



FAMILY
ENTERPRISE
CANADA



Compass Course

Facilitation Guide

Developed by:



FAMILY
ENTERPRISE
FOUNDATION

| A Message from our Leaders



Dear Family Enterprise Advisors,

It is with great pleasure that we present you the Compass for Entrepreneurial Families Facilitation Guide!

This course is an educational program developed by Family Enterprise Foundation and Family Enterprise Canada to help support business families and is a foundational course that all members of the family should experience.

It provides them with a deeper understanding of both fundamental and contemporary concepts that all business families will experience throughout generations.

We have provided case story transcripts, model templates, reflective questions and additional Family Enterprise Canada content, for each module, to introduce and explore in your blended learning workshops.

Each page can be easily printed and shared with participants all with the aim of digging deeper on these fundamental concepts that each family could apply to their circumstances, further enhanced through your exceptional guidance.

We hope you enjoy the program and wish you luck in your exciting and dynamic blended learning adventures.

Sincerely,

Bill Brushett
President & CEO
Family Enterprise Canada
Family Enterprise Foundation

Olivier de Richoufftz
General Secretary
Family Enterprise Foundation



| How to Use this Guide

This facilitation guide is designed for Family Enterprise Advisors (FEAs) who wish to use the content from Compass for Entrepreneurial Families with family business clients in an applied workshop setting. It is not meant to be used in a ‘for profit’ or larger group learning experience.

Incorporating this material into your client meetings and workshops will allow you and your family business clients to delve more deeply into the ideas and concepts covered in this course.

This quick and practical guide covers each of the units in the course, building activities around key concepts and allowing clients to reflect on ownership.

Table of Contents

Pre-Session Work	5
Getting Started	7
Balancing Family and Business	11
Understanding Life Cycles	33
Navigating Ownership	47
Decision-Making Processes	61
Planning Ahead	71
General Facilitation Tips	84

I Pre-Session Work

CREATE A STEP-BY-STEP PLAN FOR THE WORKSHOP. THIS SHOULD INCLUDE:

- A detailed schedule of activities
- A list of all materials
- An approximate time for all activities
- Any information on the participants, their needs and their goals

SET-UP:

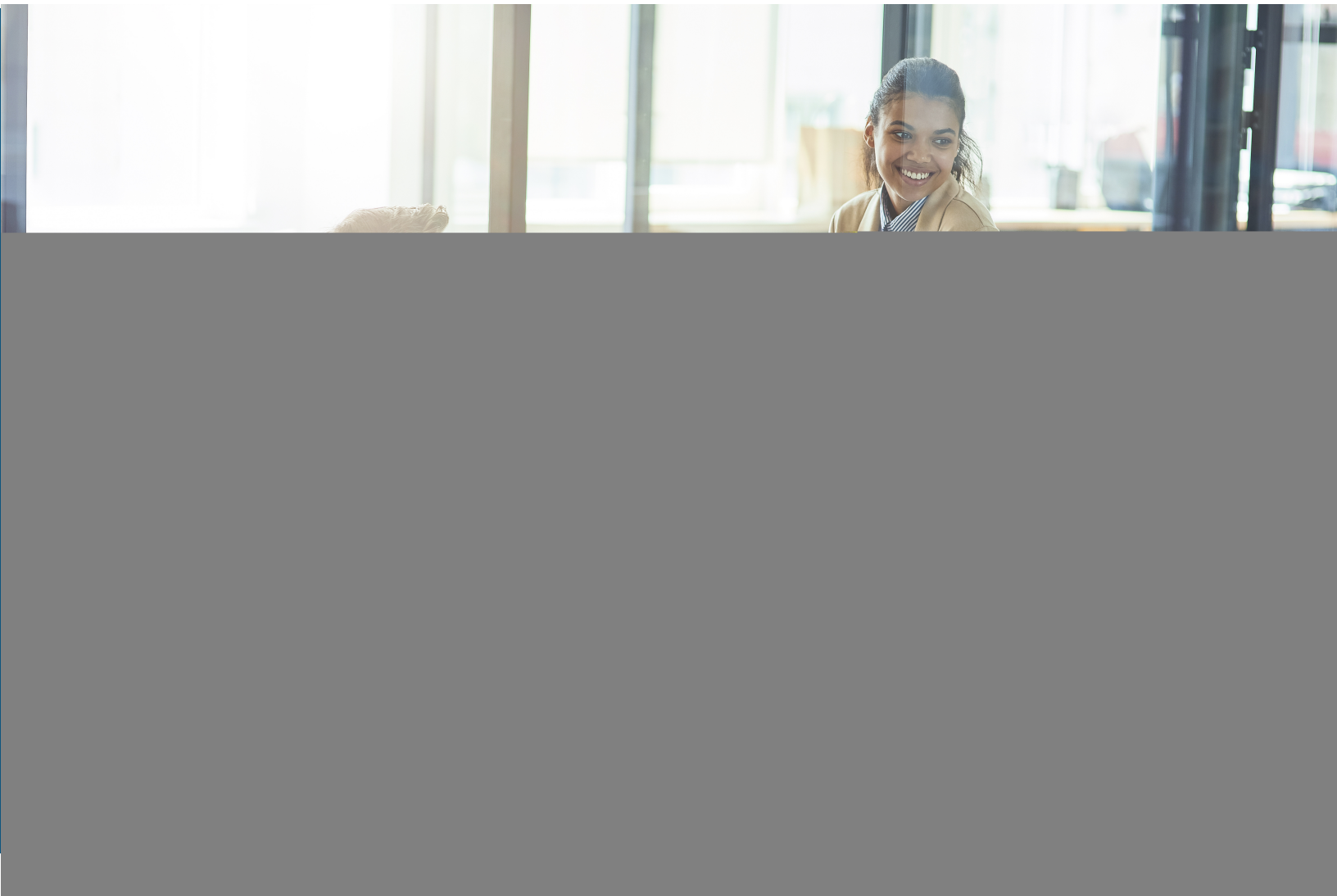
- When setting up your space, try to avoid “classroom” style — a circle or small groups is ideal
- Be sure to set up the space in advance of participants’ arrival
- Prepare all worksheets and handouts

REMIN PARTICIPANTS TO:

- Complete the Compass for Entrepreneurial Families online course
- Review the case story from the course
- Print off any necessary materials
- Think about their own roles as a current or future owner

WHAT OTHER PRE-SESSION WORK IS NECESSARY FOR YOUR WORKSHOP?

[illegible]



Getting Started

KEY OBJECTIVES

Compass for Entrepreneurial Families is an educational program developed to address the complexities of communication in a family business setting. The three key objectives are:

1

Enhance knowledge of important family business topics

2

To build awareness of the “soft issues” that often go undiscussed

3

Provide practical tools for navigating individual and family matters

Based on these overall objectives, what do you think the specific goals of your workshop could be? On the next page, jot down some ideas.

WORKING IN GROUPS

Many of the recommended activities require the participants to work in groups, sometimes in the same group more than once. To maximize the group experience, you may want to consider setting up the small groups at the beginning and keeping them throughout the workshop. If your workshop includes both senior gen and rising gen, try to mix the groups so they are equally represented.

OBJECTIVES	GUIDELINES	OVERVIEW	ICEBREAKER
Why we're here What you will gain	What is expected Working in groups	What we will learn How we will learn	Who you will be working with

- 1** Clearly state the objectives of the workshop: What will the participants gain?

- ## 2 Set clear guidelines: What are the expectations about behaviour and participation?

- ### 3 Give an overview: What are we talking about, and how are we talking about it?

- 4** Run an icebreaker activity: How can they get to know each other?

MYTH VS. REALITY

Myth

Family firms are less competitive than non family firms.



Reality

“We beat the competition because we reinvest in our business for the long run.”



Myth	Reality
Family Businesses don't survive the 3rd generation	“My parents are participating in the seed money for my new business and we will share administrative cost and staff.”
	

What are your initial reactions to these myths & realities?

Are some more accurate than others? Which ones can you relate to the most?

[illegible]



Balancing Family and Business



Facilitation Tip!

Focus on process facilitation. Don't engage too much in discussions with participants. You're the process facilitator. Focus on facilitating the discussions and in-depth conversations.

Learning outcomes:

- Broaden your understanding of why family businesses are distinctive and challenge the prevailing assumptions we have about them
- Understand and utilize the 3 circle model and build your own family genogram

When you hear about needing to “balance family and business,” what are the first challenges that come to your mind?

Are these challenges the same for all family members?

BALANCING FAMILY AND BUSINESS

Activity

PART 1

CASE STORY: Sarah's Diary – 10 Years Ago

Sarah is returning to her responsibilities as the CFO of the family business after a maternity leave. Watch her video diary as she talks about some key players in their family business and follow their transitions and developmental paths over the next 10 years.

SARAH SPEAKS ABOUT HER FATHER

Welcome to my video diary. The idea is that I record my thoughts on the family business so that, in years to come, it'll be easier to understand how we got to whatever level of success — or failure — that we're going to reach. So, my name is Sarah. I'm a shareholder in the business and I work as the Chief Financial Officer. Numbers are my trade but this video diary is about people.

- *My Dad – the President who has built up our business*
- *My Brother Charles – currently the Vice President of Operations*
- *My Nephew Rupert – who is the bright shining hope of the Next Generation*

I'll start with my Dad. If you look at his past record, it's awesome. He's grown the business; he's made it more professional; he's developed a great reputation for our family and our business. Now, here's the thing. Dad is 68 years old. He doesn't want to retire. Which is not necessarily a problem, but, if you look at his current record, it's not quite like it used to be. To be honest, it's not at all like it used to be. He seems to have lost interest in moving the business forward. He's opposed to trying anything new. He gets obsessed about details, like our company car scheme. And then he becomes incredibly irritated when things aren't exactly as he wants. When we try to talk to him about big picture issues he asks the same old questions. Then he goes back to talking about company cars. The question for us, as a family business, is how do we handle my Dad who still owns a majority of the shares? Stay tuned and you'll see how things develop!

SARAH DISCUSSES HER BROTHER

Now moving on to my brother Charles. He is a very ambitious man who is married to a very ambitious woman. They should be an excellent match for each other – except their ambitions aren’t the same. Charles is ambitious for our business. He wants the business to scale up because it would make it stronger and better at winning against the competition. His wife Susie is ambitious for herself. I think she’s only bothered about the business to the extent that it delivers a wonderful lifestyle and allows her to be at the centre of attention. Does that sound a bit harsh? Maybe it is. But that’s how it seems to me, at the moment. When Charles married Susie, he insisted that she became a shareholder of the family business. It seemed a good idea at the time but now I’m not at all sure. One of the consequences is that our owners’ meetings seem to be dominated by discussions between the two of them, with Charles explaining what he hopes for the business - and Susie demanding what she expects from the business. We haven’t had any major blow-ups so far. But it’s something I’m watching with a degree of nervousness.

SARAH TALKING ABOUT HER NEPHEW, RUPERT

The third person I’m going to talk about is Rupert. He’s the oldest son of Charles and Susie – and he’s a genuine star. Top at school, top at sport, top at university. After graduation he was quickly snapped up by a well-known stockbroker but now he’s finding that, despite their ridiculously large salary, it’s not for him. It’s really exciting to think that we might be able to attract him to work at the family business - if we’re very lucky. What gives me hope is that he’s done several summer internships with us, and enjoyed them. We’ve also tried to involve him in our biggest project at the moment, which is building an entire new plant. I keep telling him that there’s job satisfaction that money can’t buy. With a little more encouragement, he might accept the idea of coming home to our family business where he’d be really valued.

I’ll give you an update next time. That’s all folks.

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

What are the main messages that Sarah is sending us?

What do you see as potential challenges in Sarah’s family business?

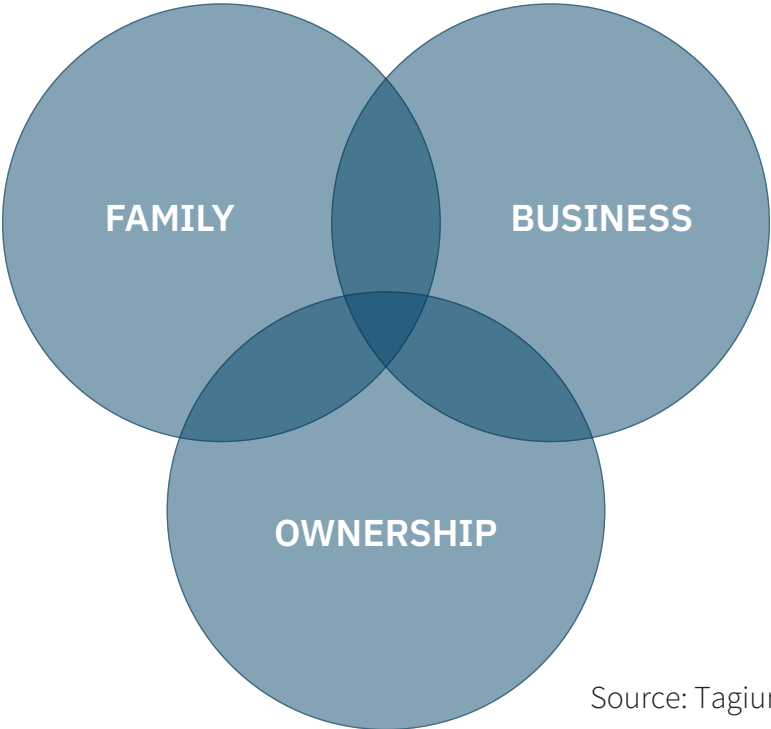
Are there any pressing concerns that Sarah should begin to address with her family?

Additional thoughts on the messages received?

Could there be another perspective to this story?

PART 2

The Three-Circle Model



Source: Tagiuri and Davis (1982)

The Three-Circle Model is a framework that has proven to be useful in increasing our understanding of family businesses. Three domains are present: family, business, and ownership. To illustrate how these three domains interact we need to have them overlap with one another. Through this lens we can visualize the forces that are in play most of the time in a positive way but sometimes in a competing manner. Once aware of this simple yet complex way of reading a family firm you will uncover many new perspectives that may not have been so obvious to you before.

What are your initial impressions of the three-circle model?

PART 3

Storytelling with Genograms (Denise Paré-Julien)

Families share a history that includes ancestors, meaningful events and special relationships, and all of these components impact their behavioral patterns and shed light on the past, present and may influence the future.

Family legacy is part of who we are, how we perceive the world, how we feel and how we behave; no wonder family dynamics is an intricate part of understanding the family business.

Each family has its own DNA and the Genogram is an excellent tool to help us discover the emotional system fuelling the family, this may be negative or positive.

This rich informative family tree can be very detailed and narrative and include relationship patterns and triangles or it can be simply descriptive with names, ages and generations.

This tool has been valuable in my practice and I have found that family members, when interviewed with a Genogram in front of them, tell a much richer story about their family.

At the interviewing stage, the Genogram presented to clients is very basic; it includes all family members and their significant other with names and ages. If possible it includes at least three generations.

It's also a work in progress; some clients will add a missing person or modify an age. In general the first reaction is surprise to see the family on a single piece of paper and they inevitably search for where they are on the page. Next comes their tale about the family, the strained relationships, the power of some individual over the others, the preference for one member or the difficulties with another. It is always fascinating to hear the same stories from different members of the family, they may each have a personal viewpoint but in general this particular event was significant for this family.

