

The Rising Generation Engagement Pipeline

November 2021

At our Family Office Exchange (FOX) Rising Gen Leadership Programs held in February and June, we noticed developing themes from our next-generation attendees. In my role as a rising gen advocate, it became clear their needs and concerns were coalescing around three emergent areas.

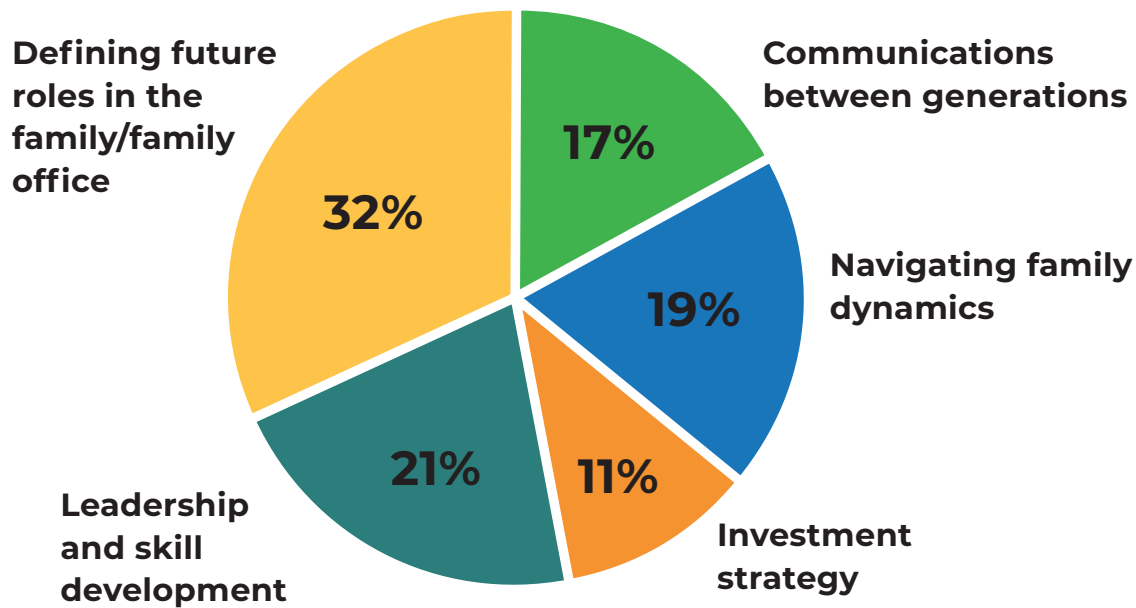
In this article, we're presenting a simple engagement pipeline to guide families and rising gen on their learning journey. This intentional approach is based on our research and the best practices of leading families. You may incorporate one or all of the suggested steps to begin or enhance the experiences offered to your rising generation members.

The FOX Rising Gen Leadership Program is a two-day event for future family leaders, providing deep skill-building and technical education for those seeking increased credibility or a future role within the family. It is an intimate group setting with instruction delivered in a multi-disciplinary approach. The intent is to help rising gen family members become prepared, informed, and contributing leaders to the family enterprise and equipped with a leadership toolkit for the future. Inevitably, in addition to deep learning, the group emerges with a strong sense of community and a longer list of answers regarding their path to integrate and serve the family enterprise.

TOP THREE THEMES FROM THE RISING GEN LEADERSHIP PROGRAM

1. Onboarding and spousal/partner inclusion
2. Role definition
3. Finding community

Top Rising Gen Challenges



Reviewing the three emergent areas with what FOX has identified as the Top Five Rising Gen Challenges, my observations led me to wonder: As FOX itself is working to address these challenges, how are we equipping families to do the same? How can these common issues move from struggle to solution? In our more than 30 years of family work and a recent focus on serving rising gen needs, we know a few things to be true. One is that up-and-coming family members are seeking answers. They are curious, and they want clarity. Boundaries. Guardrails. A guide. At our programs, in our consulting projects, in all interactions, rising gen are asking: “What is expected of me?” “How do I prepare for future roles?” “What roles could I fill, and when?” “What is my role in the family office, and how do I get into that role or create a new role?”

Let’s use a learning analogy, and compare family systems to universities. Imagine showing up at college with no coursebook. There is no list of classes to take, no course descriptions. There are no majors, no sequential order of courses, and no prerequisites. Your advisor – who believes you are intelligent and capable and doesn’t want to overwhelm or pressure you – expects you to “...follow your passion, find your way, just get started.” This is where good intentions can go wrong.

