Global Family Business Award ............................................................................................... 15

Friday 17 October session summaries

From Pledge to Polaris ............................................................................................................................................. 16
Building 21st century companies ............................................................................................................................... 17
Polaris Circles: designing 21st century companies ..................................................................................................... 18
Driving sustainability through family business education ............................................................................................ 19
Management of non-family talent: perspectives from the Godrej Group and the Majid Al Futtaim Group .............. 20
Co-creation and collaboration between generations: testimonies from the Next Generation ......................... 21
Focusing on positive social impact with financial returns: how does it affect family values, family health and the family business? ........................................................................................................... 22
Sustainability in innovation through generational, political and market changes ................................................. 23
Sustainability when society breaks down ................................................................................................................... 24
Looking behind the scenes: towards managing emotional intricacies in the family business .............................. 25
Closing remarks and handover to the 26th annual FBN Global Summit ................................................................. 26
Key Points

- A common strategy of hidden champions is to focus relentlessly on a single niche and become a worldwide leader within that niche (‘focus + globalisation’).
- Key success factors for hidden champions include a refusal to outsource any activities that are core to their ability to dominate their niche.
- Hidden champions can become big champions in tomorrow’s globalised world (‘Globalia’), in which the big players will be USA, the EU and China.

Synopsis

Some family businesses can be called ‘hidden champions’ in the sense that they are little known in public but are world-class leaders within their specific niche. Their highly effective strategy is to:

a) focus relentlessly on the niche where they can be a global leader, then
b) strive for domination in that niche in most – if not all – countries of the world.

To become as successful as the hidden champions, key factors include:

1. **retaining core competencies** – don’t outsource anything that contributes to your ability to dominate your niche;
2. **offering a complete package to customers** – aim to occupy your niche completely, providing not just an excellent product/service but also advice, systems integration and ease of use. The combination will create a powerful barrier to entry by competitors;
3. **providing great value but not the lowest price** – hidden champions typically charge a price premium of 10-15%, based on great service that helps drive superior value;
4. **building the commitment of your workforce** – the staff turnover rate among hidden champions is around 3%, which is vastly lower than the 19% average for the USA;
5. **keeping close to customers** – 38% of employees at hidden champions have direct contact with customers, compared to only 8% of employees at large public corporations;
6. **innovating in the right way** – hidden champions have 31 patents per 1,000 employees, compared to just six at large public corporations. Smarter technology should be combined with better ways of meeting customers’ needs;
7. **celebrating continuity of leadership** – the top leaders keep their positions for around 20 years in hidden champions, compared to only six years in large public corporations;
8. **promoting/recruiting leaders with the right skill set** – look for single-mindedness, fearlessness, unity of person and purpose, ability to inspire others, and of course perseverance and stamina.

With these factors in mind, family businesses can compete very effectively in the globalised future, in which the ‘big music’ will play in the USA, the EU and China.

**Question for family business stakeholders**

- *To what extent is your family business exploring ‘focus + globalisation’ strategies as a way to take advantage of the unlimited growth opportunities in Globalia?*
Managing the family home: strategies for reproducing cultural capital

Barony Adelswärd, Sweden: Gustaf Adelswärd (10th generation)

Thursday 16 October

Key Points

- Family business members often feel they ‘own’ the responsibility to continue the family, company and its values. This legacy comes with the obligation to serve others.

- The family home is a very important part of the family’s emotional and symbolic capital. It is the centre of activity.

- Even solutions to the unequal distribution of family capital can be found if the process starts early, is open and fair.

Synopsis

Many members of family businesses agree they are responsible for maintaining and transferring certain inherited foundations. These include social capital (unity, social responsibility) and of course financial capital, but also cultural capital (education, professional knowledge, relationships with stakeholders), emotional capital and symbolic capital (the family home). These different types of legacies must serve the employees and community as well as the business and Next Generation.

The family home symbolises ownership and responsibility. Just as the business must pass from generation to generation, so must the house. As the family’s centre of activity and place where the immediate and extended family gather, it is associated with personal memories and special feelings. Managing that emotional and symbolic capital can be particularly sensitive, but considerations of family tradition and unity can help resolve the succession challenges.

The transition of the family home from one generation to the next can go smoothly if the process starts early, before the Senior Generation retires. Chances of success are improved if sufficient time for lots of open discussion is allowed, and if the process is fair. In many cases the family will want to preserve the house while recognising they can’t all live in it, prompting them to find a solution. The desire to maintain unity and the realisation that the previous generations also dealt with and managed to settle the matter are additional incentives to find agreement. Even issues of unequal distribution can be resolved with patience, fairness and just compensation.

Questions for family business stakeholders

- What steps can you take now to start the process of identifying the right person in your family to protect and take responsibility for the family home?

- How can you arrive at a fair process even if the succession involves unequal distribution?
Key Points

- Preparation for the Next Generation should include a mix of early exposure to the family business, academic qualifications and professional experience.

- Building qualifications from outside the family business will earn respect and bring new skills for today's competitive, globalised environment.

Synopsis

While GCC family businesses are highly successful and now represent 70-80% of the private sector, the second- and third-generation businesses are at a crossroads. They face challenges over succession, professionalisation, international competition and strategy.

Whereas in family succession in the West the wishes of the founder can be managed through legal devices such as a trust, Sharia law is dominant in the GCC. Certain rules cannot be changed or avoided and this represents an important constraint on succession.

The nature of business is changing dramatically. New skills are needed in today’s competitive, globalised environment. Also, the role of women is changing and they want to participate. The Next Generation leaders need to be self motivated and have a strong academic and professional foundation. They should acquire professional skills in the outside world and make themselves qualified to join the family business. They should be exposed to the family business as teenagers to help them focus their education and find their future career path.

The Next Generation must learn about the family business and understand its values and the importance of trust and loyalty in business. They must also learn to protect the family name and work to sustain its reputation.

An investment in people and resources is required to make the business future-proof and able to modernise, innovate and succeed in new business areas. Innovation should also cover corporate governance systems and business processes that can reduce costs.

GCC firms can transform into global champions. Companies can diversify vertically and horizontally, across the GCC and to Africa and Asia. They need to look at new markets, identify a niche and apply the appropriate model to service it. Future growth within the GCC will be through continued import substitution and adding value at the local level.

Questions for family business stakeholders

- Are you ready to introduce the Next Generation to the family business and proactively encourage them to develop appropriate skills before they join the business?