In the feedback presentation the Genogram may include more information that is relevant to some of the issues the family is facing; some key examples are illnesses, dependencies and marital status such as separation or divorce.

Sometimes naming these events or situations helps the family open the dialogue. More often than not, if this is a sensitive issue most families will have raised it during the interviewing process so you are not revealing anything; you are opening a possibility for a conversation in a safe environment.

The Genograms also helps the advisor to keep track of the information that is gathered throughout the engagement with the family. On some occasion when visualizing the size of the family some entrepreneurs saw the need for more planning, or even setting some governance structure to keep in touch with the growing family and their needs and concerns.

The Genogram is an essential part of the tool kit for professionals working with family businesses.

How do you see your family genogram evolving?

Family Member / Role	5 years	10 years	15 years

How do you picture your family in 5, 10 & 15 years?

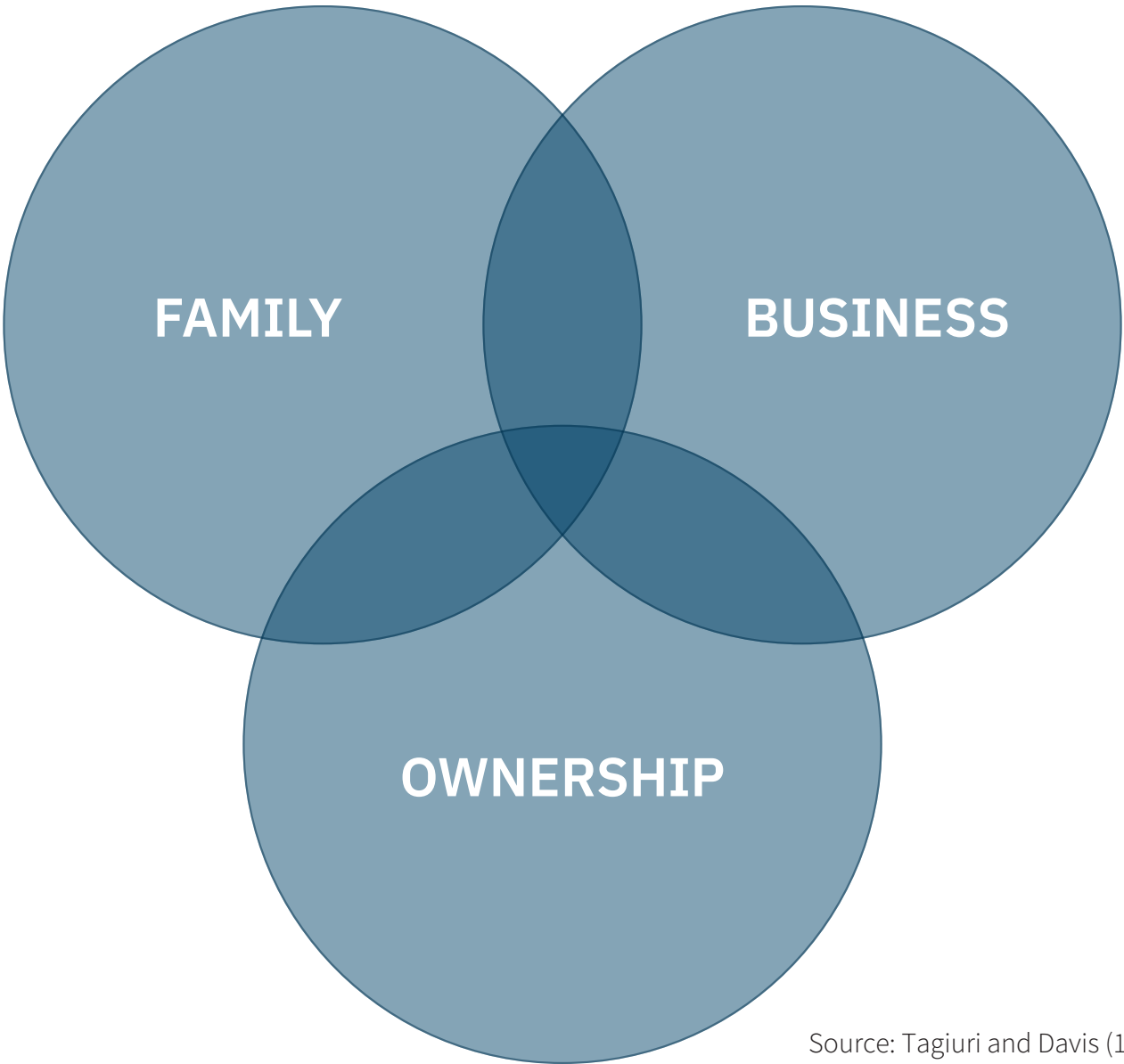
Will their roles change over this time?

Do you see any other family members entering the equation?

Place your family in the three-circle model.

Tips to begin:

- Start with your immediate family. If a sibling is married, should your in-law be included?
- How many people work in your family business?
- How many people have ownership?



Source: Tagiuri and Davis (1982)

PART 4

CASE STORY: Sarah’s Diary – 5 Years Ago

Sarah talks about her family members after another 5 years have passed. Watch and listen to the developments concerning her Father, Brother and Nephew.

SARAH TALKS ABOUT HER FATHER

Welcome back. Let me give you an update on the three people I’m focusing on:

- My Dad
- My Brother Charles
- My Nephew Rupert

Dad is not so good. The doctors have diagnosed Alzheimer’s disease. It’s very sad but, in a strange way, the fact of having a diagnosis is a relief. At least it explains the changes in his character and gives us a way of understanding his decline. Dad isn’t taking his condition too well. He still wants to have an official-sounding title in the family business even though he does very little. He’s obsessed with being driven around in a nice company car and for the moment we’re humouring him. It hurts me to think of the money it costs the family. But it would hurt me even more to see him deprived of something he’s so fixated on. Dad is giving Susie a rough time because he has this intense suspicion that she’s encouraging an over-extension of the business to suit her selfish objectives, rather than thinking about the best interests of all stakeholders. Susie keeps replying that he is beyond rational argument and sometimes he’s just plain delusional. I still can’t believe that people like Susie can say this about my Dad, the great business man whom everyone always used to look up to. Just thinking about it is upsetting.

SARAH DISCUSSING HER BROTHER

Let me switch to talking about my brother Charles. There’s good news and bad news. The good news is that, in our owners’ meetings, Charles has been standing up for the values that Dad taught us – even when it’s in opposition to what Susie wants. Among other things, Charles has been really clear about putting priority on re-investing in the business, rather than raising the dividend any further. From the numbers point of view, I completely agree with him. I’m pleased that the two of us are making sure that things are done right. The bad news is that Charles’ assertiveness is not going down at all well with Susie. Did I mention that she is ambitious for herself? Did I also mention her ambitions for her house, car, memberships, and generally fantastic lifestyle? It’s not very pleasant for me to see Susie and Charles arguing so much, and it can’t be pleasant for them either. It’s such a shame because we’re all fortunate but if Susie wants to keep up with ever richer friends, I guess she can never feel fully content.

SARAH TALKS ABOUT RUPERT

Now: let’s talk about Rupert. Very good news here! He’s agreed to join the family business! I’m so pleased. He’s working at the new plant and I’m sure, with his previous record, that he’s going to do exceptionally well. Though, it was a bit of surprise when Charles called me at home the other day. He didn’t want to say anything officially but he feels nervous about the performance of the plant. He was sounding me out about the possibility of delaying making Rupert fully P&L accountable for the operation, which is run as a separate business unit. I’m assuming these are teething troubles that will soon blow over. Once Rupert properly gets into his role, I’m sure he’ll be just as sharp and successful as his granddad used to be.

Tune into my next video diary and I’ll let you know!

Update your thoughts:

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

How can a family illness impact the business?

How do you deal with an underperforming family member?

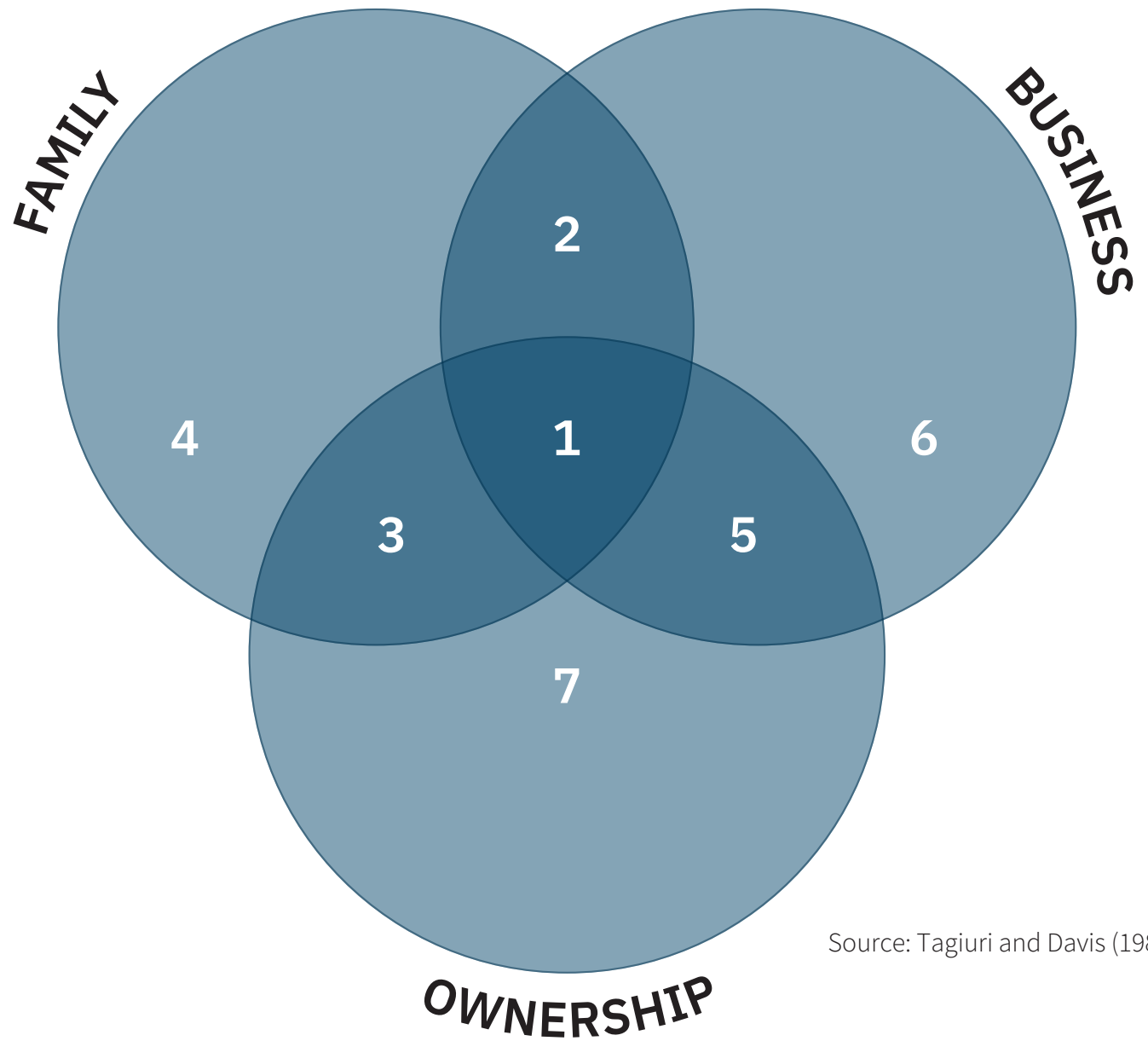
How do you balance the wants of the family with the needs of the business?

How to set boundaries (i.e no calls after working hours at home unless there is an emergency)?

How do we include the non-family managers?

Place your family in the 7 territories 5 years from now.

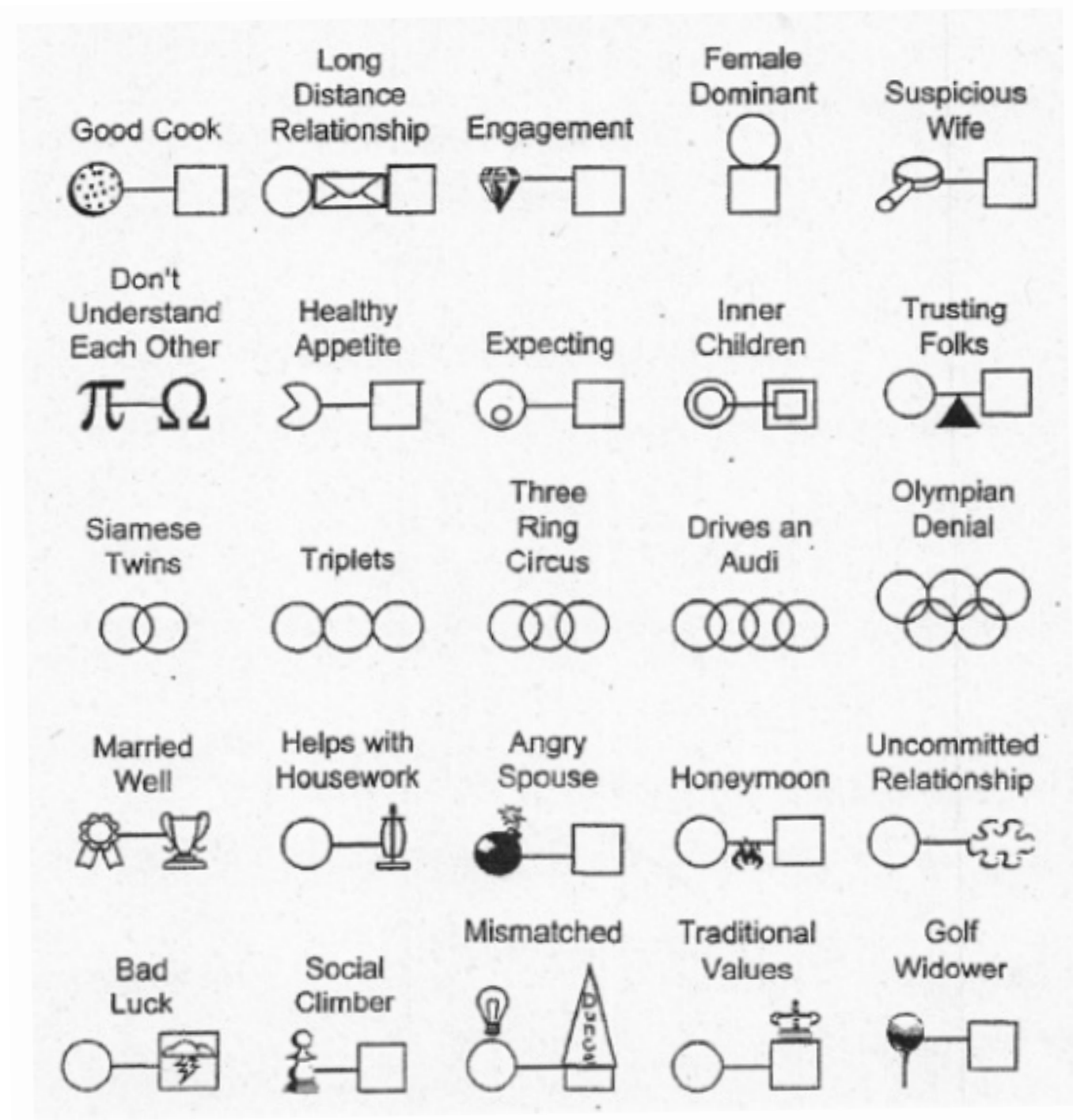
- Look 5 years into the future, whose roles have changed?
- Have some moved into the ownership circle?
- Are there more family members in the business?



