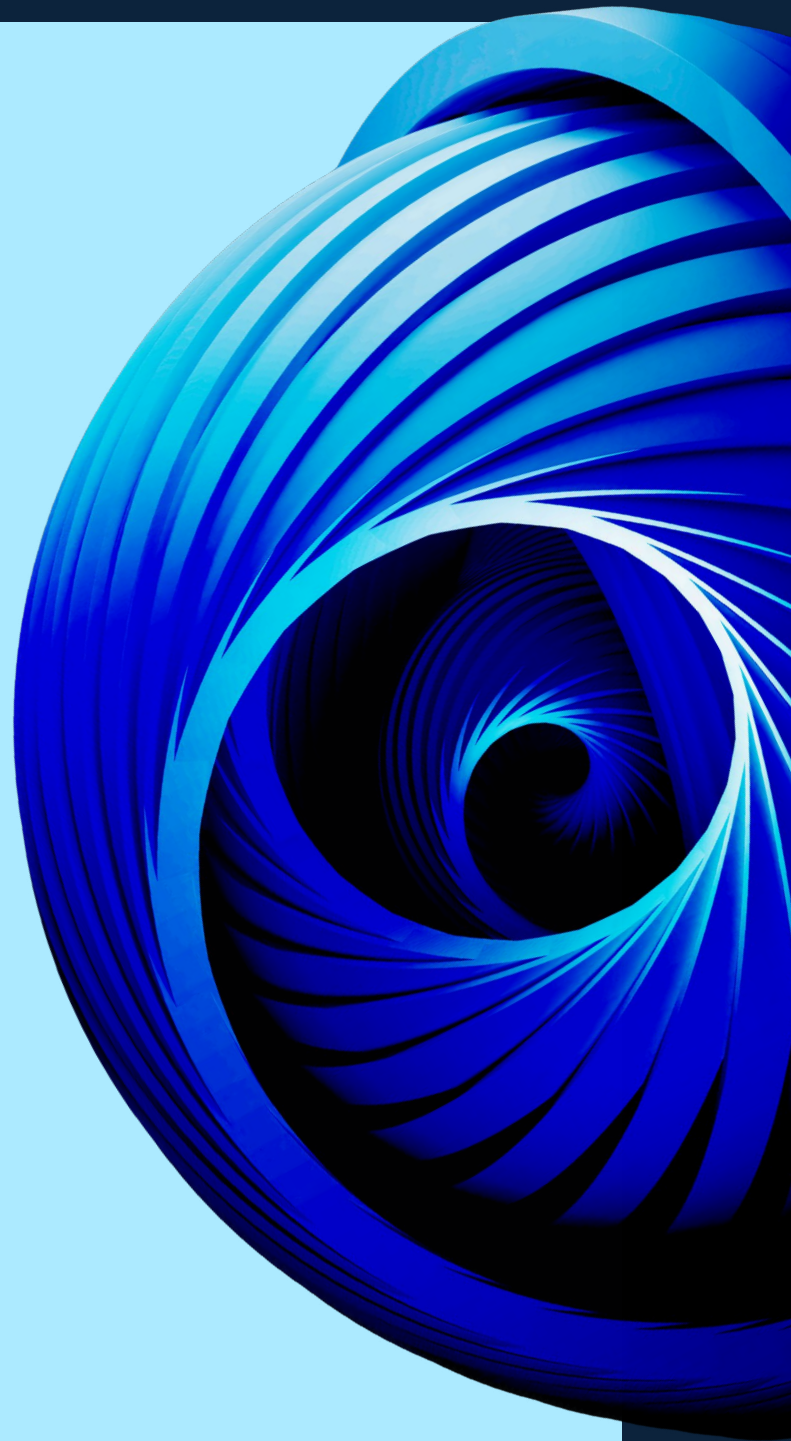


The Sages family business story

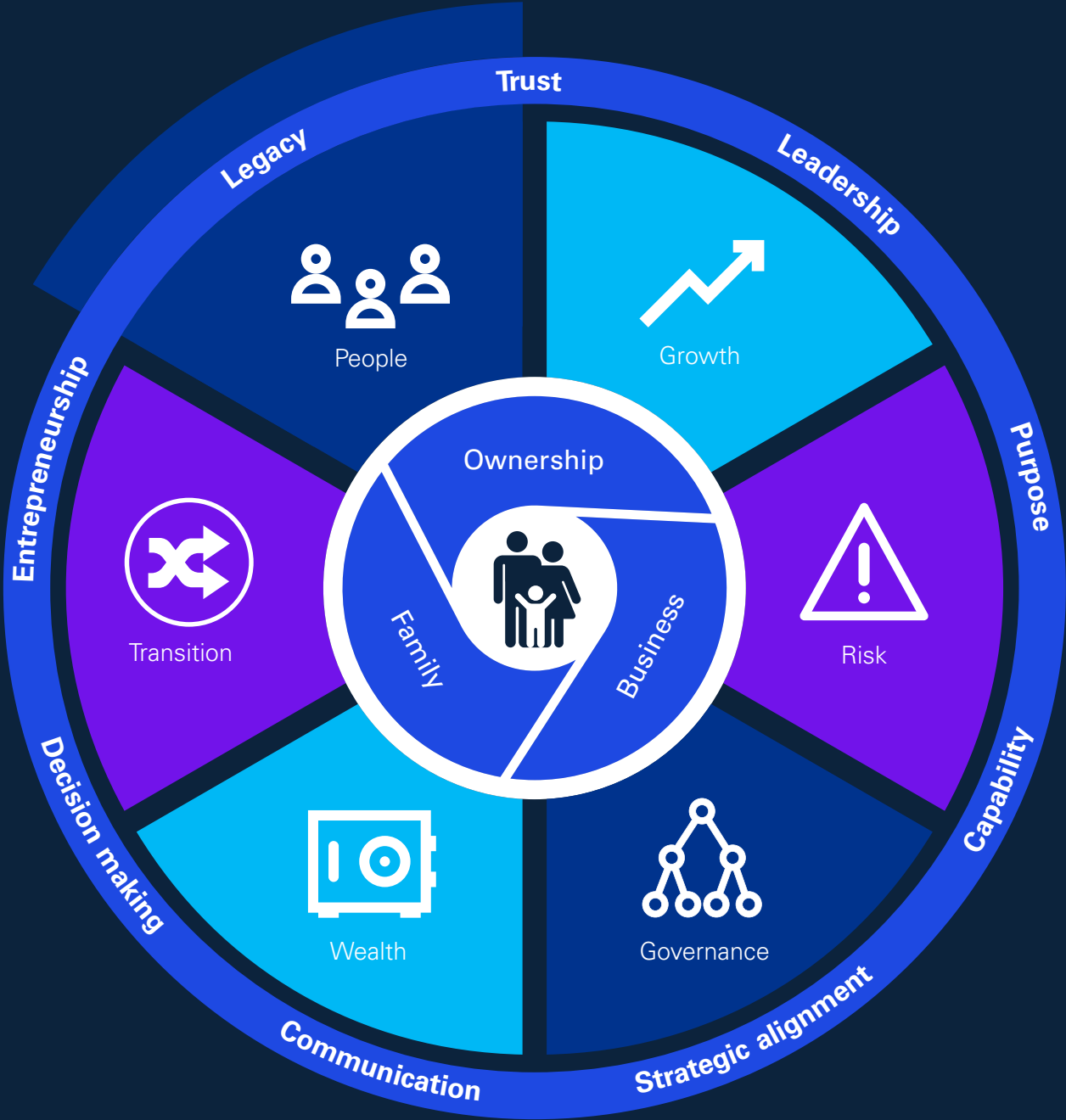
**Case study 14:
Developing next-generation leaders**

Written by Professor Christine Blondel from INSEAD

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Family business dynamics — People