- Are you introducing new business processes to prepare for the changing future business?
The rise and fall of a 250-year-old family business: what went wrong in the families’ shareholder pool?
Jan Bernd Berentzen (8th generation)
Thursday 16 October

Key Points

- Rapid growth is a challenge when it involves new shareholders with different goals and values.
- It makes sense to agree on rules for how to manage conflicts, before they occur.

Synopsis

1. Growth is the driving force of capitalist economies. But it is also a challenge for family businesses. To keep their independence, family businesses should generally not grow faster than the equity of the owner family. This implies that quality growth comes before quantitative growth, and internal growth comes before external growth.

2. Family business mergers are a way to external growth. But they are also a twofold challenge: not only the businesses but also the owner families have to be ‘merged’. Without a common owner strategy (family codex) the multi-family business is doomed to fail.

3. Going public (IPO) widens the capital basis of a company and offers new chances for growth. But it also changes the structures of power and the culture within the company. And it confronts the owner family with a new group of shareholders with different goals and values.

4. Branches help to facilitate the organisation of the family in a growing family business. But they also deepen existing differences and impede the feeling of belonging together as ‘one family’. The initiation or retention of branches as an organising factor needs to be carefully considered.

5. Crisis belongs to life – also within family businesses. To avoid their escalation, it makes sense to agree on some basic rules beforehand on how to handle conflict.

6. Rise and fall are natural elements of a capitalist economy. A long tradition does not protect from falling and each generation has to set its own course.

Questions for family business stakeholders

- If your family business is considering an IPO:
  How can you guarantee the influence of the family in a listed family business? (Legal instruments alone are not enough.)
  What are the consequences for the family business – what will change?
  How can you protect family coherence and avoid the danger of family disintegration under the pressure of the capital market?
Management of non-family talent: a perspective from the Knauf Group

Knauf Group, Germany: Manfred Grundke (non-family)
Egon Zehnder: Jörg Ritter

Thursday 16 October

Key Points

- A family’s gravity is its values and legacy, identity and cohesion, and family and business governance. This force has the most significant impact on the identification, evaluation and integration of non-family top management.

- The three types of non-family personalities are counterpart/partner, steward and governor. New management from outside the family can help the business voice new values for the Next Generation that encompass the past and stand for the future.

- All businesses must decide on its top management from the perspective of who is best qualified to lead the company.

Synopsis

‘Family gravity’ is a unique force that encompasses the family business’ values and legacy. It attracts top talent and is the bonding force that motivates those who work there. Non-family executives will succeed as leaders of family businesses if they fit in the existing corporate culture. They have the potential to make a difference and become part of the family gravity. If the leading family members and non-family executives bond to share in the common mission, and if they have clearly defined responsibility, the relationship will be beneficial and the non-family member will be able to take true ownership of the management of the company.

The three types of non-family personalities are counterpart/partner, steward and governor. They can help embrace the companies’ important values, which include commitment, partnership, entrepreneurship and a human touch. If the family members and the non-family talent agree on a company’s values and disseminate these principles throughout the business’ workplaces across the world, the firm will thrive, the leadership will get along and the employees will have faith in the management.

The Next Generation might be best suited to head the company or a non-family member might be more qualified. In any case, everyone must play their role. External talent has a greater chance of being successful if the Senior Generation accepts their influence without interfering in operational management.

Questions for family business stakeholders

- How can you ensure the Next Generation’s interest in the family business? Will consideration to bring in a non-family member as CEO or top executive make a difference in the Next Generation’s decision to take a leadership role in the business?

- How can you ensure that top management as well as all employees understand and identify with your company values?

This summary does not necessarily reflect the views of all participants or of FBNi.
A multi-generational business building on a proud past

Royal Selangor, Malaysia: Yong Yoon Li
(4th generation)

Thursday 16 October

Key Points

- Hard work, external talent, transformation, innovation, tradition and family values made the family business into the successful pewter manufacturer and retailer it is today.

- A major factor of success was the owners’ willingness to bring in non-family managers and expertise as well as their wives’ ideas and talents.

- The company’s leaders continuously identified opportunities and turned them into changes that captured value.

Synopsis

Founded in 1885 in Malaysia, Royal Selangor is the world’s largest pewter manufacturer and retailer. Yong Yoon Li, the company’s 4th generation executive director, shared his family history with the audience. Working hard in good times and bad, introducing external talent, changing with the times, and innovating while bearing in mind the strong family values and tradition have made the company what it is today.

The founder’s wife was enterprising, had new product ideas and found new customers. The second generation son’s wife also was resourceful, finding fresh markets and implementing new cost-control measures. In the third generation, a Danish design manager was hired. He formalised the design process and was the first professional manager in a high-level executive position. Recognising these non-family members’ talents and allowing them a role in the family business resulted in innovation and growth.

Innovation in a family business can be difficult as it can be perceived as a betrayal of what was done in the past. Yet throughout its existence, this family business found opportunities for innovation, positive change and added value. These opportunities included:

1. designing new products using new technologies;
2. formalising the business administration and structure;
3. introducing social value, such as hiring women and allowing employees to have bank accounts;
4. identifying advantages that serve the business, such as recognising English as the language of business and thus providing English tuition.

One lesson from this family’s story is that innovation goes hand in hand with tradition. It makes sense to select opportunities that match your family values, thus ensuring that your heritage will not be diminished or destroyed.

Question for family business stakeholders

- Does your family business have a secret room or place where you can experiment and try new products or ideas without negatively impacting the company?
Meet the Next Generation Award finalists!

Diagonal, Finland: Jaakko Wäänänen
Docsity, Italy: Riccardo Ocleppo
Opportunity Network, USA: Brian Pallas

Thursday 16 October

Key Points

- A positive attitude, a clear and sustainable business model, committed employees and a healthy work–life balance is a good recipe for entrepreneurial success.

- The Next Generation can find both inspiration and support in the family business, whether on the entrepreneurial, knowledge or social capital level.

- Building a managing team and hiring good people are essential, but trust your staff to take on responsibility. Paint the vision and then give them the liberty to do what they see fit.

Synopsis

The young entrepreneurs and Next Generation Award finalists are building successful companies by maintaining a positive attitude, being focused on professional aims, keeping sustainable growth in mind, and trusting the people they hire while energizing them. Finding the right mix between work and pleasure is also important. An understanding spouse or next of kin can facilitate the process as the immediate family plays a big part in a new enterprise’s level of success.