Source: Tagiuri and Davis (1982)

Add a little “Funny” to your Genogram

Using your family genogram you just created, can you add any of these rarely used symbols to add a bit of character to each member of your family?



PART 5

CASE STORY: Sarah’s Diary – Present Day

Catch up with Sarah in the present day to hear the updates on her father, brother and nephew.

UPDATE ON SARAH’S FATHER

I’m back and a lot has happened. Here’s an update on:

- My Dad
- My Brother Charles
- My Nephew Rupert

Two months ago we had a memorial service for my Dad, who passed away after struggling with Alzheimer’s disease for these last 10 years. The memorial service was actually a very positive experience. It helped us think of his whole life, rather than just the last few years of illness. It was a cause for gratitude and admiration and celebration. Lots of good memories.

HOW HAS THE SITUATION WITH SARAH’S BROTHER EVOLVED?

So, the update on my brother Charles and his wife Susie. Actually, his ex-wife. They have divorced. Not cleanly I’m afraid. She has a new partner who is extremely rich so maybe there’s some satisfaction for her there. Charles has thrown himself into his work and he’s become a little workaholic. Maybe it’s his method of coping and finding an escape. And he is good at what he does. And there is a lot that needs to be done. I have a slight nervousness that Charles’ ceaseless churning of projects means that some of them aren’t fully thought through. There’s a difference between activities and achievement! But from the point of view of the numbers and finances, everything looks healthy, so I’m not complaining. How is my brother feeling? Well, he seems happy enough. But I’m not sure that I really know. He doesn’t share his feelings very much these days. At least I get to see a lot of him. And I think being able to work with my brother IS something special. I’m sure that he and I are much closer than we would have been without the family business. So that’s a positive in the current situation.

HAS RUPERT MADE THE IMPACT THEY EXPECTED?

I'll finish this update by talking about Rupert. Ah, he's turned out not to be the star we all thought. He's still working in the business, and contributing, but there are no promotions on the horizon. He's actually at a lower level now than other people in the Next Generation, who include his brother-in-law. Sometimes I feel a bit disappointed that he didn't come through in the way I hoped and expected. But maybe the fault lay with my unrealistic expectations, rather than Rupert not trying his best. Beyond Rupert's performance as a manager, there's another circumstance – and I call it a circumstance not a problem – that is somewhat tricky. We have a Shareholder's Agreement and, when Susie got divorced from Charles, she was forced to sell her shares to a member of the bloodline. She chose to sell them to Rupert, her son. In the divorce proceedings Rupert has completely taken Susie's side. And now in the owners' council he is also taking up her campaign for higher dividends – directly against the wishes of his father. It's unfortunate to have to live with this tension between father and son. I'd like there to be much more unity among those of us who are owners. If I had a magic wand right now, and I could wave it over one of the three circles of family, business and ownership, I'd wave it over the ownership circle. My hope is that, going forward, the owners will be able to achieve a clear and shared view about what we want for our business, and what we expect from our business. The more we can get that right, and provide conceptual guidelines for the management, the more I think we will be in very good shape for the future. Will we succeed in this? We'll have to wait and see.

Update your thoughts:

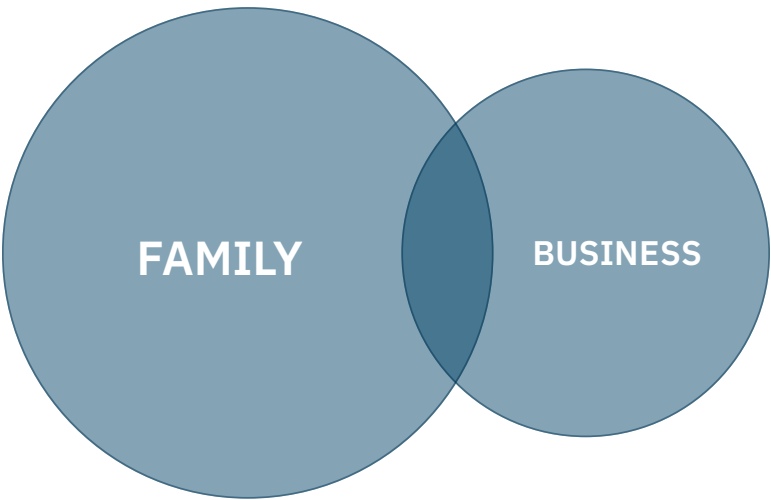
Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

How can you best prepare for the entry of the next generation?

How can you help manage your families' expectations and the next generations' aspirations?

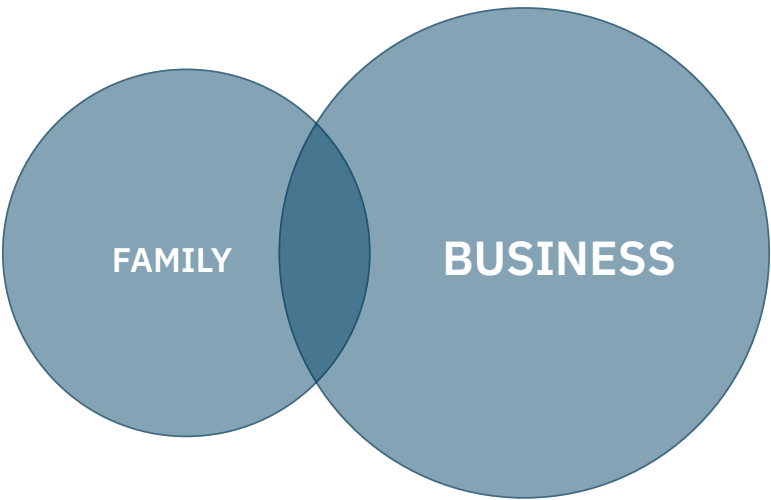
How does the death of an owner affect the other owners?

Overemphasis on the Family



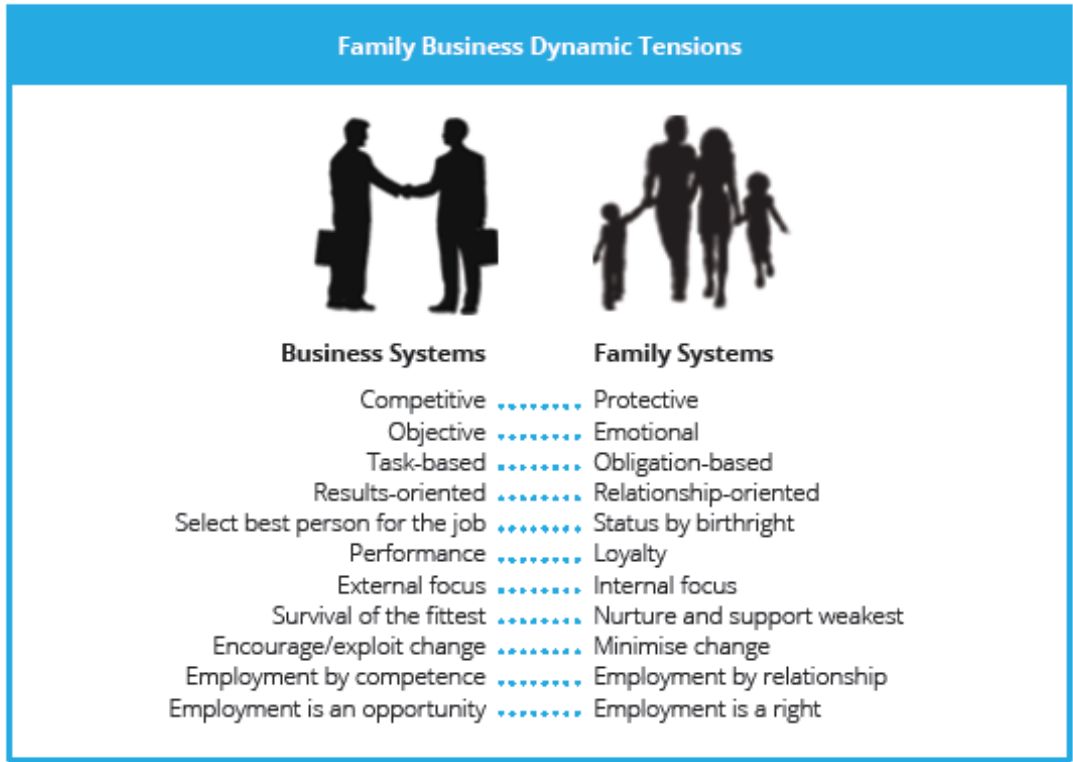
Illustrate, with examples, the overemphasis of the family component:

Overemphasis on the Business



List some consequences of each that result from an overemphasis on the business:

Contrastic Views that may Cause Tensions in Family or Business



Source: <http://www.fambizstrategies.com.au/About%20You/Family-Business-Dynamics>

From your experience, what are the most common tensions listed here?

What can be done to ease some of these well-known tensions?

Peer Perspective

REINKE FAMILY
Listen to Dale Reinke, Owner of Tim Horton’s franchises in Alberta, Canada speak about the realizations he and his family gained from the three circle model.

How has the three circle model helped him understand their family business better?

Are there areas of the 7 territories that remain unclear?

Expert Perspective

IVAN LANSBERG
Listen to Ivan Lansberg, Academic Director of Family Enterprise at Kellogg School of Management, talk about the recurring challenges that family’s in business face and how they can prepare themselves for the future.

How can you use your experience to anticipate future challenges?

ADDITIONAL MATERIAL

Family Enterprise Canada Material

- [Self-Assessment: Who is family?](#)
JOE ASTRACHAN
- [Video \(expert\): Creating a long-lived family business](#)
JOHN DAVIS
- [Video \(expert\): 3 Tips every business family should follow](#)
PHILIPPE DE GASPÉ BEAUBIEN
- [Video \(family\): Managing both the family and the business at the same time](#)
KOTELKO FAMILY

I Notes

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Understanding Life Cycles



Facilitation Tip!

Feel the energy of the group. As a facilitator you should continuously be aware of the energy of a group. Are they engaged? Do they need a break? What kind of exercise do they need right now?

Learning outcomes:

- Understand how different life cycles impact the family & business and uncover some missing conversations that may need to take place
- Recognize the changes in life cycles over a long period of time

When we talk about life cycles, what comes to mind first?

How do you think different life cycles of various members could impact a family business?

UNDERSTANDING LIFE CYCLES

Activity

PART 1

CASE STORY: Business & Life Cycles

Robert took over the Family Business from his Dad when he was ill. He has been running the business for over 30 years and wants out. His wife Jane returned to University to get a marketing degree when her 3 kids were in high school, after graduation she joined her husband in the business.

She enjoys her work and does not really want to slow down, staying at home and playing grandmother is not her thing.

Robert is seriously considering selling the business while it is still prosperous.

Eric the eldest is living close by and running a small design company with his wife, his 2 siblings are living in other cities.

During a family dinner Robert breaks the news that he met a potential buyer. Jane is upset and Eric is pensive. Jane wants Robert to consult the other children before making a final move, so a family meeting is planned for the following week.

During the meeting Robert expresses his fatigue and that he no longer has the drive to run the business. Eric steps in and shares that he gave this lots of thought and discussed it with his wife and that if given the chance and the support he would like to come into the business and learn and be mentored by his Dad in order to eventually take over the business. His siblings who have no interest in the business think this is a swell idea.

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

What are your first impressions of the dynamic of this business family?

Do you see any potential issues that may arise down the road?

What are some of their strengths?

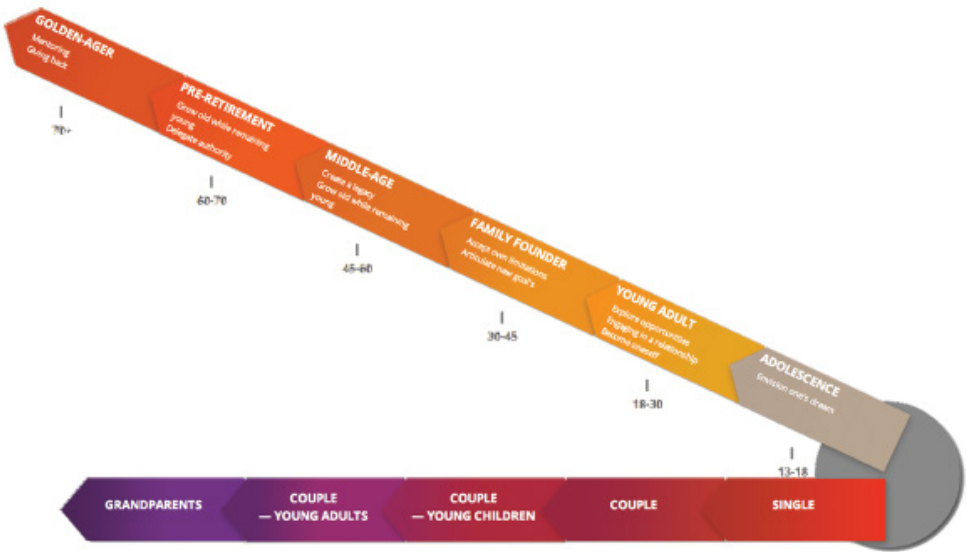
1.
2.
3.
4.

What are some of their weaknesses?

1.
2.
3.
4.

PART 2

Personal Life Cycle



Our personal life cycles are the ones we know best. Where are you on this axis?

Individual:

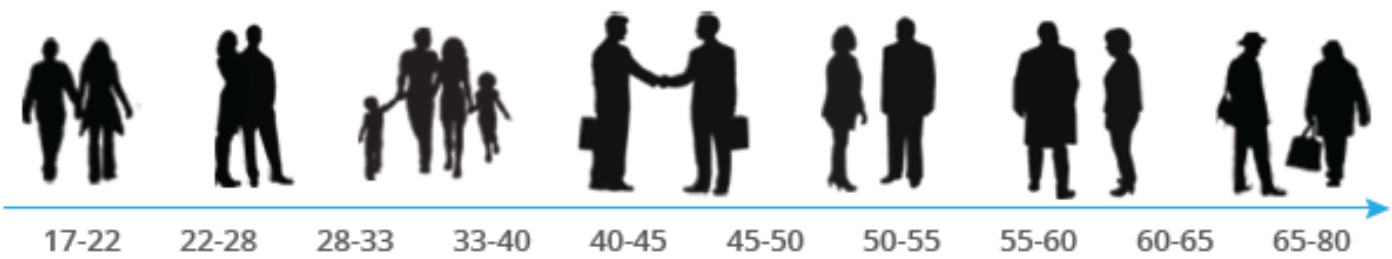
Family:

Look at the characteristics of each stage; are there any that speak to you more than others?