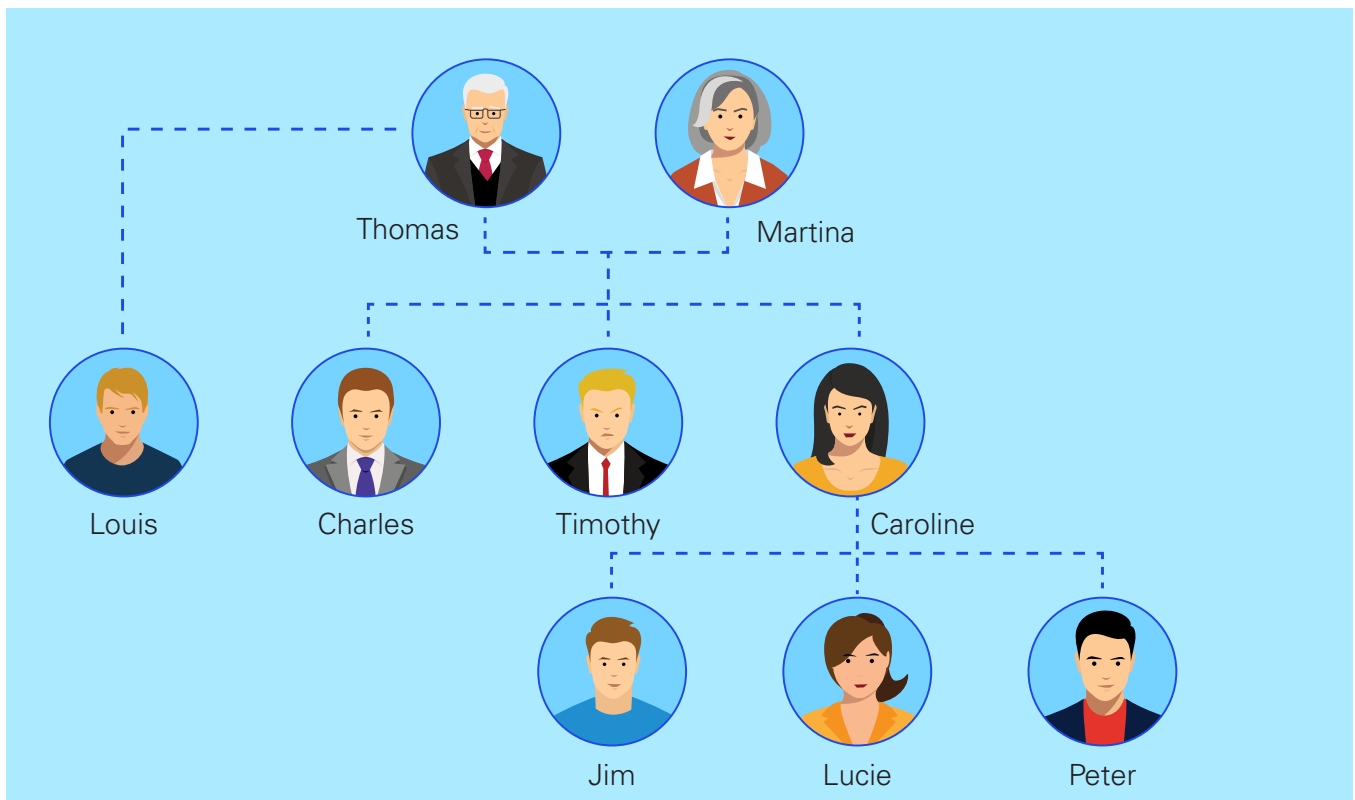
Source: KPMG Private Enterprise Family business dynamics, 2017

Part 1: The story

Case study 14

After everyone had left the family meeting's venue, a cozy hotel in the countryside just a 45-minute drive from Sages' headquarters, Thomas, along with his wife Martina and his son Timothy, sat together for a while reviewing the last two days. They agreed that the meeting had been a success. Even Charles had attended, together with his wife and children.

Thomas and Martina were particularly pleased with the interest the younger generation had shown in Sages. Their trusted advisor had required that the next-generation members each briefly present their experience with the Sages group to the rest of the family. Caroline and David's children, Jim and Lucie, talked about their jobs at Sages, and Peter talked about his small startup experience with an e-commerce platform. For Thomas, the meeting's biggest surprises were Lilly and Julia, Louis's and Charles's daughters, respectively. Thomas had never met the two in connection with the family business before. He was impressed how Lilly, an architect, always seemed to ask the right questions during his talk on the history of Sages. Even Julia, Charles's daughter, who is an ophthalmologist, had done her best to participate.



Part 1: The story

Case study 14

Timothy was less enthusiastic about the next-generation's performance than his parents. He was shocked to see that most of them lacked basic financial literacy. He also felt that Lucie and Jim did not seem to realize the legacy that they were receiving, and he was especially worried about Peter. While he appreciated what Peter had presented, he believed that he lacked the depth that would be required for the significant digital development for the Sages. As for Louis's daughter Lilly, Timothy still had a hard time accepting her (or her father) as part of the family.

When Martina told Timothy not to be so harsh with the next generation because they'd not been exposed like him to the family business at an early age during virtually every meal, he had a revelation. He needed to use the momentum of this family meeting to draw up a family business education plan. He decided to include the second generation as well, since his sibling Charles could do with a brush up in family business matters, and Louis had never been exposed to it at all. Timothy thought that it would be interesting to have different levels of education depending on the role that family members would play: some basics for all, then deeper knowledge and skills for those who would like to be more involved. He called his trusted advisor to help him reflect on the matter.



Questions for discussion

- What is your own experience with the subject? Best practices? Pitfalls to avoid?
- What advice would you give Timothy when developing an education plan for family members?

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