

Are You Ready for the Journey?

Families that invest time and resources in education fare best under the stress of succession planning. By Ivan Lansberg

Imagine that you had to take a five-year trip with your family, to an unknown destination where very little of your previous knowledge and experience would be of any use. Imagine, further, that your family's material wealth, its emotional well-being, and its stature in the community all depend on successful completion of this trip. Wouldn't you go out of your way to prepare your family for such a journey? Wouldn't you, at a minimum, want to give them the basic survival skills necessary to complete the passage successfully?

Of course you would. And yet there are many business families who have alarmingly little preparation when they sign up to do succession and continuity planning. Needless to say, the consequences are often unfortunate. For too many families, the journey seems so treacherous that they opt not to embark on it at all, and as a result, forego a critical opportunity to actively shape their future.

In reality, you don't have much choice about whether or not to embark on the journey. The process of generational change in a family business is driven by the biological clock and can't be stopped. Your only choice is whether you are going to prepare for the journey, and

manage it, or let the outcome be determined by luck and happenstance.

Some families rush into the planning, before they fully understand what is involved and are psychologically prepared for it. Unfortunately, consultants sometimes nudge them into it, with the best of intentions. Consultants are eager to show clients that they will be charged only for concrete, tangible work, such as the planning process itself. Preparing for dramatic change, however, involves many intangibles.

Readiness, as Shakespeare said, is all. And the key to readiness is education. I don't mean just attending the occasional seminar on managing a family enterprise or succession planning, although good seminars can certainly help. Nor do I mean merely reading the latest book, magazine, or article on the topic, although reading can be extremely valuable.

What I mean by education comes much closer to the root of the word—which suggests bringing forth a fundamental curiosity that leads to further learning.

Education at its best inspires business owners to begin a lifelong exploration of what it takes to sustain and perpetuate a family enterprise.

There is no better predictor of how well families will fare during the stress of succession planning than the time, energy, and resources they invest in educating themselves about issues they're likely to encounter along the way.

Some families rush into planning before fully understanding what is involved.

Perhaps no other family has embraced the idea of lifelong education more wholeheartedly than Philippe and Nan-b de Gaspé Beaubien, founders of Telemedia, a major communications company in Canada. The Beaubiens have been educating themselves about generational change in complex family companies for 20 years or more. Every time they travel to a new city around the world, they make a point of visiting other families who have been in business successfully over generations, and question them about how they've managed to do it. The couple asks about the design of their hosts' governance system, about what they

do to prepare the next generation, about how they retire their seniors.

But the Beaubiens go well beyond benchmarking with other families. They regularly visit with academic researchers and professionals working in this field. They participate in educational events organized in Canada through the Business Families Foundation, an institution which they created.

Why is education useful? How does it enhance a family's readiness for change?

Education is important because it adds *perspective*.

The more informed you are about the generic issues associated with what you're experiencing, the better able you are to understand their manifestation in your particular case. Such perspective helps you develop the courage to change what you can change, and the patience to accept what you cannot change. Moreover, perspective can enhance, as the Niebuhr prayer says, the wisdom to tell the difference between the two.

Education also provides *Validation*.

By knowing that other family businesses are dealing with many of the same issues as your family, you realize that what you are experiencing is not so extraordinary. In fact, it may even be normal. One of the most frequent comments I hear from seminar participants is, "Thank you: Now I know that at least I'm not crazy!"

Such a sense of normalcy can be comforting when one is trying to sort out difficult and often emotionally loaded dilemmas. More important, the validation that comes from hearing the experiences of others helps families to anticipate what lies just over the next hill on the road ahead. As we know from a large body of psychological research, one of the most important contributors to the stress we experience in life is uncertainty—and the seeming loss of control that goes with it.

Learning about the phases of generational transitions increases our sense of control over the process.

The phases of a generational transition are predictable, and being able to anticipate them greatly enhances our sense of mastery and control over the process of change. Knowing, for instance, that every transition evokes emotional resistance can help validate the fact that people throughout the system may be ambivalent about embarking on the journey. Education helps by legitimizing this resistance as a topic of discussion. And of course, the only way family members can constructively work through and overcome their natural hesitancy to change is to discuss their feelings about it.

Education also gives families a *language with which to problem-solve*.

One of the biggest impediments to management of generational transitions is that families simply don't know how to talk about the issues. They don't have concepts

and labels with which to frame the issues they face and discuss them constructively. For example, the simple notion that different perspectives in a family business can be represented as three interlocking circles—depicting family, business, and ownership—allows the various stakeholders to discuss and make sense of their experience.

More important, it is through acquiring a common language that business families learn to communicate and, ultimately, to *act upon* their circumstances.

Finally, education nurtures *hope*.

When families realize that others very much like them have taken the journey and come out stronger, they are better able to embrace the process of change and plan for it. This is one reason it's so important to disseminate information about families who are models for managing generational transitions.

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