Can you find any areas that you could challenge or add to?

Where is each member of Your Family on this Line?

Using the genogram you created on Day 1, can you place each member of your family on the timeline below? Place yourself and other members of your family involved in the business on the life cycle.



- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____

Which of these options can be associated with which of your family members?

- | | |
|---|---|
| ☐ Mentoring / Giving back | ☐ Accept own limitations |
| ☐ Delegate Authority | ☐ Become oneself |
| ☐ Grow old while remaining young | ☐ Engaging in a relationship |
| ☐ Create a legacy | ☐ Explore Opportunities |
| ☐ Articulate new goals | ☐ Envision one’s dream |

Reflecting on the results, what do you anticipate being a life issue for you or members of your family going forward?

Are there any conversations that should be taking place that are currently being avoided?

PART 3

CASE STORY: How Life & Business Cycles Interact

Robert is quite comfortable about the idea of transferring leadership eventually to his son under certain conditions:

- He gets a degree in business administration
- He works with a coach to develop his management skills
- The transfer is planned in 3 years' time

Jane is more concerned about sharing power and authority with her son and how this could affect her relationship with him if he becomes her boss.

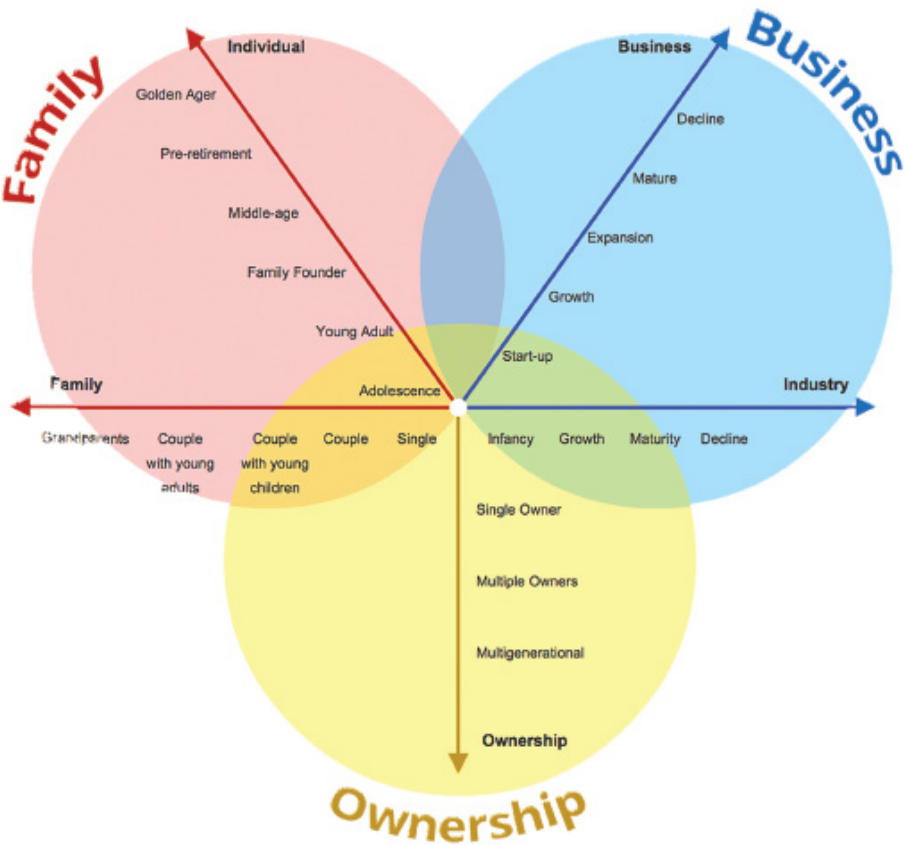
Update your thoughts:

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

What do you think about Robert’s conditions for Eric’s entry into a leadership position?

PART 4

Family Business Life Cycles



Looking at all life cycles at once, what draws your attention first? Why?

Can you think of an example that challenges this matrix?

PART 5

CASE STORY: The 10 Year Shift

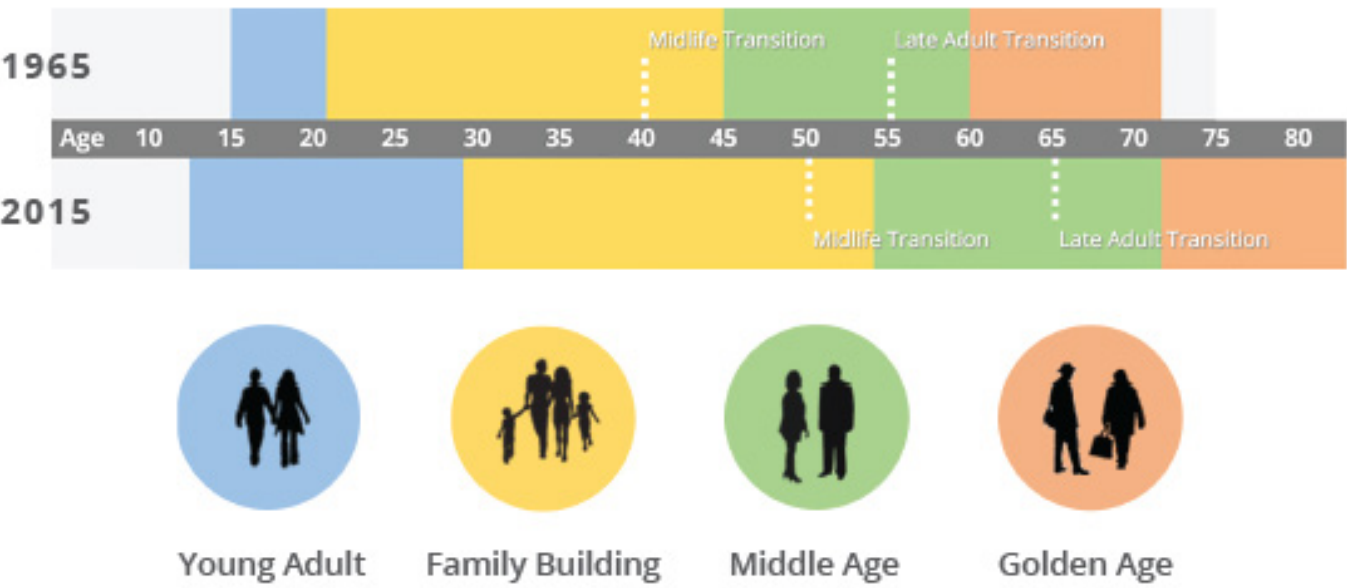
Contrary to her husband, Jane has no intention of leaving the business just yet. She feels she gave her best years to raise her kids now it’s her turn. She does not feel she is slowing down and has lots of new projects.

Eric is quite aware of his mother’s capabilities and wants to make this partnership work. However he does need to make a name for himself and can’t always been seen as Jane’s son but as the leader of the business.

He will need to hold a conversation with his Mom to make sure she accepts this reality and will help in legitimizing his position in the business vis a vis clients, suppliers, and key personnel.

After listening to the most recent update to our story, what additions can you make?

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?



What are some of the main consequences of the 10 year shift?

How can this alter a family members’ expectation of their role in the business?

What domain is more affected by this shift? Why do you think that is?

PART 6

Generational Differences

Beside each Generation, write key events and characteristics that define them.

GI & SILENT GEN
1901 - 1945

Work is an obligation.



BABY BOOMERS
1946 - 1964

Work is an adventure.



GENERATION X
1965 - 1980

Work is just a job.



GENERATION Y
1981 - 1991

Work is a means to an end.



GENERATION Z
1991 - TODAY

I want to work different.



Peer Perspective

GROSSMAN FAMILY

Listen to Steve Grossman, Massachusetts Treasurer and Chairman Emeritus of the Grossman Marketing Group, discuss how his personal and business career paths changed.

Can you think of another example where someone’s career path changed because of events in their personal life?

How can we begin to inform our families about potential changes in our aspirations?

Expert Perspective

DENISE PARÉ-JULIEN

Listen to Denise Paré-Julien, Family Business Consultant, as she discusses how life cycles have changed and what this may mean for the interaction between the current and rising generations.

What is your most important takeaway from Denise’s video?

What are some of the challenges of multi-generational ownership?

ADDITIONAL MATERIAL

Family Enterprise Canada Material

- Tutorial: Joining the Family Business as a Second Generation Member.
RAPHAELY FAMILY
- Video (expert): 4 trends impacting business families.
JOHN DAVIS
- Video (expert): Embracing difficult conversations as a business family.
JOE ASTRACHAN
- Video (family): Working from the ground up.
BASILE FAMILY

Notes

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Navigating Ownership



Facilitation Tip!

Keep on track. Some facilitators keep discussions on track by listing the questions or issues they want to cover on the board or summarizing the discussion on the board as it proceeds. Stopping and asking a participant to summarize where the discussion is at the point it appears to go off track may also help.

Learning outcomes:

- Discover the demands and dynamics around a single **owner**
- Understand the difference between owners and **owner/managers**
- Uncover the distinctions between owners and managers' roles & responsibilities in **multi-generational ownership** structures

What does "Ownership" mean to you?

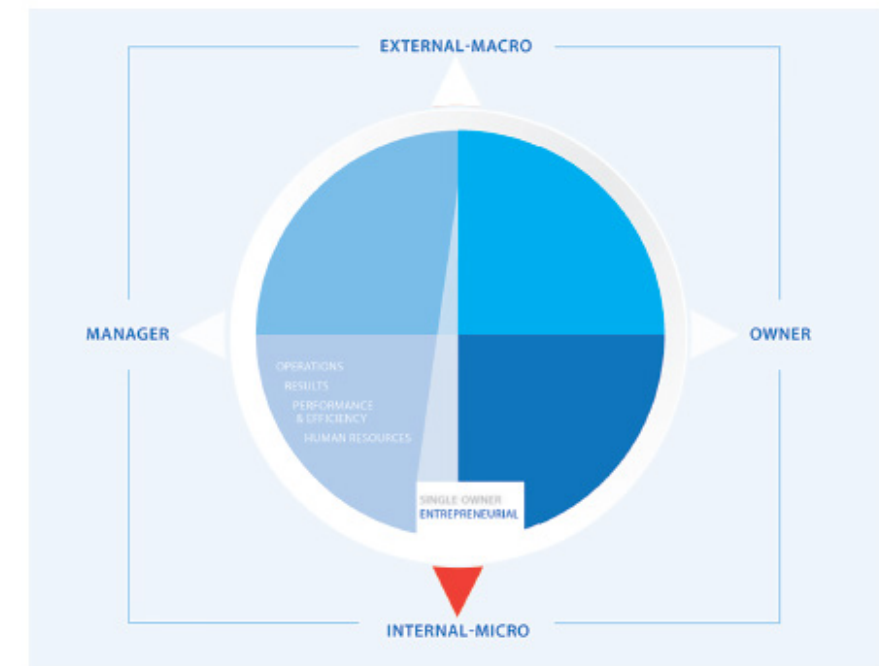
What does it entail for you?

NAVIGATING OWNERSHIP

Activity

PART 1

The Entrepreneurial Phase



What are some characteristics that you associate with a single owner/entrepreneur? What are some characteristics that you associate with a single owner/entrepreneur?

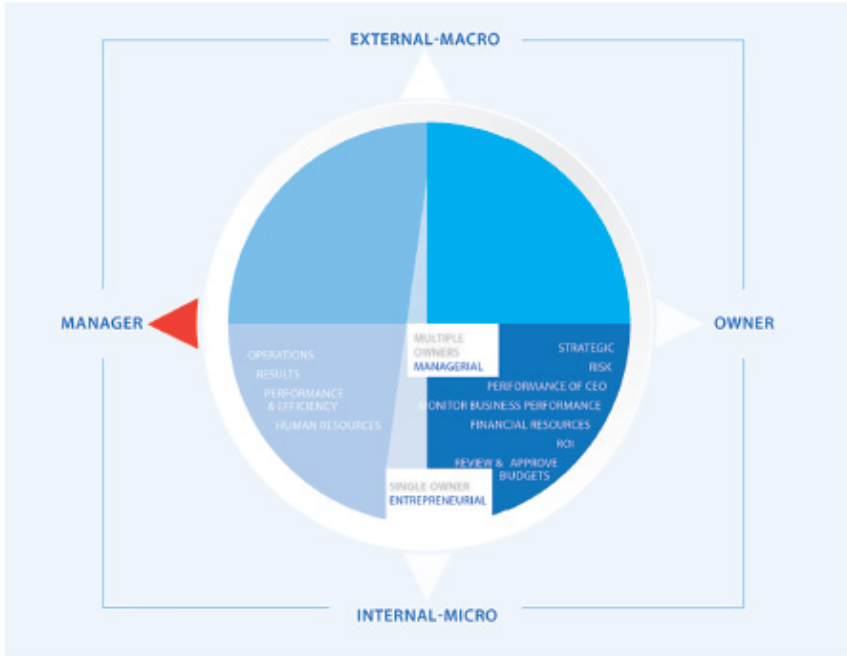
1. _____ 3. _____

2. _____ 4. _____

What are the main concerns of the single owner/entrepreneur?

PART 2

Multiple Ownership Phase



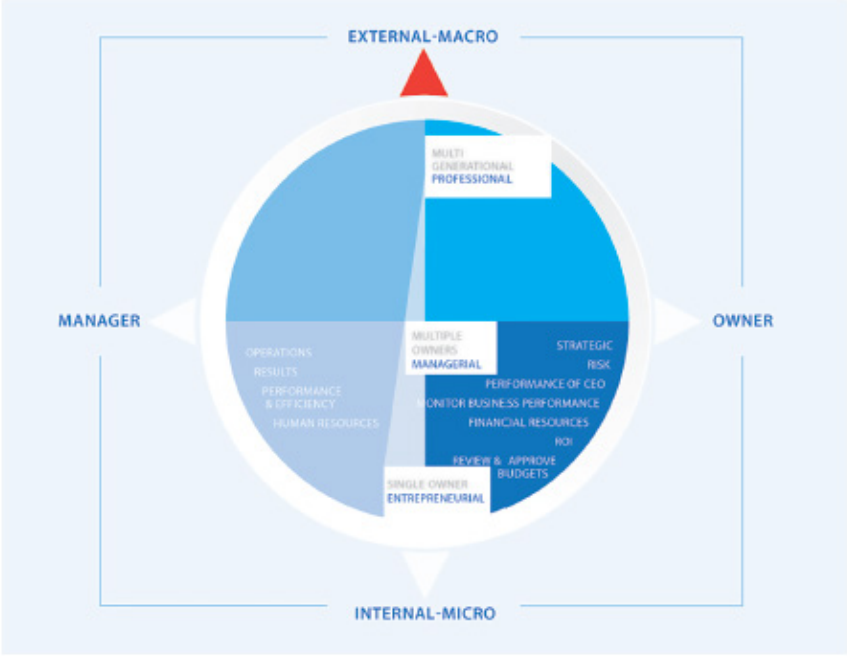
How would you characterize a sibling ownership group?

How do the ownership priorities change moving from single to multiple owners?

What does this change in ownership structure do to the group leadership?