Being a rising generation member in a family system can feel like that. There is no clear roadmap for rising gen engagement; there is no specific order of experiences for the best outcome. There are a

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Something that surprised me (from the Rising Gen Leadership Program) is the degree of relatability across participants, regardless of specific family differences.”



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paralyzing number of options and no admissions counselor to guide you. But there are milestones to be met, experiences to help you grow and learn, and rites of passage that lead to knowledge and wisdom.

Even though each family is unique, we can assume certain characteristics of a rising gen engagement pipeline, help assuage the rising gen questions, and provide a more straightforward path for family members to follow. When we talk about family learning, keep in mind it should begin as early as possible, as young as age five. For the purposes of this discussion, we're referencing individuals in their 20s, 30s, and 40s.

Experiences Key to Rising Gen Engagement

1. Family Onboarding Program and Induction Ceremony
2. Family Education: History, Culture, Values, Guiding Principles
3. Introduction to the Family Office, Family Business, Family Governance Structure
4. Education Plan, Individual Learning Plan, Personal Coaching
5. Defining Pathways and Roles for Rising Gen
6. Peer Community
7. Partner/Spouse Onboarding
8. Strategic Planning/Transition-Succession Planning

1. Family Onboarding Program and Induction Ceremony

- A. Make an entrance into the family a special occasion. This is an invitation to be part of something special not an obligation, not one more mandatory expectation imposed by the family office or parents. Invite the rising generation member to a meeting or meal to explain the onboarding program and each step's importance. Share why the family chooses to invest such time and effort in this process.
- B. The most thoughtful and intentional families hold special ceremonies to welcome new members at their annual meetings. This becomes a revered and coveted ceremony and ensures each individual receives special recognition for their future contributions.
- C. Match a new family member up with a buddy or mentor, either from their peer generation or leadership generation. Ensure they always have someone to turn to.
- D. How could you begin similar practices to welcome your new members?

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I plan to engage my family (by) taking the time to flush out our family's values/mission, our governance structure (at least ensure it is on the agenda for our upcoming family meeting), work on listening first and managing expectations.”



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2. Family Education: History, Culture, Values, Guiding Principles

- A. Place a particular focus on the importance of learning and understanding family history, culture, values, ways of operating. This is the foundation of good integration and a critical step for in-law inclusion.
- B. Storytelling is an impactful way to meet family members and pass down values. If possible, create videos of family members sharing stories to include as part of the onboarding process. This helps in-laws “meet” family members and learn about what makes up the family fabric.
- C. Talk about the family values and why they are important. Share examples of values in action. Help the rising gen members understand the importance of shared values and the opportunity to participate in them according to their preferences. Encourage both autonomy and belonging. Onboarding is as much about educating and welcoming family members as it is about understanding what they value, what interests them, and the contributions they would like to make.

3. Introduction to the Family Office, Family Business, Family Governance Structure

- A. Create a Family Office 101 guide for personal reference and learning. Include details about the office’s functional areas and services, and who to call for what needs. A good guide will include a family tree, family business data, governance charts, mission/vision values, anything that will tell the story of the family, business, and family office. This could link to your family charter or constitution and all other policies and essential documents.
- B. Include experiential learning; get feet on the ground. Hold a Family Office Open House, host a family business tour. Just as growing up in a

family of wealth does not make you financially literate, growing up with a family business does not mean you understand the industry or the daily work. Make tangible connections and consider different learning styles.

- C. How do you educate family members about the governance structure? Do they understand which groups are responsible for what decisions? Could they draw the governance chart if you asked them? Do they know where they might serve in the future? These complex topics deserve special attention and education..

4. Education Plan, Individual Learning Plan, Personal Coaching

- A. The rising gen is constantly seeking clarity and an understanding of expectations. Equip them with a coach, help them create an individual learning plan, and share educational resources to steward their family learning process. It’s essential to develop a culture of, and commitment to, learning. Company leaders have executive coaches; offer that same support to those you cherish most, your family.
- B. Many FOX families invest in family wealth coaches to work with rising gen on accountability, responsibility, goal setting, and living an authentic and purpose-driven life. Steward rising gen engagement by providing them expert tools in their leadership journey.
- C. Rising gen engagement includes work, learning, reading, exploring. It is personal exploration matched with practical application. Set rising gen members up for success with structure, resources, and opportunities to engage, sit in on meetings, and learn simply by watching the family at work.
- D. Is there a family education committee that guides learning efforts, defines expectations, hosts the family meeting, or plans generational



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retreats? These committees, or other specific generational projects, are often the best way to initiate family work engagement. Give rising gen meaningful work that fulfills their desire to make a difference and honors their skill set. All kinds of talent can contribute to the family. Not everyone needs an MBA. Ensure the creatives don't feel left out – involve them in documenting family stories, drafting a family book, starting a family documentary, or working on a private family brand.

