

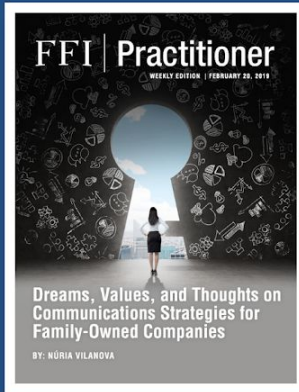
FAMILY VALUES & LEGACY

Dreams, Values, and Thoughts on Communications Strategies for Family-Owned Companies

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From *FFI Practitioner*

Thank you to Núria Vilanova, this week's contributor, for continuing *FFI Practitioner's* series of articles written in both English and Spanish by members of the FFI IberoAmerican Virtual Study Group. In this week's edition, Núria explores the themes of her recent book, which addresses the importance of family enterprises implementing a communication strategy that incorporates the family's values.

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SPANISH

If necessary, business-owning families are capable of risking all their personal wealth in service of continuing their business, and they make great efforts to maintain positions in the company.

They are attached to the community that watches them grow. They have long-term business plans, are governed by values normally established by the founder, and practice a greater social commitment.

All great business stories begin with the values, vision, and mission of their founders—those who, by their example and behavior, forge businesses that achieve family cohesion, create wealth for the community in which they operate, and sometimes produce a national brand. They are people with values that leave a mark.

Being entrepreneurs and great dreamers, founders consider work, responsibility, and principles as the framework of their actions. They have internalized the fact that discipline, honesty, and commitment constitute the pathway for achieving success and ensuring that the business and family survive the eventual generational transfer. The pride of belonging to a family business resides, in large part, in those solid values and its philanthropic efforts, and in becoming the nexus between generations, far beyond the simple distribution of dividends.

In my latest book, titled *La esencia de la empresa familiar. Valores y comunicación* [*The Essence of the Family Business: Values and Communication*] (Plataforma Editorial, 2018), I reveal some of the key principles of success of the largest family businesses in Ibero-America. It is not a how-to book, but rather a journey through the experiences of some of the most relevant entrepreneurs that manage family businesses. It was written in the collaboration of Ibero-American Secretary General, Rebeca Grynspan, the president of the Institute of the Family Business, president of Osborne, Ignacio Osborne, and IESE professor, Josep Tapies.

“BEING ENTREPRENEURS AND GREAT DREAMERS, FOUNDERS CONSIDER WORK, RESPONSIBILITY, AND PRINCIPLES AS THE FRAMEWORK OF THEIR ACTIONS. THEY HAVE INTERNALIZED THE FACT THAT DISCIPLINE, HONESTY, AND COMMITMENT CONSTITUTE THE PATHWAY FOR ACHIEVING SUCCESS AND ENSURING THAT THE BUSINESS AND FAMILY SURVIVE THE EVENTUAL GENERATIONAL TRANSFER.”

When writing *La esencia de la empresa familiar*, I talked with great protagonists of the business world — who are, above all, very talented people and great visionaries. Some were founders of businesses, others were children of founders or members of the third or fourth generation. In total, I gathered the voices of more than 50 principal entrepreneurs from 18 countries on both sides of the Atlantic.

Throughout the book, the personal and professional experiences of the Slim, Servitje, Motta, Luksic, Sarmiento, Gilinski, Benavides, Vicini, Puig, Raventós, and Pascual families, just to cite some of the most well-known names, are presented. Three key pillars of each organization are analyzed: the dream of the founder, values, and communication —three indispensable elements for family organizations to continue writing pages in the history books.



The family business as a competitive advantage

The family is always a valuable intangible asset, since it answers for the business, sometimes with the members' own personal wealth. The role of family businesses is important all over the world and in all markets; converting the dream into a project, transforming businesses, sectors, regions, and countries with the support of the family that unites them. In nearly every case, the founder is the example to which the succeeding generations look and the backbone for constructing intimate links with interest groups.

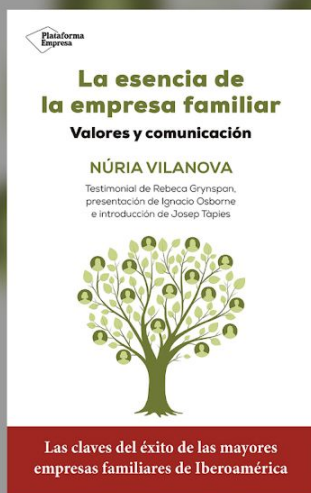
Among the greatest challenges are the success of the business and generational transfer. However, legacy is no easier than success in business. Planning and work are necessary in guaranteeing their union—the key is communication.

Communication, ensuring that the business is beloved by its clients, employees, and, of course, by the family, is the only way to guarantee the future of these companies. It may seem like a simple recipe, but it in no way is, taking into account that one of every three family businesses disappears in the third generation.