PART 3

Multi-Generational Ownership Phase



What does the “professionalization of ownership” mean to you?

How can multi-generational owners get on the same page when their experiences differ greatly?

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

PART 4

Interview with Albert – Family Business Pioneer (1976)

Okay let’s do this interview. You make sure your camera is rolling. I don’t see a light on it; I think you should check it. I need this to be perfect first time.

Let’s just go!

I am often asked about the secret of the phenomenal expansion of my business. And I surprise them by saying I’ve never really had a plan except... to grow. Grow, grow, grow! Focus on growing; that’s what you need.

But today I’m talking about the family aspect of business. That’s... unusual.

I’m still not very comfortable with talking about the family. But that’s what you want, right? Well, I’m waiting for your question.

But, let me tell you, successful people like me don’t have much time to think of family things. I have to keep most of my attention on my business!

Listen. If it weren’t for me looking after my baby, the competition would be jumping all over it.

I know what you’re thinking.

My wife had the children and did a great job bringing them up. I had the extra child – my business. It’s mine: I can’t help myself from thinking about it. It’s always been a presence in the home and around the dining table.

So you’re right that I’ve been focused more on the business than the family. But you must remember something.

My children have grown up and I’m sure they have become wonderful people – after all, they’re MY kids.

But the business is still growing up; it is far from mature and it continues to need my care and protection. I’m 100% passionate about my business...

Though of course I’m also passionate about my...err...my family...and all that.

So that’s it. You wanted to know about family business – well, I have a business and I have a family. Simple. One day the family will take over the business from me. But not for a long time yet; I have no intention of ever hanging up my boots.

I hope I’ve answered all your questions. I’d like to stop here because I’ve got some important calls to make. Remember: if you rest, you rust.

Cut. I said cut!

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

What are your first impressions of Albert?

Where do his main priorities lie?

What do you see as being some of his challenges going forward?

1. _____

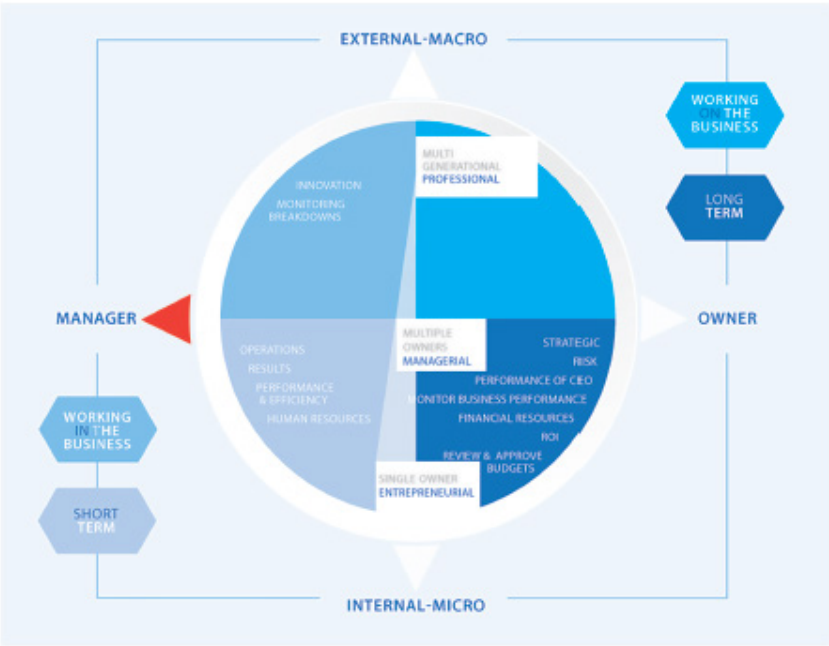
2. _____

3. _____

4. _____

5. _____

6. _____



What are your first impressions of this evolved model?

What do you see as the main differences between working ON the business vs. working IN the business?

What key ownership challenges would characterize this circumstance?

PART 5

Challenges of Sibling Ownership (1996)

Albert: Dad always wanted to grow the business when he was alive. Today, if he were still with us, he would be so proud of me, well, of all three of us. If we make this acquisition we could double the size of the business. It would really put our family on the map – even more than we already are. We’ve got to do it!

Peggy: Let’s go one step at a time. Sam, the two of us who work in the business have identified this potential acquisition. But Dad made you an owner too and we never forget that you’re equal with us. I want to make sure that you feel comfortable with this expansion, which has some big consequences.

Sam: Consequence number 1 being the debt. This acquisition would saddle the company with more debt than it’s ever had. Of course Dad levered up some – but this increases the leverage by a whole order of magnitude.

Albert: I don’t have a problem with that. Let’s go beyond what Dad did. Let’s prove we can be better than him at his own game!

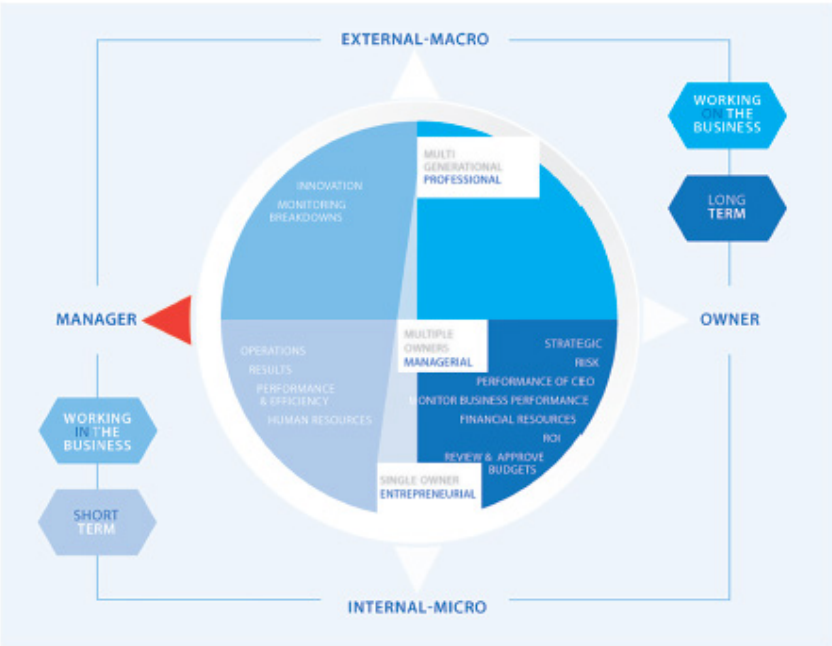
Sam: It’s not about being better than Dad. We are the owners now and we have to be comfortable with the broad level of risk that the business is taking. Hey, I don’t want to sound awkward. But honestly, I think the three of us need to be clear about the risks that we, as joint owners, want to take with our joint capital.

Peggy: We’re in this together; we want to make sure we get it right for all of us.

Albert: It’s kind of frustrating. But I guess this isn’t a one-man business any more, like it was in Dad’s day. Now there’s a lot more “family” in the family business.

Peggy: We’ll work it out between the three of us. And the Next Generation are going to be proud of what we’re going to achieve.

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?



What should the tasks of an owner/manager be?

1. _____
2. _____
3. _____
4. _____
5. _____

How can an active owner account for the views of a passive owner?

PART 6

Discussion Among Cousins (3 weeks ago)

Peggy: Before you two cousins start your discussion, I just wanted to say what a joy it'd be to see another member of the Next Generation join the family business. Philip, I'm sure you haven't made your decision yet – and I know things are at an early stage – but I really hope you can work things out with Maureen. I'll see you later.

Maureen: Don't forget we're all meeting for lunch at 12.30. See you later mom.

Philip: It's really nice that you guys can have such a close relationship. By this stage, so many daughters and mothers only get together on skype and even then they start bickering. Or maybe that's just my wife and my mother in law!

Maureen: Yeah, that's so true. Or maybe it IS just your mother in law.

Philip: Yes, well... let's get to business. You know that I'm interested in joining you in the family business; I can see lots of advantages. But I also want you to know that IF I join then there needs to be absolute clarity about expectations and conditions. Could I start going through those with you?

Maureen: Absolutely. You know that we value your expertise and we're keen for you to join as soon as you can – like, NEXT WEEK - but it's in everyone's interests to get total clarity FIRST.

Philip: Agreed. My first condition is about ownership. If I'm going to work in the business, and be as committed to it as though it were mine, then I'd like a small part of it to actually BE mine. That means: having an ownership stake through an agreed number of shares.

Maureen: looks surprised. The truth is that, though she's been working in "her" family business for 10 years, she doesn't yet own any shares in it. Philip's suggestion therefore seems radical, maybe even grasping.

Maureen: O-h. Well... on ownership... what I've always been told is to be patient. I mean, we can't rush our inheritance. I've been working here for 10 years and I still don't hold any shares. Although... I would like to. That's to say, I think it's a good idea. Since I work in the business. But would it be FAIR for you to have shares? Just because you make it a condition? When I don't have any?

Philip: Hey, don't get me wrong. I'm not demanding special treatment. I think ANY cousin who comes to work in the business should see there is a FAIR PROCESS for entering the ownership circle. Otherwise, if I were to join, in 10 years I could be still waiting for vague commitments and half-promises to be fulfilled. And even worse, Maureen, you could still be waiting too, after 20 years! There needs to be some agreement or policy. Something written down that is transparent to everyone.

Maureen: I can’t argue with that. But let’s think practically. What you’re talking about here is a Shareholders’ Agreement; maybe a Family Constitution. That’s going to take a lot of time and effort.

Philip: Yes it is.

Maureen: That means you’re not going to be joining us next week, are you. Nor next month. Nor next quarter.

Philip: It’s going to take time. But it IS feasible and it’s going to be worth it. It’ll make things much clearer for me, for you, and for our other cousins if they decide to join one day.

Maureen: And for my children and for your children. And grandchildren...

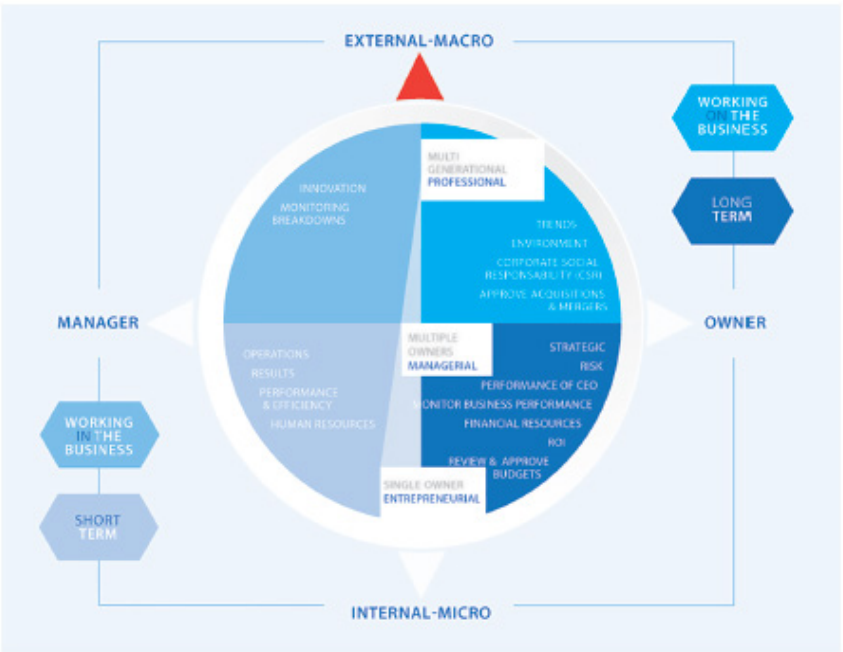
Philip: Hey, I know a family business thinks long term but let’s go easy on my “grandchildren” shall we? I can’t even think beyond my two kids at the moment. Let’s keep talking about this...

After this last video, what are your thoughts on the next generation?

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

How could Maureen better communicate her aspirations?

What role could Philip play in the beginning to resolve this ownership issue?



In this more complex ownership structure, how would you suggest creating more accountability?

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

How do the concerns of owners and managers differ?

Peer Perspective

WATHÉN FAMILY

Listen to Eva Wathén, Owner and Board member of Koskisen Oy in Finland talk about her transition from working in the business to working on the business.

What challenges do young owners face moving from working IN the business to ON the business?

Expert Perspective

PROFESSOR JOHN DAVIS

Listen to Professor John A. Davis, Senior Lecturer of Business Administration at Harvard Business School, advocate for increased partnering of senior and junior generations in management and executive teams.

What benefits do you see in pairing junior and senior generation members in an ownership structure?

ADDITIONAL MATERIAL

Family Enterprise Canada Material

- [Self-Assessment: Are You a Cohesive Leader?](#)
IVAN LANSBERG
- [Video \(expert\): The next generation – 4 tips for embracing leadership roles in your family enterprise.](#)
IVAN LANSBERG
- [Video \(expert\): The importance of education in a family enterprise.](#)
IVAN LANSBERG
- [Video \(family\): Transitioning the family business to the next generation.](#)
BASILE FAMILY
- [Video \(family\) The sandwich generation: when one is not given the opportunity of ownership and leadership.](#)
WOODMAN FAMILY
- [Video \(family\) Taking the family business into future generations.](#)
WOODMAN FAMILY
- [Video \(family\): A next generation perspective on ownership and stewardship.](#)
NAVIN AMARASURIYA



Decision-Making Processes



Facilitation Tip!

Provide closure. It can be confusing for participants to come out of a workshop without clear next steps. Your participants should be given a summary of the workshop outcomes, information about how the activity results will be used, and what is expected from them moving forward.

Learning outcomes:

- Structures serve to facilitate communication and keep individuals accountable
- Inclusive decision-making structures are important to align future direction and vision

How do you see basic structures helping business families make better decisions?

1. _____
2. _____
3. _____
4. _____

Do you have any examples of how structures have helped decision-making?

DECISION-MAKING PROCESSES

Activity

PART 1

CASE STORY: Structures Serve to Facilitate Communication & Keep Individuals Accountability

10 family members are working in the family hardware stores. The three oldest cousins have been working with their Dads for nearly 20 years; they started as teenagers doing summer jobs.

Lately there has been lots of tension in the family because some new members are not performing and are not meeting standards. However, there are no mechanisms in place to make them accountable and there seems to be an unspoken rule that you cannot criticize a family member in the business.

The 3 oldest cousins meet over lunch to discuss this new reality and how they should address this situation, they soon realize that they have been abiding by unwritten rules and principles, and have no real decision-making process.

What are your first impressions of this case story?

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

What is the most pressing concern facing this family at the moment?