The three Next Generation Award finalists each went out on their own after having been inspired by the example they received from the family business. Although they individually wanted to embark on their own adventure, their experience as youths exposed to their elders’ challenges, successes and processes impacted their ventures and business development. The three finalists made a point of not having wanted to rely on family funds, but they acknowledged that the family business’ resources can help build a network of support and provide commercial opportunities. The family and background can provide lessons or guidance that can be instrumental to a new project or start-up.

The founder's principal role in a start-up is to facilitate the company's growth and processes. Employees are a major resource and a source of success. It is crucial to hire people with good skills and ambition, individuals who are more knowledgeable than the creator in certain areas and who are good at what they do. Management by fear or bureaucracy doesn’t produce good results so trusting those hired and allowing them to use their own entrepreneurial spirit is essential and will trigger commitment.

Questions for family business stakeholders

- What new, entrepreneurial ideas can members of the Next Generation bring to your family business?

- What can the Senior Generation do to inspire entrepreneurship in the Next Generation even from the age of 12?

This summary does not necessarily reflect the views of all participants or of FBNi.
The art of building family unity: leveraging purpose, inclusiveness and pride

W.J. Towell & Co LLC, Oman
Maqbool Sultan (4th generation)
Anees Radha Sultan (5th generation)

Thursday 16 October

Key Points

- Family unity refers to the ties and linkages among family members, which give cohesiveness and thereby facilitate the pursuit of family goals.
- It is an art, not a science, to build unity. It requires a blend of continuity and discontinuity.

Synopsis

How can family cohesion be maintained over generations?
Financial ties, such as dividends, are an important ‘glue’ between family members and the business. But families also need to devote time and energy to strengthening emotional ties by:
  1. defining values, principles and a purpose that the family can enthusiastically share;
  2. making the argument for why the family unit is an asset;
  3. creating channels for open dialogue that foster inclusiveness;
  4. showing individuals that the family will support them in case of need. This implies that it is itself deserving of support;
  5. developing rules and structures as part of an effective system of family governance.

How can a family be organised on the basis of branches?
In cases where the founder had several children, shareholders’ rights can be owned by separate legal entities that group together the heirs of a specific family branch. For example, if the founder had five children, there can be five legal entities. Each entity can have an appropriate level of representation on the main Board – say, two seats per entity. Over generations, the numbers of people in the branches will probably vary greatly. But the number of seats per entity will remain the same, thereby maintaining fairness at a branch level. The selection of the representatives for each entity can be based on an election process.

Should family members be pushed towards operational roles in the family business?
There is no need for family members to be involved in day-to-day operations. For some, it’s better for them to work on the business rather than in the business. They might have a role in leveraging the family’s sense of purpose through strategy development or workforce development. When family executives do work in operational roles, it’s advisable for them to have the salary and performance expectations that are appropriate for their role. It’s helpful for the Next Generation to gain external work experience before they join the family business – for example in one of the business’ Joint Venture partners.

Question for family business stakeholders

- In what ways could you strengthen financial and emotional ties that provide a ‘glue’ between family members and the family business?

This summary does not necessarily reflect the views of all participants or of FBNi.
**Powerful strategic tools for enterprising families**

*Abdul Latif Jameel Group, Saudi Arabia:*

Hassan Jameel (3rd generation)

Thursday 16 October

---

**Key Points**

- Open and positive questioning about company strategy can stimulate honest, creative and collaborative responses.

- Don’t diversify using the people who are running your core business.

- Don’t jump to strategic conclusions too fast. Give people time and opportunity to reflect.

- Identify and diversify using your core value chain rather than your core competence.

**Synopsis**

The Saudi-based Abdul Latif Jameel Group’s business was built on its partnership with Toyota, which started in 1955. The success of this business transformed it into a global company, operating in 17 countries with 16,000 employees, and expanding from distribution into financial services/leasing, consumer products, media, energy, hospitality, land and real estate finance.

Despite its evident success, the need to diversify in parallel to the core business was identified, notwithstanding initial resistance due to the underlying risks, unknowns and significant investment required. Critically, a key understanding of the issues involved identifying diversification opportunities within the core value chain. This set the conditions for a coordinated process of dialogue between the president, shareholders and Next Generation. The need to diversify was further highlighted by a chain of international events – the collapse of Lehman Brothers, the strengthening of the yen, the tsunami in Japan, the largest recall of vehicles in Toyota’s history and floods in Thailand.

The end result was the launch of a major diversification process for which a new team focused on diversification opportunities was established. To ensure continuity, stability and growth, the company took the view that it should not diversify into new areas with the people who were running the core business. While the leader can remain the same, new employees with specific skill sets are required to achieve success in new businesses. Through a process of strategic dialogue and ‘Action Learning’, a family business is able to leverage the creativity of the Next Generation and give them a pioneering role with the full support of the family.

In this creative and engaging Summit session, utilising the ‘Action Learning’ methodology, the parties engaged in a process of structured dialogue, analysis and questioning to ensure that all the right questions and issues were discussed. In the family context, this dialogue has to be open and positive to encourage an honest, creative and collaborative response. The approach stresses patience, calmness and the opportunity for reflection.

**Questions for family business stakeholders**

- *How would you embrace the influx of new executives from outside to bring the expertise necessary for diversification into new areas of business?*

- *How would you organise a strategic business dialogue within the family and integrate the principles of Action Learning?*

---

This summary does not necessarily reflect the views of all participants or of FBNi.
Mapping family values

David Bork

Thursday 16 October

Key Points

- We can become more self-aware and powerful people by understanding what values/messages we have absorbed from our family.
- A genogram is a useful tool that can convey a surprisingly large amount of information about our ‘family system’.

Synopsis

When tackling issues in family business, it’s often necessary to combine insights into both business and psychology. A purely business solution may appear to be very elegant but the keys to its successful implementation are locked up in the family psychology.

In the 1960s Murray Bowen, a professor of psychiatry, wrote about the impact of the family system on individuals’ behaviour. He believed that identification of the values and messages within a person’s family can help with understanding and predicting their behaviour.

A genogram is a useful tool for mapping some of these messages. At its simplest, a genogram shows how people are related with others. It’s a diagram with squares to show males, circles to show females, and lines to show connections such as spouse, sibling and parent/child.