The sense of belonging, the pride of taking on a common project, and passion for the business are necessary ingredients for guaranteeing the future. The families that I have interviewed in my book all agree that one of the big challenges is the transmission of values and communication amongst the family members, especially as the family grows and the business expands. And a vast majority agree that the foundational values and the values of the family must be systematized and structured and must permeate the day-to-day of the family and the business.

The family business faces another challenge due to the fast pace of today's world. Technology can become an ally, but it can also become the worst enemy. On this point, once again, communication is a key tool, and together with technology, they are crucial instruments for bringing members of the family together, especially since Millennials and Generation Z have different perceptions of the world and are both hyper-connected and global.

Sidebar



“La esencia de la empresa familiar. Valores y comunicación [The Essence of the Family Business: Values and Communication]”

by Núria Vilanova

is published by Plataforma and examines the structure, values, advantages, disadvantages, and communication in the leading family business in Spain and Latin America.

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Big names behind big projects

Many businesspeople have shared their stories with me so that the readers can get to know the people behind great businesses. Among them are: **Luis Carlos Sarmiento**, who began building where no one else wanted to, fighting danger. Today he is a business leader in Colombia and patron of a major hospital center in the fight against cancer.

Carlos Slim Domit, son of the magnate and philanthropist, **Carlos Slim Helú**, who has constructed his own vision of a digital future, as well as that of corporate commitment, which is key to social transformation.

There are more exciting stories, including **Jaime Gilinski**; **Valentin Díez Morodo**, who toured the world creating a national brand; **Antonio del Valle**, successful banker and businessman in Mexico; **Daniel Servitje**; **Stanley Motta**, who transformed Panama into a fashionable hub; **Andrónico Luksic**, who is responsible for the opening of an international business through social media together with his sister, **Paola**; and **Mariano Puig**, whose business is behind many of the great perfumes of the world and has contributed to the development of the family business inside and outside of Spain.

All of them shared their valuable experiences—stories that teach lessons about how to create wealth for businesses and their country of origin—all guided by values.

The goal that these men and women share is not only to create financial value, but also to achieve an optimal balance in the social-emotional aspects of the business, which are an integral part of the family legacy. Another example is the case of **Mireya Cisneros**, who began with the foundation of a family company that today contributes with its own foundation; or **Felipe Vicini** and his sister, **Amelia**, who have shared their vision of new models for the management of family businesses and social action.

“FAMILY COMMUNICATION IS ESSENTIAL TO STRENGTHENING FAMILY BONDS AND AVOIDING THE POSSIBLE DISCONNECTION OF FAMILY MEMBERS THAT DO NOT WORK FOR THE BUSINESS, BUT ARE SHAREHOLDERS OR FAMILY OF SHAREHOLDERS, PARTICULARLY THE YOUNGEST MEMBERS.”

Communication, the great ally

Corporate governance, a succession strategy, and control of the company are three basic pillars that founders and their successors must consider as the business and/or family grows. However, do not forget communication—an adequate communication strategy that involves the current shareholders, future shareholders, and the parents of those future shareholders, even if they are the in-laws of the heirs. Family communication is essential to strengthening family bonds and avoiding the possible disconnection of family members that do not work for the business, but are shareholders or family of shareholders, particularly the youngest members.

During my more than 30 years of experience at the head of the communication consultancy ATREVIA (formerly Inforpress), I have seen that, at times, those who do not work for the business or participate in its governing bodies are less informed than most of the employees, suppliers, or clients, and they only receive financial information or news articles—proving that journalists are informed before they are! This seems like a mistake to me. It is better to take advantage of the benefits that technology offers today: apps, intranets, streaming...all to improve family communication.

Under the magnifying glass of society

Today, the business-owning family cannot remain anonymous. With the advent of social networks, the low-profile communication strategy has ceased to exist, and the borders have disappeared for family communication, communication among the company, its employees, and non-family executives, and communication between the company and society. All of these communications must pass through the filter of an increasingly critical public opinion, which demands good corporate government practices, commitment, responsibility, and accountability.

Today, whether they like it or not, family businesses are under the magnifying glass of society and must choose their OWN model of communication. As families, they can choose to maintain a relatively low communication profile, but they must be prepared. In today's world, "If you don't speak, they will speak for you," say the interviewees in *La esencia de la empresa familiar. Valores y comunicación [The Essence of the Family Business: Values and Communication]*. The family must be convened and trained to speak with the media and to communicate through social networks in a way that protects the interests of the business and of the family, since that any information or rumor that makes it online can turn viral in minutes.

My book presents cases of successful century-old businesses and hundreds of shareholders, and they always present a common attribute: they have all been able to create and maintain a careful listening system and a good family communication strategy.



About the Contributor

Núria Vilanova is graduated in Information Sciences and she holds the prestigious General Management Program (PADE) by IESE Business School. She is the founder and chairwoman of ATREVIA. She is also the president of Consejo Empresarial Alianza por Iberoamérica (CEAPI) and serves as an advisor at Azkoyen management board.

About ATREVIA

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