“Each generation imagines itself to be more intelligent than the one that went before it, and wiser than the one that comes after it.”

~ George Orwell

The universal truth is the next generation always surpasses the preceding one. That is the nature of evolution. It is the responsibility of each generation to prepare the next to exceed them. In enterprising families, there are many facets to preparation: leadership, ownership, independence and stewardship. Skill development starts early with a very young child and continues on.

“Preparation is a lifelong process that starts as soon as the child becomes conscious of the activities of the adults around them. Work habits, attitudes toward the business, values, and relationships all take root in the soil of childhood and are formed over the years, long before successor development begins in any formal way.” (Aronoff & Ward, 2011)

Continuity in the family business is dependent upon the next generation. Because there are many facets to that continuity, the best place to start is with education.

Education Starts Early
Preparation with the next generation should start early. The biggest impact in preparation for the next generation is development of a positive attitude. The way that employment, ownership, interpersonal interaction and self-sufficiency are talked about in the family home sets up an underlying attitude that can be sustainable during the next generation’s lifetime. If employment is discussed at home as an opportunity for self fulfillment, problems to solve, goals to achieve, relationships to enjoy and responsibilities to honor, then children look forward to employment in any business. On the other hand, if employment in the family enterprise is discussed as a stressful, boring and stagnant duty with relationships with relatives who are hateful, then children foresee the enterprise as an obligation, a place where they must work but will never be fulfilled.

Case in point: Mary was a third-generation member of a family business finishing her college degree in an area where she was proficient but did not enjoy. She was told her degree needed to be in an area that was necessary for the family business. She knew her father and his sister did not get along, and that her aunt was flakey and incompetent. She also knew her cousin who already worked at the company was just like his mother. When I interviewed Mary, she had already formed a negative opinion regarding working with her relatives and her employment in the business. Her negative attitude was set. In fact, research has shown that one of the biggest indicators regarding satisfaction with the family firm is
the perception that employment (and future ownership) was an opportunity rather than an obligation supports such attitude development in children. (Houden, 2008)

Education in Progress

As children grow through their teenage and young adult years, more tangible introductions to employment can be made. Often times, children of entrepreneurs have an intimate knowledge of the family enterprise as they grow up. They spend time there playing or exploring while accompanying their parents on the weekend. In later generations (especially generation three and later), the opportunity for teenage exposure to the business dwindles. The limited contact with the business may hinder the knowledge and perceived opportunity for that child. The innate understanding of exactly how the company is run or how products or services are rendered does not develop in the same way it does when children are around the business more often. Therefore, more explicit structures for exposing children to the business may be needed.

Employment Education

Some potential ways for children to become involved with the family enterprise are after-school and summertime employment in appropriate areas. Employment education should include:

- Setting learning goals each week.
- Communicate progress — keep it structured by asking questions such as:
  - How is what you’re doing important to the company?
  - Can you see a way to improve the process for what you do?
  - Are you respecting others in their jobs? What might be some of the ways that you show that?
  - Do you have other thoughts about the area you work in our company that might be helpful for us to know?
  - What do you see as the next step if you left this department?
- Receive feedback to promote the ability to listen and reflect upon areas of needed improvement:
  - Needs to be constructive.
  - Outlines areas where they’ve done well.
- Suggests areas where they could take initiative.
- College-aged kids can work in areas of interest or at other companies that may have similar skills needed for the family’s company.

Ownership Education

Introducing ownership at an adolescent stage is as easy as inclusion in the family meetings. Family meetings are an opportunity for education and learned responsibility of the family enterprise. Parents can develop a culture of ownership by carving out time to create, attend and participate in their own family meetings. To increase interest and participation, invite the teenagers to develop a part of the agenda. Their involvement underscores the importance the family places on each individual’s involvement in the family business.

One family I worked with had a third generation where the age ranged from 16 to 40. The 16-year-old was honored to be invited to the family meetings but was inevitably bored. His parents started to forgive his absences and his participation dwindled. Other cousins started to notice the absenteeism and voiced opinions that his lack of participation was getting out of hand. This young cousin was going to be their partner one day and they wanted him to be prepared. All of the older adults understood the challenge for the youngest to want to attend and stay focused during the family meeting. So the cousins invited the youngest member to develop a part of the agenda and excused him from some of the other parts of the meeting. The youngest cousin created an opportunity for the family owners to be involved in a community project and in-turn started a new tradition.

History Education

Finally, storytelling at family meetings by older senior generation members is a good way to capture the attention and educate younger members. Stories of the early days, of mistakes made and small triumphs achieved, help younger members understand that nothing was ever perfect, that sometimes there were failures, but the family endured. Those stories create a sense of hope and wonderment. The family with the young cousin also had a session where each senior member shared their worst mistake made early in their career with the whole family. The senior generation enjoyed laughing at and sharing their past mistakes, and
the youngest member was inspired that those elders, whom he held in such esteem, were once as green as him. This particular family modeled a culture of attendance, involvement flexibility and inclusion — the exact skills needed for effective ownership. The youngest cousin, now college aged, is present at each meeting.

Strategies for Engaging the Next Generation

- Develop family meetings for ownership preparation.
- Model behavior of attendance and involvement.
- Let younger members develop a part of the agenda.
- Be flexible with parts of the meeting where the younger members may be excused.
- Encourage community involvement in the name of the company to promote pride in ownership and responsibility to the community involved.
- Spend time telling stories of ownership pride and responsibility.

Conclusion

If teens and young adults can develop a healthy attitude of opportunity in the family business, many of the other preparation steps fall into place. When introducing employment and ownership, including the teens in the operations of the business builds knowledge of the company and pride in involvement. Family meeting attendance and engagement help develop a commitment to being an effective owner. Preparing the next generation takes time and energy, but the rewards are immeasurable — both for the family and the enterprise.