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Myths & Mortals: Family Business Leadership & Succession Planning

ANDREW KEYT
EQ Inspirations, LLC
MYTHS & MORTALS

FAMILY BUSINESS LEADERSHIP AND SUCCESSION PLANNING
THE KEY QUESTIONS OF SUCCESSION

1. What do we need to hold onto and preserve about our family business?
2. What do we need to change in order to survive and grow
Lanse Crane's great, great, great-grandfather founded Crane & Co., a company that makes stationery and is the sole supplier of paper for U.S. currency.
Crane & Co. is legendary for having weathered the Great Depression.
ROADMAP FOR TODAY

- Understand the power of the Myth.
- Step out of the shadows and establish your credibility.
- Establish a vision built on your strengths.
THE MYTHOLOGY CREATES THE SHADOW

1 | Stories
A collection of stories by which we explain our beliefs and our history

2 | Beliefs
A popular belief or tradition that has grown up around something or someone

3 | Traditions
A traditional story of historical events that is accepted and admired by all
BLESSING VS. CURSE
HOW CAN THE MYTHS BE POSITIVE?

They help to make meaning of our lives
They attempt to make sense of what has happened
They give us a sense of belonging
They communicate continuity & stability
They illustrate our values in action
They contain truths, half-truths, inaccuracies and information gaps

They can impact the beliefs, processes and procedures of our families and businesses

All of the above can keep us stuck
MYTHS & MORTALS: THE INTERVIEWS

- Successors
- Serving in current business role for 5+ years
- Member of the family
- Significant growth
- Generation: 2nd-12th
- Sales revenue of $10 million to $14 billion
- Shareholders ranged from 3-200
THE SUCCESSORS CURSE
• You have to understand what is your calling in life, what you should be doing
• Improve on what has been given to you
• Remember - You can't emulate

– Massimo Ferragamo, Salvatore Ferragamo
STEPPING OUT OF THE SHADOWS

Managing Self
1. Differentiation
2. Self Awareness
3. Internal Credibility
4. External Credibility
Developing the ability to be in the presence of emotion without being driven by emotion
PURSUING DIFFERENTIATION: SELF-AWARENESS

• Developing a sense of one’s own emotions
• Developing a sense of what matters most to you
• Understanding one’s strengths
• Understanding one’s weaknesses
HOW DO YOU DEVELOP SELF-AWARENESS?

Practical
• Experience
• Personality Inventories
• Feedback: 360'S
• Coaching

Introspective
• Educational Development Programs
• Journaling
• Mindfulness
• Therapy

THE JOHARI WINDOW
TO STEP OUT OF THE SHADOWS YOU NEED CREDIBILITY
INTERNAL CREDIBILITY

Building belief in yourself

Ideal Self

Actual Self
What is the Reputation I Want?

What do my Actions show me to be?

Building Belief in Others
CREDIBILITY ISN’T ENOUGH

Out Of the shadows

Creating your own unique VISION built on your strengths.
“The family values govern the feel of the business. People talk about values as kind of soft, nice things. But values are sharp and uncomfortable in my view. They make you do really illogical, scary things—all the time, every day.”

–Bella HOARE, Partner, C. Hoare & Co.

Bella is one of the eleventh generation owner-managers of Hoares Bank. She maintains board-level responsibility for Banking Operations, Professional Services, Risk and Compliance.
What impact do I want to have?
• In the world
• On my business
• In my family and our family relationships
What is my vision of success?
• For myself
• For our business
• For our family
“Respect the past, but do what’s right for the future.”

–Bill Wrigley, Jr.
sustaining CREDIBILITY
EARN YOUR REPUTATION

“It takes twenty years to build a reputation and five minutes to ruin it.”

–WARREN BUFFETT

• HARD WORK
• RESILIENCY
• FEEDBACK
THE COURAGE TO FAIL

• Failure develops your gut
• Learn from failure
• Create an environment that supports productive failure

Walt Disney was fired by the Kansas City Star for “lack of imagination.”
LEAD WITH HUMILITY

• Share credit
• Accept responsibility
• Understand that it’s about more than you
FAMILY UNITY IS KEY

- Lead the management of the family and business emotional system
- Develop the ability to pursue what you think is right, even if it generates negative emotions
- Focus on building unity
- Put family first
FOCUS ON PEOPLE

• Focus on growth of your people and yourself
• Believe in what your people can do
• Take care of your people and they will take care of you.
LEADING SUCCESSION

1. Identify your core values and the behaviors that demonstrate them
2. Use these values and behaviors to build your culture
3. Create alignment in the Family, Board, and Management teams
4. Define the traditions that are good and separate them from the traditions that are a problem
   • Values
   • Habits/Practices
DECISION-MAKING

• Pleasing others
• “We” over “Me”
• Leading change
• Living on past success

“I never, ever wanted to give the family any reason to not trust me. I believe that trust is an absolute foundation for holding a family together. And once it’s breached, it is very insidious.”

Samuel Schwab, CEO, S. Schwab & Co.
EMPATHY: PUT YOURSELF IN THEIR SHOES

- Elder generation wants to be fulfilled through tangible tasks
- Not ready to retire to rest and relaxation
- Want to feel connected to what they’ve built
- Seeking personal and spousal security
- Desiring dignity
Empathy

Mike Hamra
CEO, Hamra Enterprises
ROADMAP FOR TODAY

• Understand the power of the Myth.

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You must be the change
THAT you want TO see in the
world. —Gandhi
KEEP IN TOUCH

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• Clinical Professor in Family Business, Loyola University Chicago

• President of the Family Business Network North America (FBN-NA)

• President and Founder of Keyt Consulting

• Author of *Myths & Mortals: Family Business Leadership and Succession Planning* (Wiley 2015)
MYTHS & MORTALS
FAMILY BUSINESS LEADERSHIP AND SUCCESSION PLANNING
Executive Director of the Family Business Center of Loyola University Chicago

President of the Family Business Network North America (FBN-NA)

President and Founder of Keyt Consulting

THE KEY QUESTIONS OF SUCCESSION

1. What do we need to hold onto and preserve about our family business?
2. What do we need to change in order to survive and grow
A Story Already Being Told About

• Parents
• Grandparents
• Great-Grandparents

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BILL WRIGLEY, JR.
HOW CAN THE **MYTHS** BE **NEGATIVE**?

- They contain truths, half-truths, inaccuracies and information gaps
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IN THEIR WORDS

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KEEP IN TOUCH

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THANK YOU!
Monday Refreshment Breaks