Further details can be added to a genogram to give a more complete picture of the context in which family members are operating. For example:

<table>
<thead>
<tr>
<th>Facts that can be shown in a genogram</th>
<th>Possible values/messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth order</td>
<td>The oldest child usually feels pressure to be the responsible one. The youngest child may be more carefree and less conventional.</td>
</tr>
<tr>
<td>Singleton status</td>
<td>A single child may display distinctive behaviours that trace back to always having been the centre of parental concern and ambition.</td>
</tr>
<tr>
<td>Dates of death</td>
<td>The early death of a parent can have a lasting effect on teenage children. They may feel pressure to grow up more quickly.</td>
</tr>
<tr>
<td>Dates of birth</td>
<td>A child that is born after the early death of an older sibling will always attract special love and be a favourite of the parents.</td>
</tr>
<tr>
<td>Divorce and separation</td>
<td>Divorce will always affect the children. The nature of the effects can vary according to their age at the time of the separation/divorce.</td>
</tr>
<tr>
<td>Working in the family business (or not)</td>
<td>If the Next Generation have a direct line of parents and grandparents who have worked in the business, they are more likely to be tuned into working in it themselves.</td>
</tr>
</tbody>
</table>

By building up a genogram, we can reflect on the messages that we have absorbed from our family. This makes us more self-aware people who understand ourselves as individuals and not just as actors in someone else’s story.

Question for family business stakeholders

- What does your genogram look like? What does it suggest about values/messages you might have (sub-consciously) absorbed from your family situation?

This summary does not necessarily reflect the views of all participants or of FBNi.
**Crises and conflicts in the family business: the path for renewal?**

Philippe Lacoste (3rd generation of the Lacoste business family)

Thursday 16 October

---

### Key Points

- Some conflicts trace back to insufficient emotional ownership and business know-how among family owners. Education on these issues needs to start early.
- To help avoid unexpected crises of succession, consider setting an age limit for the CEO and Chair (65?) and stick to that limit.
- Governance systems may reflect good theory but not actually work in practice. The Next Generation is likely to be best positioned to build and improve governance systems, though a consensus must be reached between all generations.

### Synopsis

Conflicts can arise when some family owners see their shares in the family business as an entitlement rather than a responsibility and a legacy. It’s important to strive to deserve one’s shares, through learning about the business, its products and key managers. The education of the Next Generation should include an understanding of responsible ownership and – in some cases – potential Board membership. Too often, family shareholders lack emotional attachment and think that ownership is just about collecting dividends.

Another cause of problems is a leader who does not recognise that it’s time to go. It is all too easy for a good intention to retire to be delayed indefinitely (‘I’ll certainly go at 65. Or 70. Maybe 75. Perhaps better stay until I’m 80.’). But the arithmetic of mortality is inescapable. The dominance of a wonderful leader can suddenly switch from being a strength to a weakness, in cases of brutal removal by disease or death. Experience suggests there is value in setting an age limit for the CEO and Chair (perhaps 65?) and then resisting all pressures to change it.

It’s possible to have a governance system that is strong in theory (Board of Directors, Family Council, etc.) yet weak in practice. Ideally the Next Generation will take on the job of building a workable system, since ‘those who live in a house should also build it’. Perhaps three or four younger people will take on the role, talking with everyone and aiming for consensus. The Senior Generation also have a role: they must make the initial request for the work to be done and then empower the Next Generation to do it.

Even when the original part of a family business has been sold, family values remain and keep their relevance and importance in all new ventures, whether for-profit or not-for-profit. An important question for family members is: ‘do we want to continue to work together?’ If so, one option is to co-invest in a business that will require hands-on management and will use the family’s networks and expertise. With this in mind, the sale of the main business does not mean the end of the story; it simply marks the end of one chapter and the beginning of the next.

### Question for family business stakeholders

- Are there any ways that your governance system is ‘strong in theory, weak in practice’?
- Are there members of the Next Generation who could build a workable system?

---

This summary does not necessarily reflect the views of all participants or of FBNi.
FBN Next Generation Award

Diagonal, Finland: Jaakko Wäänänen
Docsity, Italy: Riccardo Ocleppo
Opportunity Network, USA: Brian Pallas

Thursday 16 October

Key Points

- The winner of the FBN Next Generation Award 2014 is Docsity, founded by Riccardo Ocleppo. The runner-up is Opportunity Network, established by Brian Pallas, and third place goes to Diagonal, created by Jaakko Wäänänen.

- The three finalists’ entrepreneurial projects each have a family-business orientation and are based on creativity, innovation, growth and sustainability.

- A social learning network, Docsity is a creative project whose founder appreciates his roots in the family enterprise and has strong links with his parents’ business.

Synopsis

Docsity is an online social network for students that aims to boost academic results, introduce people to new friends and make education enjoyable. It’s a peer-to-peer website where students share information (documents, videos, news, knowledge, and more) to better pass exams.

Opportunity Network is a system based on trust that connects firms to work together. Diagonal is a consumer-centric and innovative approach to customer service and the design of services.

These Next Generation finalists’ projects identified a market gap, whether it be offering real-time tutoring, helping companies connect to share opportunities and do business together, or improving customer services and designing new and useful services that customers are willing to pay for. Each project is poised for high growth and sustainability and satisfies a specific need while exploring new possibilities and benefiting society.

Riccardo Ocleppo worked in the family business for four years before starting Docsity. The family business gave him the opportunity to work part time initially on his entrepreneurial venture. He recognises that the family business helped him define his goals. He wanted to emulate his parents and follow their example, yet set his own objectives. He thus set out to do something successful on his own, to accomplish a personal achievement.

Questions for family business stakeholders

- How well is the Next Generation in your family business prepared to take leadership/ownership? How can they help renew and energise the family business?

- Does the Next Generation share the same goals as those of the family business? What other objectives might add value?
**IMD-Lombard Odier Global Family Business Award**

**Winner: Ayala Corporation, Philippines**

Thursday 16 October

---

**Key Points**

- Ayala has contributed greatly to the Philippines’ national development agenda and the company has never sacrificed its business principles or strongly rooted values.

- Family unity has been crucial to success over seven generations.

**Synopsis**

Ayala Corporation, one of the oldest and largest business groups in the Philippines, was awarded the 19th annual IMD-Lombard Odier Global Family Business Award. It was founded 180 years and seven generations ago. A widely diversified conglomerate with group-wide revenues (2013) of US$ 7.1 billion, Ayala today accounts for nearly 20% of the market capitalisation of the Philippine Stock Exchange.

Ayala has maintained three core business values: integrity, long-term vision and a high level of trust. The Ayala family strongly believes in contributing to the country’s national development agenda and has consistently looked for ways to give back to its country through its businesses, through the Ayala Foundation and through individual efforts.

