Family Conversations On Sustainability

Conducting effective, multi-generational meetings on building a shared purpose

FBN international
THE FAMILY BUSINESS NETWORK

polaris

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Authors and Acknowledgements

FBN International is grateful to the Polaris Committee for their leadership in developing *Family Conversations on Sustainability*. Polaris, launched in October 2014, is a sustainability framework and guide customised for family businesses.

About the Polaris Committee
Comprising FBN members, executives, sustainability and family business professionals, the Polaris Committee spans cultures, geographies, industry sectors and generations.

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References:
Guide to Polaris, Oct 2014, FBN International
Talking it Through, Dennis Jaffe and Stacey Allred, June 2014, Wise Counsel Research

Contents

Introduction to **Polaris** and **Family Conversations on Sustainability**

Sustainability is not a new 'initiative' for FBN members. As family businesses, we have been doing this for years, decades and even generations. No other organizational entity is chartered to address the future with as long a timeframe, as intrinsic a focus and as holistic an approach as we do.

In order to make this vision of a 'Sustainable Future' a reality for your family business, FBN has developed ***Polaris***, a framework and guide to help you chart your journey on the four dimensions of the FBN Pledge – People, Communities, the Environment and Future Generations.

This special guide focussed on family meetings is designed to help you and your family take the first steps to having a conversation on sustainability and enable you to find your own True North – a clarity of purpose that uniquely expresses your calling and guides your every decision.

The Transformational Value of a Family Meeting

A family with multiple shared assets – businesses, real estate, investments, a private foundation – must learn to be adaptive and resilient when facing change, especially when crossing generations. As children grow to adulthood and get married, the socio-economic landscape shifts and new leaders must emerge or be developed inside the family. How does this happen? To build a truly sustainable family enterprise, the family must share information, values, expectations, responsibility and planning across generations.

Every sustainability journey should begin with establishing a shared definition of what sustainability means to you and your family business. Depending on who you are or where your responsibilities lie, it may mean everything or nothing to you. For some time, sustainability has been loosely associated with companies 'going green', or perhaps used to call out the activities a business undertakes to reduce its environmental impacts – something broadly perceived as being achievable only at a cost to the bottom line. Today, however, we can increasingly quantify the intangible benefits of a sustainable business strategy moving beyond mere cost efficiencies. Sustainability isn't just good for business – it is good business.

What's more, family businesses are uniquely positioned to play a key role in advancing sustainability. In 1987, the United Nations' Brundtland Commission was tasked to align the world nations around a shared vision for sustainable development. It built its recommendations on this organizing principle:

Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.

Today, more and more businesses, both family and non-family, embrace this definition and demonstrate that sustainability is no longer a challenge for some future point, but rather an opportunity in the here and now. To help your family business get started or uncover ways in which you might broaden your current activities, the Family Business Network (FBN) has developed Polaris, a comprehensive framework and guide to help chart your journey and enable your family business to find its own True North.

While every family business is already on a sustainability journey, there may be disagreement across generations on the pace at which that journey should evolve. As the next generation grows up and looks to influence the direction of their family business, their subsequent expectations about what the family enterprises should be doing connected to sustainability need to be shared and aligned. Members of the older generation and those in control of the business likely have information not known by the next generation. Lack of information and transparency can lead to distrust and the perception of not doing enough.

The family cannot delegate the task of building trust or sharing information to advisors –they must eventually meet and discuss these issues face to face. A trusted advisor can help by making sure the conversation meets its goals, but the family must talk about the future together if they are to cross generations without disruption or unproductive conflict. As more people enter the family each generation, family meetings allow the members to consider different perspectives and align expectations so nobody feels unfairly treated and family members understand, trust and respect each other's roles.

