VALUES IN THE FAMILY ENTERPRISE

Values are one of the drivers of continuity of the Family Business and serve to establish a "true north" in governance decision-making; in times of crisis, families are faced with very difficult decisions where values are tested and can be put into action.

THE SEVEN DRIVERS OF CONTINUITY

LEADERSHIP
Leadership skills necessary to shepherd the group and its governance entities, with appropriate succession plans.

POLICIES
Clear rules to deal with each other and how the family participates in the business.

PROCESS & PROCESSES
• Trust, effective collaboration, open communication and good fit between people and tasks.

VALUES
Clear and shared core priorities in terms of values and principles.

VISION
• Reason for existing
• Shared Dream aligned with individual aspirations and viable in the real world.

EDUCATION
Group of competent people prepared to assume their role and add value.

STRUCTURE
Delegation of authority for effective management of company, ownership and family issues.
WHAT ARE CORE VALUES?

YOUR VALUES DEFINE YOUR IDENTITY AND YOUR FUNDAMENTAL PRIORITIES (I.E. WHO YOU ARE AS A FAMILY)

Values are your standards for judging behavior; are the essential elements of your family's culture and your company's culture.

Values transcend specific situations (unlike attitudes) and are thought to be more enduring.

Values are at the heart of "principle-based" leadership and serve to establish your "true north" in governance decision-making.

CHARACTERISTICS

FOR VALUES TO BE USEFUL FOR GOVERNANCE THEY NEED TO MEET CERTAIN CRITERIA; THEY MUST BE:

- Authentic
- Explicit
- Shared
- Lived
- Monitored

MANAGING DILEMMAS

MANAGING VALUE DILEMMAS IS A CORE LEADERSHIP FUNCTION:

- Families must work to identify their shared values, if they are to serve their collective decision-making.
- To identify your core values, it is appropriate to evaluate your actual behaviors and decisions.
- As Sartre used to say “We are our choices…”
1. Think Anecdotes

NOTES AND REFLECTION

Think of anecdotes you have heard since childhood, not only related to the company but to the very life of your ancestors, all kinds of stories.
1. Share your stories, start with the young, continue with the more senior
2. Take note of the essence of each anecdote
3. After some, pause and reflect on what are the family values that you see reflected in the stories?
4. Continue with more stories and repeat the process

2. List the Values

WHAT VALUES DO YOU SHARE?

When you finish with the anecdotes, make the list of values and discuss among all:

a. Are those values shared by everyone?
b. Are they valid today?
c. Would you like to have them but should you work them more?

Eliminate those that you do not share or do not consider relevant as a business family

3. Ask Validation Questions

STRESS TEST

Introduce validation questions to make sure the list passes the stress test:
1. Do our values reflect our assumptions about human nature?
2. Do our values include those ethical principles that we consider sacred?
3. Do our values reflect the lines we would never cross in business?
4. Do our values reflect our fundamental priorities?
5. If we change businesses, would our values remain the same?

Based on the responses, discuss the list of selected values again. The final list should not be more than 6-8 values

4. Reflect as a Family

ARE WE MAKING DECISIONS ANCHORED IN OUR VALUES?

Finally, from the list of values, reflect on whether the decisions you are making today in the face of the crisis generated by COVID-19 are anchored in those values. If not, what other decisions should/could you make?