Family unity has been crucial to steering the business successfully over seven generations. It has a well-planned and deliberate succession policy. It has a strong commitment to family leadership and stewardship. All members have economic rights in the business, but only a few are accorded voting rights. This ensures family involvement and professional operation.

The company has developed professional management structures to cope with the discipline of public markets without compromising family values. Its strongly rooted values and business principles have never been sacrificed for the sake of growth or profits.

Ayala has succeeded in maintaining consistency of values across generations. It also holds the strong belief that contributing to the nation’s development agenda is in the family’s long-term business interest and that inclusion and sustainability are important to success.

Thierry Lombard, Chairman of the Family Business Network International, said: ‘We want to recognise an outstanding company operating according to the very best practices and offering inspiration to its peers. Ayala’s exceptional standards show just what family businesses are capable of.’

**Questions for family business stakeholders**

- How effective is your succession policy for maintaining family unity and family values over many generations?

- Could your business enter the prestigious 20th IMD-Lombard Odier Global Family Business Award, to be judged in 2015?

---

This summary does not necessarily reflect the views of all participants or of FBNi.
Key Points

- The FBN Pledge for ‘A Sustainable Future’ sets out a vision that is about doing well by doing good.

- **Polaris** is a comprehensive framework and guide for making this vision into a reality for FBN members.

Synopsis

Capitalism has been a way to improve human lives on a huge scale. ‘Conscious capitalism’, with a concern for sustainability, can be an even better force for progress. Family businesses, with their intrinsic intergenerational nature, are uniquely positioned to be leaders of a responsibility revolution. The FBN Pledge, launched in 2011, promotes a ‘business model that will sustain not only our own generation, but all those that follow us’.

Early explorers depended on the North Star (named Polaris) for navigation; in the same way family businesses can now draw inspiration from FBN’s **Polaris** initiative. **Polaris** is a comprehensive framework and guide to help FBN members chart their journey and find their own True North. Many FBN members are far along their pathway to sustainability while others may just be starting their journey.

The **Polaris** roadmap identifies five stages of the journey:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Setting the stage</td>
<td>Start with the WHY.</td>
</tr>
<tr>
<td>2. Holding a mirror</td>
<td>Address gaps, risks, impact and opportunities.</td>
</tr>
<tr>
<td>3. Connecting the dots</td>
<td>Cascade sustainability within and beyond the organisation.</td>
</tr>
<tr>
<td>4. Innovating for the future</td>
<td>Drive innovation that delivers greater sustainability.</td>
</tr>
<tr>
<td>5. Redefining business</td>
<td>Make sustainability the core of the business.</td>
</tr>
</tbody>
</table>

FBN members are benefiting by sharing stories of moving through these stages. During the Summit a UK-based construction company explained how, to move up to Stage 3, they reached out to a non-profit organisation that is a specialist in social enterprise. Meanwhile an Ecuador-based company explained how they had managed to align their workforce around sustainable timber by using the external standard set by the Forest Stewardship Council.

Summit participants were given *A Guide to Polaris*, which will also be available in the Resource Center at [www.fbnxchange.org](http://www.fbnxchange.org). The booklet describes the holistic approach of **Polaris**, provides details and activities for each of the five stages of the roadmap, and presents case studies of sustainability in action.

Questions for family business stakeholders

- **Have you considered signing the FBN Pledge, which can be a launch pad for moving further towards your own True North?**

- **What stories could you share with other FBN members of progressing through the stages that are identified in the **Polaris** roadmap?**

---

This summary does not necessarily reflect the views of all participants or of FBNi.
Building 21st century companies

Just Business, USA: David Batstone

Friday 17 October

Key Points

- Many social problems cannot be solved by charities and NGOs on their own. People with know-how about investing, creating scale and delivering solutions are also needed.

- Business people are exactly these types of people. The challenge is to create and mobilise business models that will tackle issues of social injustice and scarcity.

Synopsis

In 2001 David Batstone was shocked to find that his favourite restaurant in the San Francisco area of the USA was actually the centre of a human trafficking ring. He started to investigate the problem in an effort to understand the economics of modern-day slavery.

As he uncovered the economic deprivation that fuels human trafficking, he saw an opportunity to re-apply his skills as a venture capitalist within the most vulnerable communities. These would be better able to resist the traffickers if there was alternative paid work.

As a first step towards ensuring that people are ‘not for sale’, David Batstone decided to develop a sustainable market-based initiative with deprived communities in the Peruvian Amazon. But what should be his product and business model?

To get ideas, he invited 50 influential people to a social enterprise incubating event in Montara, USA. He promised that the best business idea that came out of this ‘Montara Circle’ would be implemented immediately – whatever it was.

The idea turned out to be ‘smart tea’, a drink that would be sourced in part from the Peruvian Amazon. It was rapidly launched as ‘REBBL Tonic’ and it is successfully gaining a foothold in the highly competitive USA drinks market.

Since then David Batstone has invested in further initiatives, each one carefully designed to be replicable, self-financing and sustainable. They include a soup project in Amsterdam’s red light district, which primarily assists women exploited in the sex industry, and an agricultural venture in a vulnerable area of Eastern Europe.

With these examples in mind, the opportunity for FBN members is to get inspired by creative ways of fixing problems as they tighten their focus on doing well by doing good.

Questions for family business stakeholders

- Which issues of social justice or scarcity make you feel particularly troubled? In what ways could you help tackle them by mobilising the power of business models?

- What can you learn from 21st century businesses that are concerned not just with financials but also with social and environmental measures (the ‘triple bottom line’)?
Key Points

- Polaris Circles are ways for FBN members to generate creative ideas for the most important challenge – and opportunity – for business today: sustainability.
- At the Summit, the most common themes for creative business ideas were sustainability of people, communities and future generations.

Synopsis

Polaris Circles aim to generate ideas for businesses that will tackle scarcity problems. Their methodology is inspired by the Montara Circles pioneered by David Batstone. A host brings together a diverse group of people, forms them into groups, and asks those groups to compete in coming up with the best idea for solving their choice of scarcity problem.

The process is creative and, inevitably, it may seem slightly chaotic and frustrating at times. But David Batstone encouraged participants to ‘trust the process’. The methodology can lead to amazing and usable outcomes. The original Montara Circle led to the launch of a brand new herbal tea, called ‘REBBL Tonic’, which is now helping provide an income for deprived communities in Peru that are vulnerable to people traffickers.