Family members of each generation have to understand and respect the rules and procedures for working together. They need to understand their parents' legacy while also making plans for succeeding together as a team in their own new generation. Members of each generation easily misperceive each other—the family meeting is a pathway to reconcile these divergences.
The power of a face-to-face family meeting is that members of different generations can actively shift their views by listening to each other, helping the family to face future goals. To hold a successful meeting, the family must answer the following:

- **What is the purpose of the meeting?**
- **How many meetings will we have?**
- **What is the meeting location?**
- **Who is invited?**
- **How long will the meeting last?**
- **What will the agenda and format include?**

Family meetings should be conducted in an appropriate setting. If the family has a few members and limited resources they can gather around a table. If there are several dozen members spanning three generations and the family has several valuable and complex entities to understand and manage, the meetings will be more elaborate and may need to be held at a conference center. But all family meetings have similar elements.

(For more information on Polaris, including a complete guide and case studies, please visit the Polaris section on FBN Xchange.)

Types of Meeting

The family meeting is a means to an end for the family. A good meeting needs a clear goal and focus. Here are four suggested topics that can be used to spark a sustainability conversation, but feel free to create your own as well.

Type One	Sustainability and Inter-Generational Values
Type Two	Learning from other Family Businesses
Type Three	The Future of Our Family Enterprise
Type Four	Identifying Our North Star

"For us, everything springs from active family governance and communication and this is embodied in our values statement which defines our commitment to transparency, professionalism and responsible stewardship'"

– Eliane Garcia Melgaço
3rd generation owner
Vice-President of Marketing & Sustainability
Grupo Algar, Brazil

Type One: Sustainability and Inter-Generational Values

A conversation where a family who is considering the steps to make their enterprises more sustainable through sharing and exploring their values and concerns with the next generation.

This meeting is an opportunity for family members to talk about the vision for their business, the role they want it to play in society, their personal and family goals, and what they want to achieve in the future. It is not a decision-making meeting, where action steps are taken. This is often the first time the family has come together to talk about sustainability in a focused way.

The meeting leads to understanding between the elder generation currently responsible for the family business, and the younger generation who will inherit and are creating their own life paths. The discussions will include much more than just a discussion of the current issues facing their business. They usually feature an exchange of questions, concerns, goals and desires by members of each generation. These topics may be difficult to talk about, especially if the family is not aligned on what they want to see from their sustainable enterprise.

The goal of the meeting is to discover shared understanding on which areas the family business should focus on and how quickly it will need to evolve. It's not just about the legacy values of the parents and/or the founding generation. It's also about how they can be redefined to remain important to the younger generation in a different environment. These values then form a foundation for personal and family decision-making about areas of shared concern, which lead to expectations about family behavior.

A holistic approach to sustainability has economic, environmental, social and cultural dimensions. True sustainability enables positive social change, encompasses environmental stewardship, embraces fiscal responsibility, drives profits, fosters innovation, and enriches future generations.

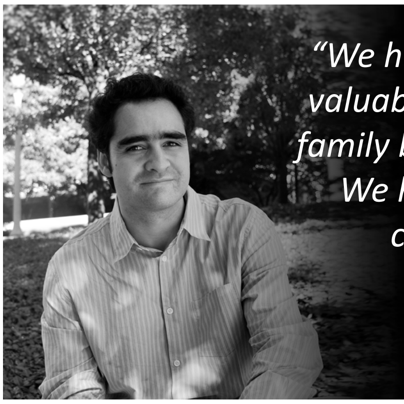
As enshrined in our Pledge, sustainability empowers humans to work in collaboration with each other and in concert with nature and the environment, fulfilling the economic, social and other requirements of present and future generations, moving beyond mere cost efficiencies.

Type Two: Learning from Other Family Businesses

A meeting in which the family gathers together to discuss the past and present of their family business sustainability journey and explore potential new directions, using inspiration from other family businesses.

This meeting is about sharing values, exploring the legacy the business may have already created, and discussing the ways in which it might continue to involve. If the family has a long history, a few family members (at least one from both the new and next generations) in advance of the meeting should explore what the family and business has done related to the four areas of the pledge and present their findings. An open discussion should follow on what everyone found inspiring and other stories family members may have heard of should be followed by a discussion on how this translates into values the family lives by.