5. Defining Pathways and Roles for Rising Gen

- A. Help newly inducted members see future paths available to them in the governance system, business, or family overall. Can they fill a role? Do they have a purpose? How do they prepare for particular roles? If the path isn't clear, they will find their own, and that may be elsewhere outside the family system.
- B. Think of the young adults in your family. Can they articulate the reason you invest in family learning? Do they know what's most important to be an educated and participating family member? How are you ensuring your young family members are committed to and excited about the work? Can you create learning tracks defining the necessary preparation for specific roles in the family or governance structure? Is there a loose family curriculum or set of experiences that help prepare members for what will be expected of them? This curriculum could include financial literacy course options, how to serve on a board and make decisions together, understanding the family foundation, and the role of philanthropy in the family. There is no shortage of content. Define what's most important for your rising gen, what can and should be taught "in-house," and what should be outsourced.

6. Peer Community

- A. Provide them with a "tribe." Perhaps your rising gen group is large enough to have a built-in group of peers through siblings and cousins. Despite family size, I always encourage new family members to establish their own community, outside the family, by meeting others from like-minded families and similar situations. The FOX Rising Gen programs are the perfect opportunity to establish connections over commonalities.
- B. The most common and heartwrenching statement I hear from the rising gen is a desire to know they are not alone. Families of wealth and business-owning families can be very private. At FOX, just like Family Business Magazine, we pride ourselves on gathering affinity groups for productive and confidential discussions. This is tremendously important for benchmarking, as well as combatting feelings of isolation.

7. Partner/Spouse Onboarding

- A. Pay special attention to the unique needs of those new to the family altogether. They don't have the history and experience of growing up a member. Some families have a strong gravitational pull, and it can feel like you will never get up to speed. Consider what additional learning is necessary for new partners or spouses. Don't forget; they still have their own families. Be sensitive that acclimation is gradual.
- B. For those fiscally unequal members, their learning curve may be quite different. In some consulting projects, I have used a custom assessment to help determine the incoming knowledge of rising gen family members, which provides a baseline for family learning.



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8. Strategic Planning/Transition-Succession Planning

- A. The integration and engagement process doesn't ever really end. Members simply progress through new life stages and levels of responsibility. Continue to emphasize the significance of engagement and stewardship.
- B. Some families have board observer roles to watch family meetings and decision-making in action. What meetings or discussions can rising gen members be part of or watch?
- C. Empower new family members to be part of meaningful conversations and help determine the family's vision. Respect their voice. When they feel included, you will have their commitment. They will be the family's future leaders. Let them practice their decision-making skills and learn resilience early on, when stakes may be smaller.

The above list is a lifetime of learning and experiences. It is work, and it is worth it. Investing in your young

family members will build communication, trust, cohesion, and empowerment. A favorite quote of mine from Jay Hughes' *Wealth of Wisdom* podcast, Episode 14, is, "Any family that sees the learning as a cost does not have the intention to avoid the (shirtsleeves to shirtsleeves) proverb."

Think about this...what did you spend on your child's education? College? Wedding? What do you spend on family travel each year? Education is always an investment, and investing in your rising generation will pay dividends beyond your expectations. Take time to be intentional about their engagement, learning, and integration into the family. Listen to their wants and needs along the way. Empower them, be clear in your expectations, and flexible in how they achieve them. Every generation is a first generation. A robust engagement framework is successful when it guides young family members to the family's true north but allows them to use their own tools to get to the destination.



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Mindy Kalinowski Earley is Chief Learning Officer for Family Office Exchange (FOX). In her role, she fosters integrated learning programs for enterprise families and is responsible for developing the family learning community. She co-chairs the FOX Rising Gen program and serves as an outsourced Chief Learning Officer to FOX members. Mindy is inspired by helping people learn, grow, and discover how they will make personal and productive contributions, using their strengths and talents.

Mindy has held various roles in small and large family offices and has been responsible for creating and stewarding professional learning networks supporting human and intellectual capital. She has designed learning experiences that increase the knowledge base and enhance the life path of individuals while providing personalized support and coaching to help them meet their goals. As a Strong Interest Inventory facilitator with a certificate in Family Business Advising, she enjoys helping families and rising generation members navigate the unique world of family enterprise and family relationships by understanding that responsibility and intention pave a path to personal achievement and satisfaction. She has been featured in the New York Times, Family Business Magazine, Successful Generations podcast and is a regular speaker and facilitator. Mindy lives in Rockford, MI, with her husband, daughter, and Bernedoodle.



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