PART 2

Personal Life Cycle

Preparation Set-Up

REALIZING THE NEED

- 1 Ascertain need to meet and discuss important topics
- 2 Determine who attends (family members and potentially others)
- 3 Appoint convening group/person
- 4 Set date and time

ORGANIZING THE MEETING

- 1 Define objectives and what is a successful outcome
- 2 Invite participants
- 3 Get input from all before the meeting
- 4 Select acceptable meeting facilitator(s)
- 5 Draw up meeting agenda

CONVENING THE MEETING

- 1 Select proper meeting place
- 2 Share agenda and particulars

Conducting the Meeting

STRUCTURE

- 1 Appoint chair secretary
- 2 Agree on ground rules and code of conduct at family meetings
- 3 Set objective of having family meetings
- 4 Set timeline
- 5 Set meeting frequency

DYNAMICS

- 1 Discuss any issues and share useful information
- 2 Encourage individual participation
- 3 Build consensus on important business family issues or activities
- 4 Assign tasks to report on at future meetings
- 5 Set date of next meeting

Post Meeting

FOLLOW-UP

- 1 Establish follow-up procedures
- 2 Monitor action plans
- 3 Celebrate achievements

PART 3

CASE STORY: Inclusive Decision-Making Structures are Important to Align Future Direction

With the help of their trusted advisor, the family members have set up a weekly meeting to discuss some of their issues in running the business. The fathers were asked to attend and the 3 initial older cousins were also present. After their first meeting two cousins meet up to share their thoughts on how the meeting unfolded:

- They both liked the idea of a code of conduct and a clear agenda beforehand.
 - They were impressed that they all stayed on topic throughout the meeting.
 - After some discussion they came to a consensus that there is a pressing need to start formalizing their unwritten policies and procedures.
- One of the first policies they agreed to work on is work ethics for family members, which will include work attendance, hours and vacations time.
 - They promised to have a first draft ready for the next meeting. Should they consult the other family members beforehand, or simply impose whatever they decide next week?

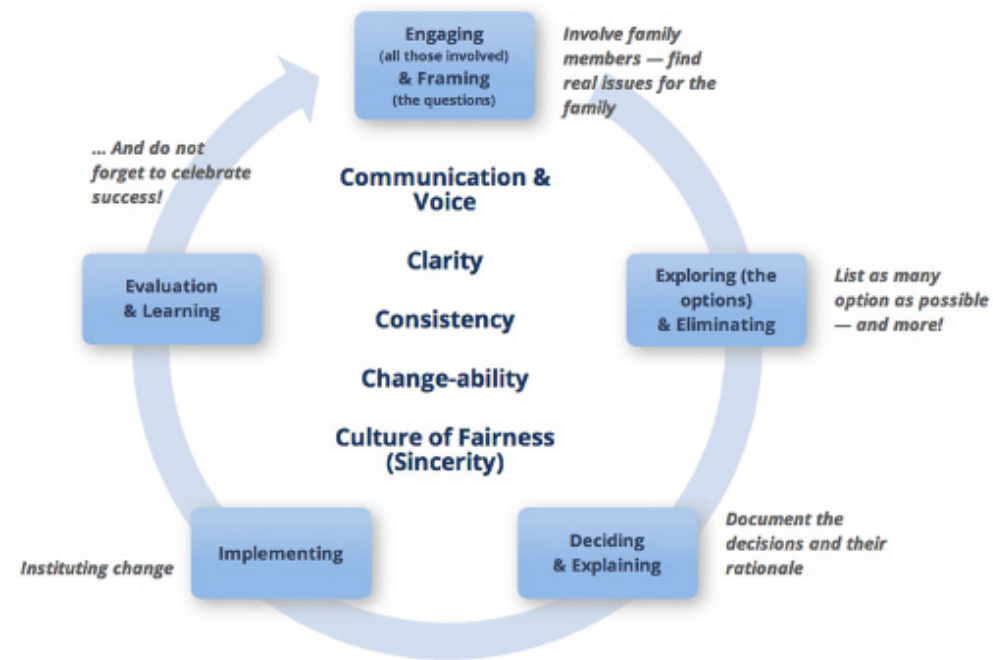
What has changed after the most recent events?

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

So, should they consult the other family members beforehand, or simply impose whatever they decide next week?

PART 4

Fair Process



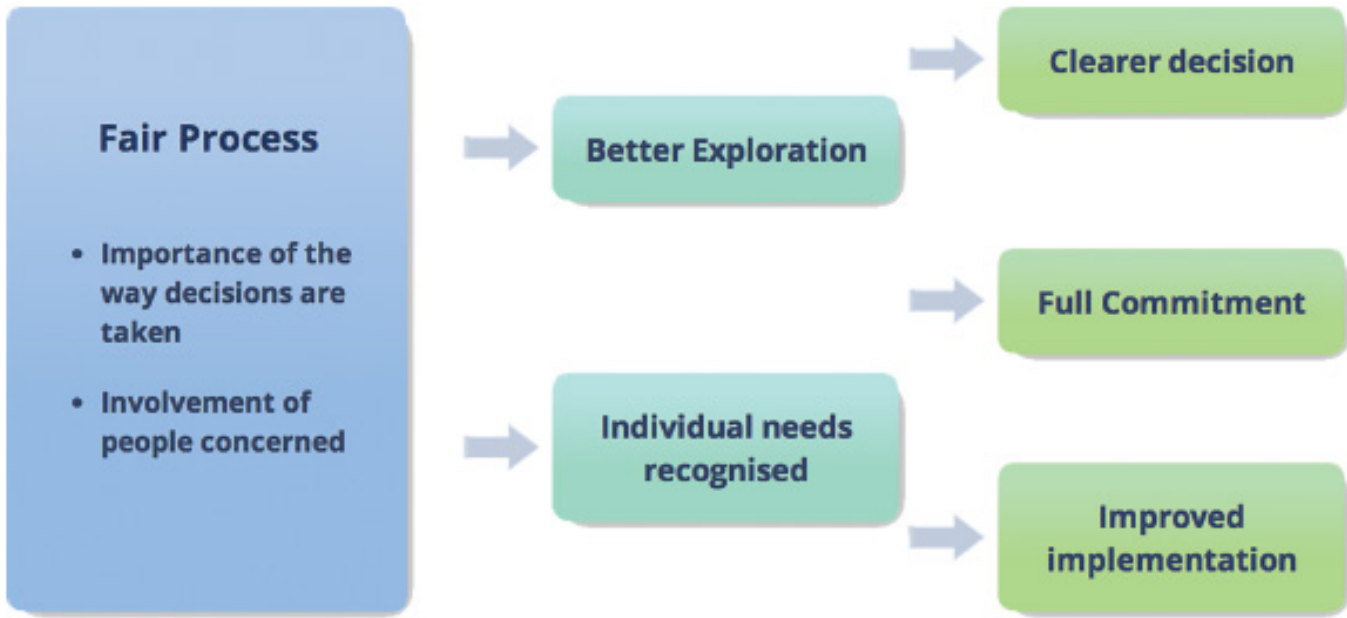
What other virtues would you add to this Fair Process model?

Are there any conversations that should be taking place that are currently not?

1. _____

2. _____

3. _____



What other outcomes do you see, when Fair Process is implemented?

How does Fair Process better address the needs of the individual?

How does Fair Process better address the needs of the family?

PART 5

CASE STORY: Designing the Right Type of Decision-Making Structures

They now have three working decisions making structures:

- They hold an annual family meeting with all members of the family and their spouses and grandchildren 16 years and over
- They have a monthly family owner manager meeting that includes the fathers and the three oldest cousins and
- They hold weekly operating meetings with their senior staff

This new way of making decisions and keeping all stakeholders informed has helped immensely, but there seems to be one main challenge that the cousins have not been able to address and it concerns their father’s long time habit of getting involved in minute details when they walk around the stores. Both of the fathers have moved away from daily operations but whenever they show up they always seem to create some havoc with management or employees because things are not like they use to be.

The fathers have also a very clear expectation that there should always be a family member present in every store 7 days a week.

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

PART 6



What should expectations be for a Family Council?

How can you get consensus on Board of Director’s policies and procedures?

How can family aspirations be implemented in the Shareholder’s Agreement?

Peer Perspective

TAYLOR FAMILY

Listen to Mitchell and Clinton Taylor, Owners and Winemakers of Taylor Wines in Clare Valley, Australia talk about how the inclusive decision-making structures their family business has implemented.

Are there any negatives to including more family members in decision-making? Why or why not?

Expert Perspective

STEPHANIE BRUN DE PONTET, PH. D

Watch as Stephanie Brun de Pontet Ph. D, Senior Consultant at The Family Business Consulting Group, discusses the importance of family meetings, who can be involved and tips for what to include.

What are your thoughts on the tips provided by Stephanie Brun de Pontet? Could you add anything?

ADDITIONAL MATERIAL

Family Enterprise Canada Material

- [Interactive Game: What Should We Talk About at Family Meetings?](#)
TAYLOR FAMILY
- [Tutorial: The Role of a Family Constitution](#)
TAYLOR FAMILY
- [Video \(expert\): Participation of in-laws in family meetings and decision processes](#)
IVAN LANSBERG
- [Video \(family\): Family meetings – the importance of having structured time for communication](#)
NAN - B DE GASPÉ BEAUBIEN



Planning Ahead



Facilitation Tip!

Get early involvement. If time allows, start by asking people their expectations for the session and any concerns. Get everyone to say something as early on as possible. Directing questions at specific participants keeps people on their toes.

Learning outcomes:

- Creating a common vision is important for the sustainability of the family business
- Planning for the future is essential. Start where you are, as soon as possible

Why is planning so important for family businesses?

What do you think are the 4 most important things to consider when planning ahead?

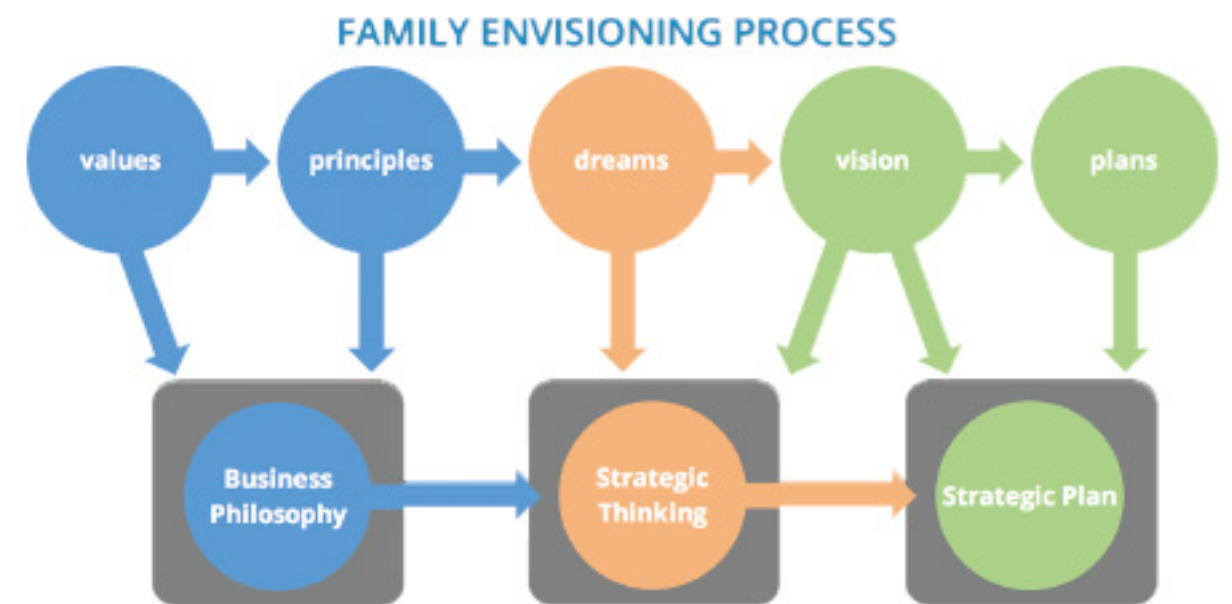
- | | |
|----------|----------|
| 1. _____ | 3. _____ |
| 2. _____ | 4. _____ |

PLANNING AHEAD

Activity

PART 1

Parallel Planning Process



What are your thoughts on the statement “A common belief is that family values influence the business culture”?

What would be a good forum to talk, as a family, about planning?

PART 2

CASE STORY: Creating a Common Vision is Important for the Sustainability of the Family Business

Harold: I worry about what will happen to the family after I’m gone. Sometimes I think it’d be easiest just to sell the business, divide the assets, and avoid the difficult conversations. A clean break for everyone.

Mary Ann: Dad, don’t talk like that. You know you’d hate to sell the business. And even if it avoided one set of arguments it would only throw up a whole lot of new ones. Your two sons work in the business. Two of your grandchildren are working in the business. It’s something special. All of us would like to keep it as a family business.

Harold: If we keep the business: how do I look your two brothers in the face and say: “Sons, I’ve been your boss for years, and frankly I have never thought that either of you has the ability to take over from me.”

Mary Ann, how can I say that? I just can’t.

Mary Ann: It would be difficult. But to avoid that difficult conversation, are you really prepared to sell the whole company? The company that’s got our name on it?

Harold: I can’t decide.

Mary Ann: Maybe my brothers don’t even want to take over from you? Maybe they would be happy for you to hire a non-family manager to succeed you? Maybe one day your grandchildren could take over the top job? They are so passionate about the business.

Harold: Kim and Richard are good kids. It’s been really great to have them around the business. They’re a new hope for the future.

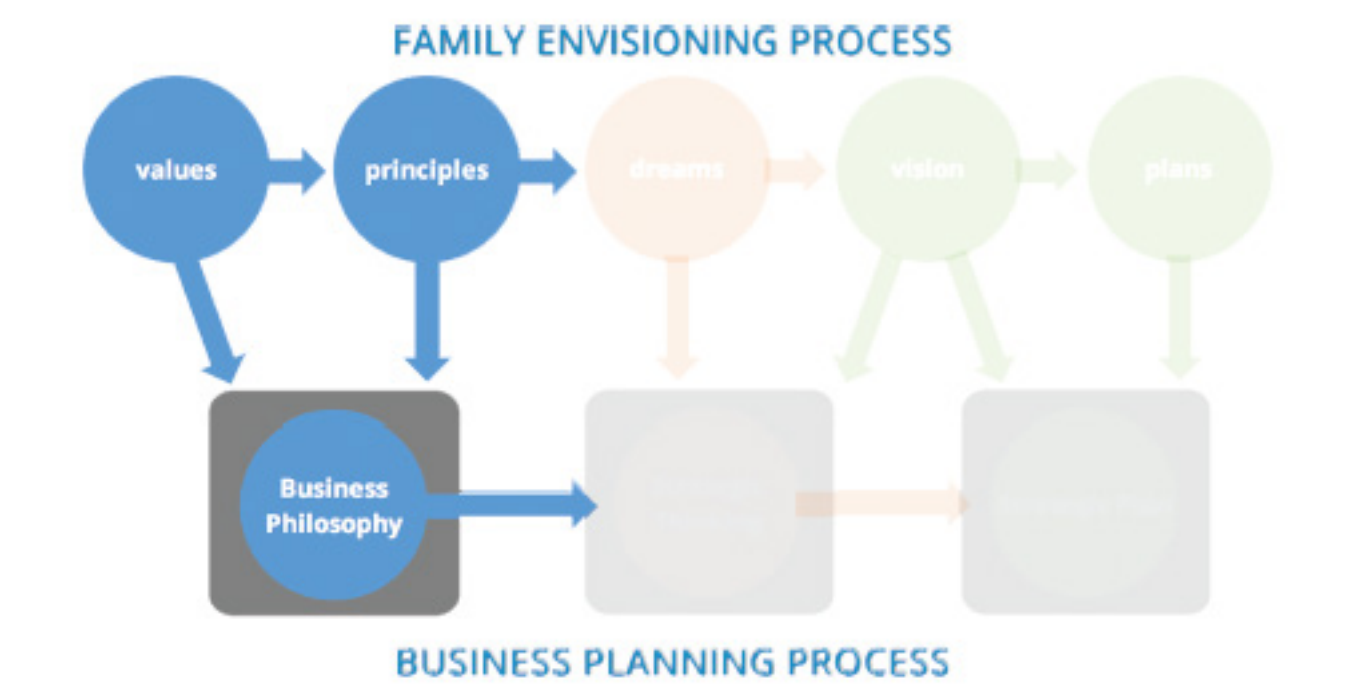
Mary Ann: They’re well-educated, they have a ton of ability, and they have fabulous plans for the future. You don’t want to take away their opportunity, do you?