The Polaris Circles at the Summit progressed through the following stages:

1. **getting into lateral thinking mode** – an exercise helped people think in creative ways;
2. **identifying a scarcity problem** – participants drew on their own experiences of scarcity, their particular areas of expertise and their personal passions. Gradually each Circle was able to agree on one specific problem. (This part of the process always leads to the most tension);
3. **brainstorming ideas to tackle the scarcity problem** – participants found they could make unexpected connections based on each other’s ideas. Sometimes people were moved between Circles at this stage, if they had a particular expertise (e.g. materials science) that a Circle needed;
4. **formulating a business idea** – each Circle selected one idea that seemed to have potential. The ideas were usually a ‘marriage’ between the past experiences of participants and innovative thinking within the Circle;
5. **presenting the idea** – the Circles were competing to have the best idea but they were also able to draw extra strength from what else was said in the room. So there was a powerful mix of competition and cooperation.

It was striking that several of the ideas that emerged from the Polaris Circles at the Summit were connected with education, the development of people and the strengthening of family life. These areas seem to resonate strongly with FBN members.

Question for family business stakeholders

- If you were a participant in a Polaris Circle, which scarcity problem would you want to focus on? To what extent would other members of your family share your view?

---

This summary does not necessarily reflect the views of all participants or of FBNi.
Driving sustainability through family business education

Færchfonden, Denmark: Maya Færch
Grupo Espinosa, Colombia: Santiago Perry
RedHead Family Corp., Ukraine: Vladislav Burda

Friday 17 October

Key Points

- A more diversified education for the Next Generation can bring new ideas and energy to the family business.
- Education of family members can also be supported in more creative ways through Family Councils.

Synopsis

Family business education is a good long-term investment. There will not necessarily be a direct financial return on this investment but higher levels of learning, in whichever areas, will bring enduring benefits to the family business.

The education of the Next Generation should be part of the long-term planning of a family business. If you know where you want to be in five or 10 years' time, you can identify the skills that the family members will need. You can then plan their education accordingly.

At the same time, some families believe that the education should not be too strongly controlled since, as the saying goes: 'you can take horse to water, but you cannot make it drink'. The Next Generation should pursue the direction that motivates and inspires them. They should find their own areas of interest, future business direction and role in the company.

One family business has imaginatively created children's books specifically for the Next Generation. These books convey the history and values of the family. Business games for the children – creating small enterprises – can also help them learn the principles of business.

Education can take place not only at university, but through industry associations, through family associations and through personal development and reading. It serves to build professional skills but can also be valuable in broadening general experience that can improve interpersonal relationships and promote family unity.

Some families promote education via their Family Office by organising training programmes. In some countries the Family Council can directly fund education and decide who should benefit.

Questions for family business stakeholders

- To what extent does your family help the Next Generation identify areas of study that will inspire them?
- Does the family highlight areas in which it would be useful for the Next Generation to gain expertise (e.g. finance, engineering, etc.)?

This summary does not necessarily reflect the views of all participants or of FBNi.
Management of non-family talent: perspectives from the Godrej Group and the Majid Al Futtaim Group

Godrej Group, India: Nisa Godrej (4th generation)
Majid Al Futtaim Group UAE: Iyad Malas (non-family)
Egon Zehnder, India: Sonny Iqbal

Friday 17 October

Key Points

- The lure and advantages for non-family executives of working in a family business include the ‘family gravity’ and the ability to concentrate on a long-term corporate vision. The process of selecting non-family talent involves analysis and profiling, identification and research, evaluation and benchmarking, and referencing and decision.

- The three dimensions of integration are organisational alignment, family bonding and stakeholder acceptance. Clarity, well-defined roles and direct communication channels will smooth the relationship between a non-family CEO and leading family business members.

- The arrival of a non-family CEO may cause some feelings of dissent but the main consideration should be what's good for the business in the long term.

Synopsis

‘Family gravity’ is the critical mass of family culture: values, legacy, cohesion, reputation, governance structure and emotional ownership. It attracts non-family executives into the family sphere and motivates them to stay. In addition, non-family executives appreciate being able to make long-term decisions not impacted by next-quarter results or major outside influence.

Successful integration involves organisational alignment, family bonding and stakeholder acceptance. Clarity is vital for good relations between a non-family CEO and the leading family business members. Non-family CEOs must never forget that they don’t own the business so they must clarify expectations with the family owners. Clearly defined roles and responsibility are essential.

The ease of clarity is affected by the governance structure, which should go beyond the informal communication channels that might have been sufficient with a family CEO. No matter the structure in place, straightforward conversations must occur regularly. It’s best to confront situations as they arise. If there is an issue or unpleasant information circulating in the enterprise, the CEO must personally contact the family business leader as quickly as possible.

Some managers may resist a non-family CEO because they are used to reporting to the family leader. The best way to bring them round is to make it clear that the decision is good for the business, which is the main consideration. So the recommendation is to make the change and not worry too much about who might leave the business as a consequence. In the long term, things come into line if the decision is right for the business and its people.

Question for family business stakeholders

- How can you ensure that non-family executives are not undermined by, or excluded from, the informal communication channels that naturally exist between family members?

This summary does not necessarily reflect the views of all participants or of FBNi.
Co-creation and collaboration between generations: testimonies from the Next Generation

Baalbaki Group, Syria: Karim Baalbaki (4th generation)
Inci Family Office, Turkey: Şelale Zaim (3rd generation)
The Coca-Cola Bottling Company of Egypt:
Dania Besher (3rd generation)

Friday 17 October

Key Points
- Co-creation and collaboration are made easier by an ecosystem of positive relationships, insightful advisers and neutral locations.
- The governance structure also has a role in facilitating engagement and empowerment.

Synopsis
What factors promote constructive dialogue and successful collaboration?

Relationships – collaboration is easier if family members nurture a culture of dialogue and open communication. In an era when time is scarce, relationships and shared family values can be enhanced through family celebrations, holidays and other shared activities. Mutual respect between family Board members is helped by accountability for actions, which can be boosted by the presence of independent directors.

Advisers – external advisers can encourage different generations to sit down with each other and kick-start a dialogue. But ultimately the families themselves must do the hard work of communication – it can’t be outsourced.

Location – sometimes it’s useful to go to somewhere neutral, where no one is used to having the top position. For example university residential programmes or FBN Summits are places where different generations can meet on a more equal basis and open up to new ideas.

