

# The Need for a New Family Enterprise Mindset

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(<https://www.johnson.cornell.edu/smith-family-business-initiative-at-cornell/events/>) webinar series on April 1 with Leadership Agility in a Complex, Chaotic, and Global World

([https://johnson.campusgroups.com/event\\_details?uid=d35ce091e8d11dd5d20cbe9a8e7b3a6f](https://johnson.campusgroups.com/event_details?uid=d35ce091e8d11dd5d20cbe9a8e7b3a6f)). Registration is free and open to all.



The Coronavirus—which has, in a matter of months, unsettled lives, business and economies around the world—is only the latest example of a new fact of life for family business leaders: We are operating in a highly complex and fast-changing world.

Yet the impacts of globalization are not the only factors contributing to the increased complexity family business leaders face. The old model of one family running one business, generation after generation, is less apt to be true today than ever before. One recent study revealed that the average family business consists of five or more businesses. [1] The number of family offices and foundations is also on the rise. And, of course, the increasing sophistication of technology has led to disruptive innovation in countless industries. (Think Uber, Airbnb, and Amazon.)

Layering all of this change and complexity on top of the complexity inherent in all family business—actual family relations—and it becomes clear that family business leaders need a new mindset to help increase both their capacity and agility to deal with these new challenges.

One such mindset that I have used to great benefit with my clients is the family enterprise mindset. This says we are a family that aligns our purpose and values with all our enterprises to create success as we define it. That often means assessing if we have increased our talent, improved our reputation, perhaps even brought our faith or spirituality into our work.

This more holistic and integrated approach to creating a family enterprise presents its own challenges but it is essential for families that want to thrive into future generations. This greater emphasis on the family means that potentially everyone in the family will be invited to develop themselves over the long-term, not just for the enterprises, but for the well-being of the family, as well. So, how does it work?

## How to Develop a Family Enterprise Mindset

Analogous to getting in shape, there are many ways to develop a family's capacity and agility because different methods work for different people with differing goals. Let me share one practice that I have seen within vertical leadership development—the number-one trend in leadership development—that holds the potential to transform individuals, their families and even their enterprises.

The practice of Leadership Agility works, quite simply, by helping leaders develop a wider range of capacities and the agility to know which one to call on in which circumstance. Consider a simple analogy. There are many ways to get around: We can walk, run, ride a bike, drive a car, ride a train, fly in a plane. The agile traveler would be capable of them all but know that, even if she can fly, it makes more sense to walk to the corner store. Similarly, leadership agility helps you understand and develop your capacities—from seeing issues as individual problems to solve, to systemic issues to create a strategy for, to even cultural issues to influence—and the agility to decide which one is the best fit for the challenge you face.

For example, imagine it is another hectic day at the office. You feel like Indiana Jones trying to stay ahead of that boulder. Then your sister calls and asks if you can hire her son, Mattias. He is a good young man, a solid student and seems to work hard. To get one thing off your to-do list you say OK and think: One problem solved.

Now, imagine you have three other siblings with a total of nine children. Then it may be more effective to frame this as a systemic issue that requires a strategy: a family employment policy for all the cousins. It will take more time, no doubt, but is also likely to be far more effective than hiring process becoming nine one-offs.

Or, suppose you reflect on the situation and realize that although all nine cousins get along well as family members, they have no experience in making business decisions together as young professionals. So, you frame this as an opportunity to have them collaborate with an expert to recommend a family employment policy to the siblings. Again, it might not be as efficient in the short-term but it is likely to be highly effective at evolving the culture of the rising generation.

In today's complex business environment, developing the capacity to frame what is a mere problem to solve, what is a systemic issue best addressed by a strategy, and what is a culture issue to start to influence—and the agility to choose which approach makes the most sense—is increasingly necessary. It also challenges the family to develop its overall capacity and agility to not only be a positive addition to its enterprises but also to the family itself.

Just like working out, you can avoid it and hope you are lucky; or you can commit to an ongoing practice and give yourself the best chance possible for success as you define it!

[1] The FFI/Goodman Longevity Study 2011

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