Harold: I can’t decide. Not yet. But maybe... there could be a way forward.

Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

PART 3

Family Values & Principles



How are values of the past carried forward to the present?

What can families do to re-vamp their values based on today’s work and life environments?

PART 4

Values & Behaviors

Write 5 of the values at the heart of your family business:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

Now, write 5 examples that illustrate these values in your family or business:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

What was the hardest part of this activity? Selecting the values or indicating the associated behaviors?

What steps can you take to begin implementing the family values in the family business?

PART 5

CASE STORY: Questioning our Assumptions and Adapting to News Trends

Harold: *This is such a treat for me to sneak out of the office and have lunch with my granddaughter. It’s another of the good things about you working for the family business!*

Kim: *I’m loving being in a place that has our family name over the door. It feels really special. Though, of course, I can see that there are some things that need changing, maybe.*

Harold: *Of course. That’s only natural.*

Kim: *Granddad, can I ask you something privately without it being an official idea at this stage?*

Harold: *Go right ahead.*

Kim: *You’re sure? Uncle Victor told me not to rock the boat or suggest too many ideas that make people feel nervous.*

Harold: *Our company needs ideas! The world is changing and we have to change too. Otherwise we’ll be in bankruptcy and that will make people feel really nervous. Go ahead, I’m a good listener.*

Kim: *It’s about our policy of where we locate our manufacturing. Twenty years ago, you mostly offshored to cheaper countries. But nowadays consumers are getting concerned about where things are made and they’re rewarding local production. At the same time, the financial reason for offshoring is evaporating. In other countries labour costs are rising, while in this country costs are falling thanks to hi-tech robots. So I suggest we consider switching back to local production for some of our lines. It’s an opportunity for a win for consumers, a win for our country and a win for our profits.*

Harold: *I can see why your Uncle Victor might call that “rocking the boat”. Did you know that I was the one who championed offshoring? It’s been hugely important to this company and I’ve been its biggest defender. But, just because it was right 20 years ago doesn’t mean that it’s still 100% right today. Consumers are changing their preferences and we always have to keep up with the consumer. Maybe you’re making a good point.*

Kim: *So...*

Harold: *So, feel free to put the issue on the agenda. See if you can persuade us all that it makes sense.*

Kim: *Great!*

Harold: And Kim, I’m pleased that you’re bringing this up. It’s exactly the kind of challenge that I expect from the Next Generation.

Has your opinion of any of the characters changed?

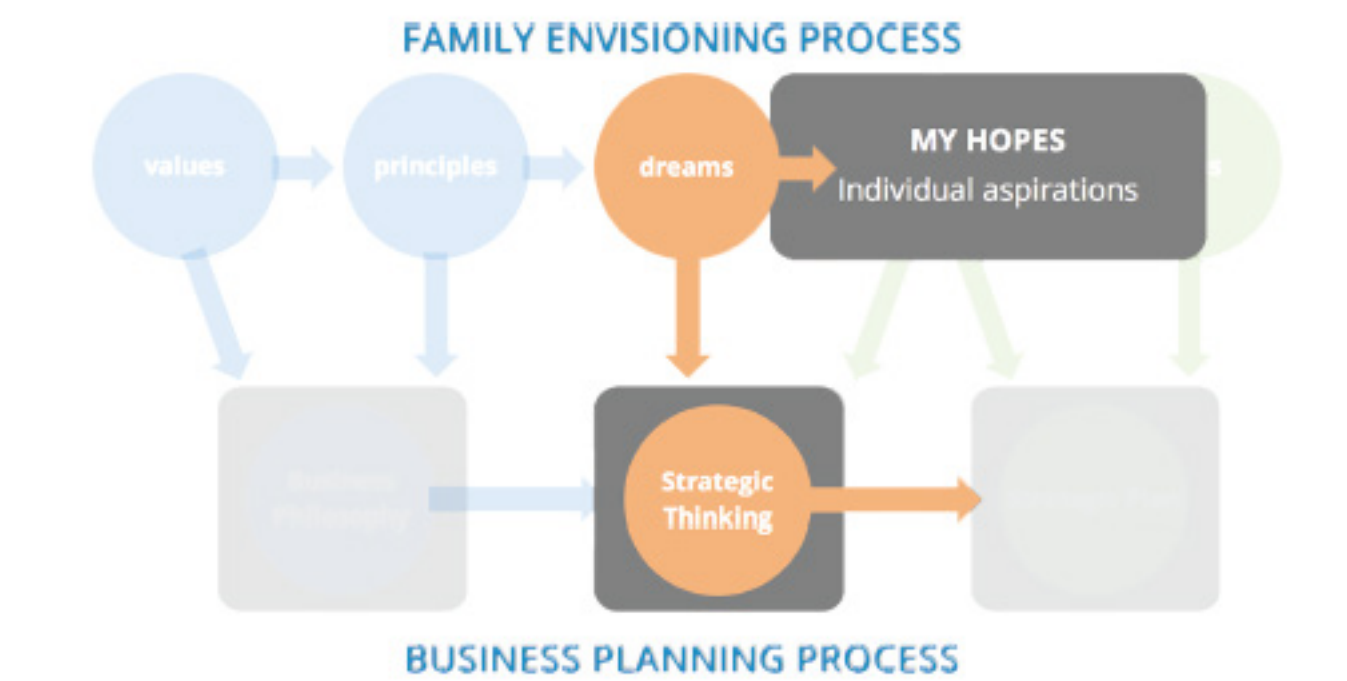
Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

What are your impressions of the grandfather/grand daughter relationship in this scene?

Was this the right place for Kim to bring this up with Harold? Why or why not?

PART 6

Individual Hopes & Dreams



Reflecting on Unit 4, what structures might be a good place to discuss individual dreams?

How does this parallel planning process around dreams differ between the 1st and 3rd generations?

PART 7

CASE STORY: Articulate a Family Vision & a Sustainable Plan, in Respect with our Legacy

Harold: You know, Mary Ann, I like the idea of giving the grandchildren the opportunity to take the business forward. I think we need a meeting of the family so everyone knows my latest thinking. You understand more than I do about organizing families; you’ve been to those seminar things about family business. Can you set up a family meeting for us? Maybe next Tuesday?

Mary Ann: Right idea; wrong timeline. A formal Family Meeting is exactly what we need BUT let’s give ourselves more time to think about how it’s going to work.

Harold: It doesn’t sound that tricky. It’s a FAMILY... MEETING. We get the family to meet. Simple.

Mary Ann: If you think it’s SIMPLE, let me ask you some SIMPLE questions. First: who should come to this meeting?

Harold: Well, those of the family who are involved in the business.

Mary Ann: That could mean you, your two sons and your two grandchildren. Five family members who WORK in the business.

Harold: Obviously it’d also include you: you’re my daughter.

Mary Ann: But I don’t work in the business and I’m not an owner of the business. I’m a family member only. If you’re going to include me, then why not include Bob and Victor’s wives? Aren’t they family members too?

Harold: Hmmm...

Mary Ann: And what about my partner?

Harold: Well...

Mary Ann: And my ex-husband who’s the father of three of your grandchildren?

Harold: No way!

Mary Ann: I’m just saying these things to show that we have to think more carefully about who would come to a formal Family Meeting. Here’s a second SIMPLE question: What’s the agenda?

Harold: That’s easy. It’s all about me.

Mary Ann: It’s about you. Hmmm. Do you think you’re the only item on the agenda?

Harold: No, no... well, yes. I mean, I’m the one at the centre of all this, aren’t I?

Mary Ann: Maybe, just maybe, other members of the family have some items they would like to raise. Like, about themselves.

Harold: Okay. Fine. So the agenda is another issue that we’re going to think carefully about. Anything else?

Mary Ann: Third, who’s going to be chairperson?

Harold: Not sure...

Mary Ann: Fourth, what are the ground rules?

Harold: Hmmm...

Mary Ann: Fifth, what...

Harold: You don’t need to go on. I see there’s going to be a lot to sort out for this Family Meeting. Mary Ann, will you help our whole family by taking on the organization of this thing?

Mary Ann: I’ll have to ask everyone else if they’re okay with that. And, I’m a busy lady. How much am I going to be paid?

Harold: This certainly isn’t going to be as simple as I thought...

What other observations can you make after this last discussion?

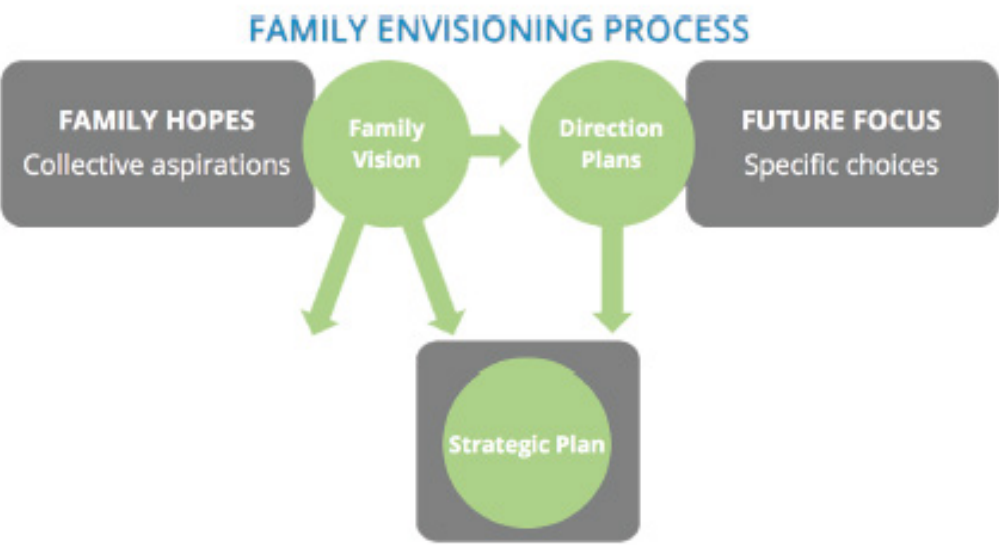
Character	Key Issue	Aspirations	Relation to Unit?	Unspoken Issues?

From what you have seen in this Unit, what are 3 items that should be on this first Family Meeting agenda?

1.
2.
3.

PART 8

Articulate a Common Vision



Can you provide an example of a family’s vision impacting the business’ strategic plan?

What family activity could you do to look ahead to the future focus of the business?

Peer Perspective

DARLEY FAMILY

Listen to members of the Darley family, Owners and Operators of W.S Darley & Co in Illinois, USA discuss how their family values have been employed in their family business.

How have your family values been implemented in your family business?

Expert Perspective

JOE ASTRACHAN

Watch Joe Astrachan, Wells Fargo Chair of Family Business, Kennesaw State University, as he speaks about the importance of aligning established family values with compelling business vision as the key to success for business families.

What are your keys to success for aligning family values?

ADDITIONAL MATERIAL

Family Enterprise Canada Material

- [Tutorial: The Future of My Family Enterprise – What Options Are Available?](#)
IVAN LANSBERG
- [Video \(family\): Imparting family values to the next generation](#)
CAROLYN GREENSPON
- [Video \(family\): Pride in the family legacy](#)
BASILE FAMILY
- [Video \(family\): Great pride in keeping the family business thriving for nearly 100 years](#)
WOODMAN FAMILY

Notes

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I General Facilitation Tips

PREPARING YOUR SESSION

Particularly in the early facilitation sessions, details of organization are important, and they can't be left to the last minute. Some of these details may seem small in significance, but each can help make or break a course. Consider the following issues and questions:

- Are all of your teaching materials organized and ready for each session? Have participants received the materials and assignments they need in advance? Are any handouts ready for distribution?
- Have you done your own “homework”? Do you know, and have you thought about, any loose ends and added thoughts that need to be brought into this session? Most important, have you become familiar with each family member's issues of concern, so that they feel appreciated as individuals, not simply shadows within the larger family?
- Have you gained a general sense of each company/enterprise represented in the cohort? How do they differ in terms of market, size, products and/or services, and generational ownership and numbers of generations involved? Knowing this will allow you to adjust your content and answers to each cohort.
- Particularly in the early sessions, do you have large name cards and markers so that people can easily identify themselves to each other in the session room?
- Will the doors to the building be unlocked and the room be ready in time for each session? Being locked out is not a good start.
- Is your audio-visual and board equipment in order and working? Have you tested it out to make sure everything is working?
- Are the lighting, acoustics and seating arrangements satisfactory and comfortable? Nothing will spoil a good session more than poor acoustics, dim (or glaring) lights, or chairs which are uncomfortable, squeaky or placed so that people can't see or talk with one another. A circular or curved *U* shaped seating pattern is best, with the video screen accessible to all. The worst possible seating arrangement is the traditional school room, or large lecture hall arrangement, with seats all facing forward. If that's what you have, find or create something else. Remember, these sessions are for discussions, not one-way teacher performances.
- Are photocopying, flip-charts (or whiteboard) and writing tools available for each session, just in case?

GENERAL FACILITATION TIPS

- In team-teaching situations, figure out in advance which of you will do what and where you may agree or disagree on the issues for discussion. One of you might take over the organizer role one time and the coaching role the next. Nothing looks more amateurish than colleagues arguing about who will do what, interrupting or even competing with each other. Team-teaching lends itself to all of those possibilities, but with planning and forethought, you can avoid such traps, or even use them to your advantage. We'll have more to say on this later.
- As we noted earlier, encourage informality. Participants will get to know each other pretty well during these sessions, and it's wise to set an informal air at the beginning: using first names, casual dress, refreshments (if possible) during the long sessions and a relaxed, yet work-like, atmosphere. It helps, during the very first session, to have people introduce themselves and say a bit about their roles in, and outside of, the family enterprise.
- Beginning, and ending, on time. It's essential that participants can anticipate that their time will be well spent. A lot of content is packed into each session and time is of the essence. Beginning and ending sessions late suggests a sense of sloppiness. Announce, in the very first session, that you want to adhere to the beginning and ending times, knowing that there will sometimes be a good reason for longer involvement or occasional participant lateness. At the same time, you should be there well before the sessions begin, and stay afterwards, for anyone who wants to talk further.
- Other ground rules. It's also important to introduce in Module 1, as we shall shortly see, other ground rules that will guide you through the course. In effect, you're beginning a type of contractual relationship with the participants, and contracts are never one-sided. You can propose terms for agreement on such issues as attendance, format for the sessions, informality, time boundaries, participation, inclusion and homework, but do not dictate them. There must be a shared agreement, and you might see what other issues participants think should be included. Only if all parties agree on the ground rules will they become the guiding norms that you want them to be. Furthermore, expect them to change as people get to know each other as the sessions progress.
- One important ground rule that must be mentioned at the onset is the Chatham House Rule. This rule states that when a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed. It is intended to ensure participants feel free to participate and share experiences. This is very important when dealing with family businesses leaders who are traditionally quite reluctant to open up and share in public.