How can the Next Generation ensure their opinion has weight?

Votes – power can be distributed in Family Constitutions and Family Councils in many ways. Those who have more votes will have more power. Governance structures can either help bring members of the Next Generation into the mainstream or push them to the edges.

Credibility – the voice of the Next Generation can be more persuasive if they have demonstrated their ability, e.g. by gaining experience and promotions outside the family business. Strong educational credentials, an ability to listen and empathy with others also help.

Process – a participative collaborative process helps to engage everyone. If the process is top-down, those at the bottom may feel (perhaps rightly) that they are disempowered. Sometimes it makes sense to focus more on getting the right process than in getting a particular outcome.

What factors can disrupt collaboration?

Economic downturns – people have less time available when there is economic turmoil and civil discord, since the priority has to be on day-to-day firefighting. Family members may have to accept slower progress on collaborative projects to improve governance, etc. But these projects still need to be kept moving; in some ways they are even more important at such times.

Question for family business stakeholders
- To what extent does your governance structure help engage and empower different age groups within your Next Generation?

This summary does not necessarily reflect the views of all participants or of FBNi.
Focusing on positive social impact with financial returns: how does it affect family values, family health and the family business?

Al Futtaim Group, UAE: Omar Al Futtaim (2nd generation)
Kois Invest, Belgium: Charles-Antoine Janssen (1st generation)
IMC Pan Asia Alliance Group, Singapore: Frederick Tsao (4th generation)

Friday 17 October

Key Points

- Conscious enterprises can radically improve the world. Family businesses, which naturally think over generations, are well suited to durable initiatives that serve humanity.

- Benefits of a focus on positive social impact include increased family and social cohesion.

- Greater impact will be achieved if corporate social responsibility projects are embedded at all levels of the business.

Synopsis

Family businesses led by open-hearted managers have the potential to radically change the world. Profits and shareholder value are key for the survival of the business but by developing greater consciousness and self-awareness, family businesses can progressively transform into self-renewal organizations that also serve humanity. The long-term perspective of family businesses means they are well suited to incorporate durable environmental and social initiatives into their activities.

Societal and financial returns can be generated simultaneously, at no expense to the other, in the experience of some family businesses. One benefit of societal purpose either at the core of the family business or through its investments is that it helps increase family and social cohesion. In addition, focusing on positive social impact has the capacity to attract talent, decrease attrition rates and generate deeper customer insights. A focus on social good is thus an added benefit for the company and for its shareholders.

Maximum effectiveness is achieved when the instigator or believer behind the impact venture is in a senior management position. But those involved at all levels of the business must be passionate about the project, driven by aspiration and strong will to contribute to the chosen cause. Corporate acts that take into consideration social and environmental impact show responsibility and consciousness, and the desire to give back to society.

Question for family business stakeholders

- How can you assess and begin to measure the commitment to positive impact initiatives of employees at all levels?

This summary does not necessarily reflect the views of all participants or of FBNi.
Sustainability in innovation through generational, political and market changes

KÜRT Information Security Group, Hungary:
Sándor Kürti (1st generation)
Tamás Kürti (2nd generation)

Friday 17 October

Key Points

- Within the technology sector, it’s not uncommon for businesses to regularly and radically reinvent their product area.

- There is a distinction between owners and managers – and there is no necessity for owners to also be managers within the family business.

Synopsis

The KÜRT Information Security Group is a Hungarian specialist in data security that has grown since 1989 into one of the world’s leading data recovery laboratories. On the way, it has reinvented its product area five times. It also manages two educational foundations.

The company was founded by two innovative engineers, Janos and Sándor Kürti, after the fall of communism. With a ban on sensitive technology from the West, the brothers developed a repair system for magnetic media and hard drives and exploited a valuable niche market.

The business has innovated in response to market opportunities. It refocused its technological skills to respond to the challenges of the millennium bug in 2000 and subsequently the 9/11 Twin Towers destruction. After this traumatic event, the company successfully recovered data from damaged hard drives retrieved from the destroyed offices. With the growth of internet hacking, they moved into web security and developed ‘ethical hacking’ to test company security through simulated attacks.

As part of the development strategy the company has grown from a network of partners in many countries to fully owned subsidiaries. A non-family professional CEO was brought in to manage the business and develop a management team with a focus on entrepreneurial flair. The eldest son left to work in the US and gained experience in management consulting. Upon rejoining the company, his brand management skills are now being integrated in the business.

The succession plan is for family members to assume roles as owners and brand managers overseeing professional managers. Their role is to protect and exploit the company’s strong worldwide reputation and brand. This non-operational role is designed to promote family balance and interpersonal harmony.

Question for family business stakeholders

- What are the possible consequences on family harmony when members of the family are managers whose good performance is vital for the family business? In what ways could negative possibilities be mitigated?
Sustainability when society breaks down

Fedoriv.com, Ukraine: Andriy Fedoriv
GEM, Venezuela: Fernando Maldonado
Sama Madar, Syria: Mutassem Daaboul

Friday 17 October

Key Points

- Warning signals often appear before a crisis – but many people stay in denial.
- A #1 strategy during a crisis is to stay positive and keep up the energy of the ‘family team’.

Synopsis

Denial is very common at the early stages of crises. People deny the logical consequences even though they can see warning signals. So some ‘healthy paranoia’ may be appropriate if you do see the signals. It is not a responsible strategy to just hope for the best.

Some warning signals are:

1. erosion/suspension of the rule of law, often unchallenged by the ordinary people;
2. refusal of political leaders to reach behind-the-scene compromises that promote stability;
3. uprisings in countries close to/similar to your own country, which could spread fast;
4. evidence of capital flight away from your country.

Possible action steps:

1. promoting openness in family discussions – people should feel safe to discuss ‘what if?’ scenarios, without any accusations of being cowardly, defeatist or a traitor;
2. diversifying geographical risk – if risks heighten for operations in one area, it would be good diversification to develop operations in an alternative area with more stability;
3. mitigating currency risk – the domestic currencies of all three speakers have massively declined against the US dollar since their problems became serious;
4. keeping a positive attitude – research suggests that a #1 strategy is to keep positive in the face of crisis: stay energetic and keep working as a family and a team.

At the level of the individual, what helps a person stay positive during periods of national crisis? Answers include: long-term optimism about fellow-citizens; flexibility in the business model combined with inflexibility in values; faith that God has, with wisdom, created humans with their tremendous capacities for both evil and good.

Who should be concerned about the future? Many countries currently feel safe, but beware of the ‘frog in boiling water’ syndrome: a frog that falls into hot water will immediately jump out and live, but a frog that swims in water that heats up very slowly will be boiled to death.

Questions for family business stakeholders

- How willing are you to discuss ‘what if?’ scenarios even if they currently seem unlikely?
- What steps could your family take to improve discussions and decision-making now, hopefully in good time before any crisis?

This summary does not necessarily reflect the views of all participants or of FBNi.
Looking behind the scenes: towards managing emotional intricacies in the family business

Family Business International Foundation:
Annelie Karlsson (FBN Sweden)
Rania Labaki (University of Bordeaux)
Sabine Rau (Institute for Family Business, WHU)

Friday 17 October

Key Points

- Emotional issues between family members and between generations can impact the success of the business and need to be proactively managed.

- Possible approaches include setting up a governance board, bringing in outside specialists, or appointing a suitable member of the family as an arbiter.

Synopsis

Most family businesses can be adversely affected at some point by the emotional dynamics between family members. Interpersonal issues can arise through excessive competitiveness, sibling rivalry, autocratic traditions, intergenerational attitude changes, etc. These can spill over into the business environment and be highly disruptive.

A proactive approach for managing such emotional dynamics can be important to the success and long-term survival of the business and the sustainability of the family. The appropriate solution will greatly depend on the specific relationship issues faced by individual families and the behavioural traditions of the family group.

Nevertheless, families can consider potential proactive intervention strategies to deal with these complex dynamics in a constructive way, such as:

1. setting up a governance board;
2. engaging outside specialists, who may range from traditional consultants to non-conventional gurus and personal advisers;
3. appointing a mutually respected member of the family as an arbiter. Such a person can provide emotional leadership as the 'chief emotional officer'.

In addition, it can be fruitful for individual family members to spend more time understanding themselves and their own personal emotional responses. This may help manage situations with others members.

Questions for family business stakeholders

- Do you recognise emotional conflicts within your family relationships that impact negatively on the business?

- Are you aware of possible repressed emotions among the Next Generation of your family that could be better managed?

This summary does not necessarily reflect the views of all participants or of FBNi.
Closing remarks and handover to the 26th annual FBN Global Summit 2015

FBN International: Thierry Lombard
FBN GCC Chairman: H.E. Abdulaziz Al Ghurair
FBN Deutsche Schweiz: Leonhard Fopp
FBN Suisse Romande: Anne-Marie de Weck

Friday 17 October

Key Points

- The Family Business Network Global Summit is the place for family businesses to explore common concerns and issues together.

- The next FBN Global Summit will take place in Montreux, Switzerland, from 14 to 17 October 2015.

Synopsis

Closing FBN International’s 25th Global Summit, Thierry Lombard, FBN International Chairman, stressed to participants that ‘we have everything here to be successful: knowledge, experience, expertise, vision and emotion.’ He added: ‘We experience failures, successes, resilience and adaptability. Let us capture and synthesise them and then disseminate and exchange information about them. And let us be passionate about making us better family members and managers.’

The GCC delegation thanked the FBN Committee for making the Dubai Summit such a successful event and looked forward to welcoming everyone back to the region for a future FBN event.

The baton was then passed to the delegates from Switzerland who will host next year’s Summit in the scenic location of Montreux.

The presidents of the two Swiss Chapters, Leonhard Fopp and Anne-Marie de Weck, warmly welcomed participants to next year’s global event.

Leonhard Fopp invited people to see the Swiss style of management. ‘The Swiss are humble and work together in a humble way. This makes us strong,’ he said. ‘We also have the pioneering spirit: part adventurers and part entrepreneurs .... We are first movers and champions in innovation: we lead worldwide in expenditure per capita in this area.’

Despite being a small country, Switzerland is very multi-cultural. ‘With all our different languages, we have learned to listen to the people facing us and also to cultures from East to West. We are global citizens.’

Anne-Marie de Weck also painted for participants an attractive picture of next year’s visit to Switzerland. Although Montreux does not have the size and glamour of Dubai, it has many engaging qualities and will be a very picturesque and productive environment for discussion and debate.

_________________________________________________________________________

This summary does not necessarily reflect the views of all participants or of FBNi.
A Sustainable Future

Without a sustainable approach our future is at risk. Not just the future of our businesses but, we also risk the lives and livelihoods of generations yet to come. This is why we, The International Board of the Family Business Network, are reaffirming our promise to promote a business model that will sustain not only our own generation, but all those that follow us.

The benefits of a sustainable approach are apparent to us all: the responsible use of capital is a powerful force for good and with corporate stewardship comes corporate advantage. Businesses that achieve great things deliver greater financial results, but these issues we face are more pressing than immediate financial return.

To provide future generations with more than we have received ourselves is a deep-seated human ambition. It is found in all walks of life, but it is in family owned businesses that inter-generational thinking is intrinsic. We believe that our inherent understanding and appreciation of legacy brings an obligation to support and promote a sustainable future in all that we do. As custodians of tomorrow, we believe that it is our duty to act now by making these pledges:

For our people:
We pledge to do all that we can to create and nurture workplaces and working cultures where our people flourish.

For our communities:
We pledge to be responsible global citizens making positive contributions to the communities that we work and live in.

For the environment:
We pledge to constantly search for ways to reduce the ecological impact that we create and safeguard the environment that we all share.

For future generations:
We pledge to share our values and long-term aspirations with future generations.

We know that these are bold promises and we do not make them lightly. But in order to protect all that we have done and create a sustainable future, where our work lives on, they are vital. We call on all family owned businesses, worldwide, to take responsibility for the future of our children and our children's children.

Please join us in our pledge.

Thierry Lombard  
Arun Bharat Ram  
Katrin von Thadden  
Thilo Wensborg

Frederick Chavalit Tiao  
Maurizio Sella  
Alfonso Libano Daurella  
Peter Theeman

Sophie Lammerant Velge  
Samuel Maldonado Deguizit  
Serife Ines Eren  
Priscilla de Moustier
Save the dates for 2015

The overarching theme in 2015 of ‘Creating cultures where people flourish’ is inspired by the first section of the Pledge for a Sustainable Future.

We look forward to welcoming you in 2015 for unique peer-to-peer family business interaction.

26th Global Summit,
14-17 October 2015,
Montreux, Switzerland

Next Generation International Summit,
26-30 May 2015,
Cartagena, Colombia