- Within your ground-rule framework, make sure that everyone gets a fair chance to participate. All too often, one or two people want to dominate and can spoil an otherwise good session. Announce at the beginning that you want to spread the discussion around, and that this will be more difficult for older members to observe than for younger, for parents than for children and for typical talkers than for typical non-talkers. However, these classes are an opportunity for practicing good family discussion patterns, not dominance by some or passivity by others.
- Spend time between sessions discussing how you might help some members of the group get more out of the sessions. Don't hesitate to call these people between sessions, if you think it will help, and they seem to benefit.

There are other concerns and issues to consider, particularly once your sessions begin. Of these, there are three pedagogical art-forms which are most important. These are a combined skill-set of listening, questioning and responding. These skills, unlike standard, rehearsed lectures, rely upon combinations of patience, intuition, ingenuity, experience, memory-recall, curiosity, timing and judgement — no small order. They begin with careful listening to others. Careful listening involves trying to understand what participants are really trying to say, not only to you, but to each other. Part of your task as a facilitator is to help them express what they want to say but can't say without a little help, as well as to assist them in recognizing the implications of what they have said, and of how those comments relate to the previous thoughts and words of others. As a good facilitator discovers, careful listening is much more difficult than talking. Careful listening means listening, not only for facts and opinions, but for feelings, attitudes and differences which you, as a facilitator, can use to weave participant thought - and-opinion into new questions and resolutions. The weaving-together process is done with thoughtful questioning and responding. We shall briefly expand on responding here, then move on to the kinds of questions you can use.

Facilitator responses take many forms, both verbally and non-verbally. Everything from direct answers to a question, to comments on participant thoughts, to a summary of previous ideas, to bridging remarks, to humour and sympathy, falls within this category. Smiles, frowns, head-nods or shaking, standing, sitting, voice-tone and body posture also make up response mechanisms that facilitators adopt. Make no mistake, your tone and manner of response are just as important as your words. But words, phrasing, timing, tone and manner all convey to participants who you are and how you're trying to help (or not help) the learning process.

Within the discussion classroom, listening and responding provide the bookends for our questions. Listening sets the groundwork for changing frameworks of discussion within which both your questions and responses can take place. Responses help to recognize and focus your own, and others', comments. Along with questions, they provide a sense of inquiry and curiosity — attributes that you also want participants to adopt.

TIPS ON TEAM FACILITATION

For this program, we suggest a team-facilitating approach. Working with another person as a facilitating team can be inspiring and fun. Team members offer each other collaboration, sounding boards, reality checks and reinforcement. But they can also be frustrating and turn into a disaster for both of you and for the participants. The key is mutual respect and cooperation — easily said and sometimes hard to achieve, because it takes such hard work and continuing attention. It begins with the idea that the two of you are a facilitating team, not a pair of prima donnas. An important question for everyone in the room is, how well do the two of you practice what you're asking of them — or do you only preach cooperative dilemma-solving? Many of them can already do that much. Practicing what you preach is the important role-modelling contribution that you can really make. Ask yourself how you will resolve differences of opinion in public? How will you support and acknowledge each other? How will you share "air time"?

You need to meet, preferably before each class, and discuss who will do what in that session. If possible, don't get into the rut of taking the same role every time. If Facilitator A handles the introductory review of the previous session in the initial plenary session one time, let Facilitator B do it the next time. Occasionally, you might wish to alternate whole sessions. Person A will do almost the entire unit and Person B might come in at the end, make some review comments and set-up the next session. The roles could then be reversed the next time. Don't feel that you must follow any prescribed pattern for team facilitation. Do the things that you both feel most comfortable with, adapting as you go along.

At the same time, it might be useful for each member to take on specific roles for several sequential sessions, so that given functions are well performed each time. For example, the different roles for organizer and coach might be assigned separately, while discussant and presenter roles are shared by both.

UNDERSTANDING YOUR AUDIENCE

Facilitating: A New Look → Body, Emotion & Language

Western culture has almost cast our body and emotions into oblivion. Our “common sense” thinking has us view the body as a “wrapping,” which contains our true self and has us view emotions as that which alters or modifies our correct way of thinking, deciding and assessing.

Any situation we find ourselves in triggers in us a particular kind of coherence of body, emotions and language. Although this may seem obvious, our body position always relates to our specific mood, and we live in a world of possible conversations or interpretations that is coherent with that mood and body position.

For example, when we are happy, the body expands and our interpretations about the future are full of possibilities. When we are sad, the body shrinks, and the future is influenced by the loss of something we love. It may seem strange, but in our daily life we often consider the coherence of emotion, body and language. For example, when we enter a meeting room and quickly glance at the tense bodies and tight faces of the participants, we sense the presence of conflict at the meeting and automatically know the type of conversations that are likely to occur.

When we arrive home and say hello, the mere tone of our partner’s or kids’ answer gives us a hint of the moods they are in, and the type of conversations which are likely to occur or not occur in that emotional atmosphere.

When we watch people from a distance, moving their hands and body in different conversations or just walking along the streets, we can infer a certain emotion and a possible range of conversations.

Many of our attempts at personal and organizational development have been frustrated by thinking that having a clear notion about the necessity of change will be enough for the change to occur. Only to discover later that the mere declaration is not enough to create what we wish, whether it is to quit smoking, to exert authority, to learn to trust or to adapt to changes. Change requires more than declarations.

The ability to observe the coherence between body, emotion and language opens an immense field for effective learning. In brief, the type of person we are when we look at the world and ourselves is a function of the body, emotional and linguistic predisposition in which we find ourselves.

THE ART OF ASKING QUESTIONS

Good questions are among the most important catalysts for good discussion, and good facilitators use a range of good questions, presenting them in ways that promote thoughtful discussion. Sometimes, fewer questions are better than many (and suggest even more careful listening). Good questions also come with discussion experience and practice. Some questions may relate directly to the material under discussion. Some may have broader implications and scope. Some are specific to a person and issue within the class. Others are more general. An inventory of such questions was initially developed by Professor C. Roland Christensen some years ago, and we can use them as a beginning. Let’s look at them, but don’t be too intimidated by the list. The real skill comes in practicing and integrating them back and forth with each other in a discussion. It may be useful to refer to them from time to time. You won’t be able to adopt them all at once, nor should you. But, for starters, here they are:

Open-ended Questions

These are often good openers at the beginning of a session. But with this kind of question, you sometimes need to make sure that participants don’t simply repeat the observed and known case facts. In your initial session-opening, ask a participant to go beyond that. Open-ended questions permit participants to begin where they want to begin (and where they feel the most secure and comfortable). A few such questions help to give you an idea of where their points of view are. Examples of such questions might include: Would you be willing to help us understand what’s really going on here? Where would you like to begin? How do you see the issues raised in this case? What issues seem particularly important to you in this situation?

Diagnostic Questions

These make good follow-up questions to the more general open-ended questions, as you search for deeper levels of interpretation. In asking these questions, you can help participants search for, and examine, different perceptions and interpretations of the data. You might ask: What inferences can you make from the case data we have discussed so far? What about another person from the cases’ point of view? How do these issues look from that position? Given what we know about the history and background of this situation, how do they help to explain current events? Why are there such different impressions of this problem within the case and within this group? Given the data you’ve just presented to us, where does it take your diagnosis of the overall situation?

Asking for Information Questions

These questions seek to clarify case facts, personal opinions and other case-relevant data that may not already have come out in the discussion or may be of particular importance. Sometimes you may even want to get these data on the table at the very beginning and open a discussion with such questions as: What case facts are critical for us to consider here? Whose position was it, or who made that comment, in the case? What was the specific sequence of steps that we’re discussing? How did these events actually unfold?

Challenge Questions

Challenge questions all too often dominate the repertoire of inexperienced (and some more experienced) facilitators, and can occasionally create participant discomfort or antagonism, since they can be perceived as being anything from cruel put-downs to modest sarcasm. Yet, they are among the most valuable ways to move a discussion forward, sometimes with grace and tongue-in-cheek humour. Among the most challenging of these questions is Why? It makes participants think beyond their previous statement. Consider such questions as: Why do you say that? How can you make a statement of that nature in light of the previous discussion? Where is there any evidence for what you are saying? That’s just the opposite of Person A’s comment, can you persuade us that your interpretation is right?

Extension Questions

Sometimes the best comments that participants make are the ones they don’t know they have in mind until they’re asked to reach for them. It’s like the participant once said, “I want to talk about what I’ve learned. I can hardly wait to hear what I have to say.” Extension questions can help to bring out these invisible ideas. Sometimes too, you just want the speaker to stretch the idea a little further. Questions like: What else can you say about that? So what (also a challenge questions)? Can you keep going on that track? Therefore...? Please, can you take us a little further along that line of thinking?

Combination Questions

These are among the most artful. They involve taking data from one part of the discussion or case and creating a linkage with another part. For example: What does it mean if you look at both the data in Exhibit A and Exhibit B in light of the company’s market projections? What happens when we put Mr. X’s strategic ideas together with Ms. Y’s power perspective in the organization?

Priority Questions

Wonderful differences of opinion — and even considerable clarification — can come from questions of priority. For example: How would you rank, in order, the issues for attention in this case? Which three issues are most important to place before the company CEO? Is the business more important than the family, or vice versa? How do others rank the order of these issues?

Action Questions

These are among the most important in any discussion of a case situation. Analyses and diagnoses are not enough. The question of action by one or more key figures should enter the discussion, sometimes early, but more often after a thorough diagnosis. Think of three kinds of action questions. The first is a “should” question — what “should” Person A do at the end of the case? What “should” Person A have done earlier? Why, or why not? The second kind is: What do you think Person A will/would do, given what we already know about him/her? The third is the most difficult. What would you do if your head were on Person A’s shoulders at this time? That means not being inhibited by Person A’s past beliefs but still being constrained by his/her past actions. One other point: Some of the best action questions begin with the word “how?” And then “how?” again. For example, what would you do if your head were on Person A’s shoulders at the end of this case? How would you do that? When would you do this? And how would you respond if Person A gave you such-and-such a response? How would you respond if the response was just the opposite? Realistically, how can you actually do what you’re proposing?

Prediction and Hypothetical Questions

It’s often useful to speculate about future possibilities or go beyond the stated realities of the case, change the variables and talk as though those were the conditions. Questions like: What do you think will happen next? What if such-and-such-a variation had occurred or should happen? There’s a “B” case to be handed out soon, what do you think it will describe? What if...? Make another assumption — assume that Person A was a woman, not a man, in this case. How would the responses have been different? Or would they have been?

Generalizing and Summarizing Questions

Closure of any session almost demands a set of closing remarks or summaries. More often than not, this is considered the facilitator’s responsibility — tie it all up for us, please. But it’s also useful, and good practice, to get participants involved in this summarizing process, sometimes with a little advanced notice. For example: Person A, in about five minutes, I’d like to ask you to summarize what overall inferences you’d make from this whole discussion. Or: How would you summarize the most critical issues and action possibilities that we’ve discussed? Can you summarize the high points of the discussion so far? If you had to make three generalizations from this case, what would they be? You probably expected me to summarize where we’ve been in this session. But I’m going to ask you to do it instead. How would you do that?

WHAT TO KEEP IN MIND

The Nature of Dilemmas

Dilemmas are typically defined as a forced choice between two or more options which appear to be equally undesirable or mutually exclusive. They often look like problems that defy a satisfactory solution, and are as common, in the real world, as life itself. In some ways, we go as far as to seek, and maybe even create, such problems as we over-complicate our own lives. But then we paradoxically take the next step and try to over-simplify those same lives into irreconcilable dichotomies. In effect, when faced with complexity, our most natural inclination is to simplify it, only to want to re-complicate it again, partly to keep life interesting and yet not too perplexing. That often means looking for simple alternatives — alternatives that can be expressed as either/or choices where we say that we have to choose and act upon one choice or the other.

FOR EXAMPLE:

- Live free or die
- Put up or shut up
- Make or buy
- It’s a win or lose game
- You’re either right or wrong
- Take it or leave it
- You can’t have your cake and eat it too
- It’s us vs. them

Some dilemmas are indeed two-sided. But many are not. We turn them into false dichotomies, sometimes making those new opposites even more difficult to resolve. The simplicity of a two-sided dilemma makes it easy to debate and argue over — one side vs. the other. Unfortunately, arguments like these simply encourage laziness of thought and stifle creative thinking. We don’t struggle to think our way beyond the armoured boxes that we have imposed upon ourselves.

Each of the dilemmas above does not necessarily require a forced choice. Sometimes yes, but, often no. There are times when we can both take it and leave it, be both right and wrong, or be in favour of some arguments on one side while against others. Nor is the compromise resolution necessarily the best way out — e.g., half a loaf is better than none. Sometimes new evidence, experience, knowledge or points of view can enlighten and expand a picture. Other times, by thinking “outside the box”, we can find and appreciate new, even better, alternatives. Neutral, or third party, persons and perspectives can also help increase our options. So can time, distance and reflection. The point is that, all too often, we take the lazy way out and generate “I’m right, you’re wrong” false dichotomies that pit one party against another. It is startlingly easy to do this, and to avoid the tough work of creating new options or more subtle solutions. When families, or houses, get divided against themselves, there seems to be increasingly little room for tolerance, empathy, wider perspectives or new dimensions. And yet, that’s typically where the creative resolutions come from.

THE DIFFERENCES BETWEEN A FACILITATOR AND A CONSULTANT

Facilitator:

A facilitator is a person who is acceptable to all group members, substantively neutral, and has no decision-making authority who helps a group improve the way it identifies and solves problems and makes decisions

CHARACTERISTICS OF THE FACILITATOR:

- One who is willing to commit to a style of: “asking” rather than “telling.”
- Initiating conversation rather than waiting for someone else to
- Asking for other’s opinions rather than always having to offer their own
- Negotiating rather than dictating decision-making
- Emoting but able to be restrained when the situation requires it
- Basing decisions upon intuitions rather than having facts
- More persuasive than sequential, more enthusiastic than systematic, more outgoing than serious
- More like a coach than a scientist

Consultant:

A consultant is a person in a position to have some influence over an individual, a group, or an organization but has no direct power to make changes or implement programs

CONSULTING PROCESS:

Phase 1: Entry and Contracting

Phase 2: Discovery and dialogue

Phase 3: Analysis and the decision to act

Phase 4: Engagement and implementation

Phase 5: Extension, recycle or termination

WHAT MAKES AN EXCELLENT FAMILY BUSINESS CONSULTANT?

- Have expertise and experience relating to both family and business
- Have the courage to engage their clients with the most challenging questions and toughest issues to help those clients make changes
- Seek to understand the unique goals and values of each family business client
- Seek to strengthen the family business system as a whole rather than becoming an instrument that any family member might use against any other

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