For newer family business, the discussion can start with a values exercise (examples of which can easily be found online), leading to a broader conversation of where the family and business might go next. Everyone attending the meeting should bring an example of a family or business they find particularly inspiring and be prepared to talk about what lessons or inspiration can be found in that example. (Case studies and examples from the FBN network and beyond can be found in the Polaris section of FBN Xchange.) The goal of the meeting is to identify and align on a number of activities the family and business would like to explore in more detail. A follow up meeting can discuss the findings and align on a plan of action going forward.



"We have an incredible opportunity to do something valuable in life through the way we do business. As a family business, we actually borrow from our children. We have received something; and as responsible citizens we want to give something back."

– Simon Torres
2nd generation owner
Grupo Contempo, Colombia

Type Three: The Future of Our Family Enterprise

A conversation that focuses on how a family business will manage the risks it will likely face with regard to its people, the community, the environment and future generations, and what legacy they hope to create in these four areas.

This type of meeting looks at the full spectrum of a family business' operations, identifying future risks and opportunities for managing them. Family members will usually have very different views and perspectives, so this is an open forum to discuss them. This is not a decision-making meeting but rather an opportunity to learn from one another and express hopes and concerns. In particular, this can be a great forum for next generations to share their perspectives with the now generation on the type of business they would like to inherit.

Type Four: Identifying Our North Star

A co-creation session where a family aligns on the purpose of their enterprises, through identifying a clear "why" and aligning on the values that will get them there.

This meeting is about getting everyone on the same page about 'why' the family business exists, setting an inspirational vision that everyone in the business and the family can support. Key stakeholders from the family and the business co-create a 'north star' about a sense of purpose beyond profits that aligns with the family's values. In many family businesses this vision already exists, so the session can be about sharing how it came to be and the role everyone is expected to play in bringing it to life everyday. Beyond the 'why', this meeting can also be used to establish a 'what' or challenge, setting a short-term 3 to 5 year goal that everyone can participate in and that will make visible progress toward the 'north star.'

(A presentation and workbook that can be used in hosting this session can be found in the Presentations folder in the Polaris section on the FBN Xchange.)

Setting Up the Family Meeting

What is the major cause of failure of a family meeting? Most often, it is incomplete planning. A family meeting is important enough that you must engage in a lot of work beforehand to ensure that everyone knows what to expect. A general rule is that people should know, understand and agree to the meeting and its focus, and that there should be no surprises. Emotional and personal issues will be raised during the meeting, and family members need to prepare personally. Also, a family must understand that a family meeting is not an end in itself. In all likelihood, the outcome of a successful meeting will raise more questions than are answered, setting the stage for a future meeting. A family should go slow and be sure that each step of the way forward is comfortable and clear to everyone.

This section details the steps to set up and prepare for a family meeting. By following them, you greatly increase the chances that your meeting will be successful and that all family members will feel heard.

1. Get Everyone's Agreement to Hold the Meeting

The key to holding a successful family meeting is a willingness to invest the time and energy required to get everyone on board. If you are the internal champion or initiator who is interested in organizing the meeting, you might start with your allies—family members most likely to agree on the need for a meeting. Get their help to approach other family members. To set up a meeting, the initiator will have to involve everyone in the family, with the possible exception of one or two highly skeptical or suspicious members.

If the initiator is not a family leader/elder, it is critical that they make sure they take the time to overcome any concerns or objections, which may not be stated openly. For example, the family leaders may feel that they already communicate perfectly well and wonder why they should convene a formal family meeting. They may also feel that the members talk all the time so why not just meet informally.

The elders may even agree about the need to hold a meeting, but say, "The time is not right." This may be a way of saying "I'm not comfortable with this. Let's not talk about it." Such resistance stems from a fear of what might happen. They will need reassurance or help in taking steps to limit potential negative outcomes.

When the topic is sustainability, the family leaders may feel this is not the most important topic to discus at this time. They may feel it is just a trend and doesn't have a clear business case. They may also feel that it is not the right time to shake things up, or they don't want the burden of prioritizing the issues arising in the meeting. The initiator can face these concerns by helping everyone to clearly define what will and will not happen at the meeting.

How can a family overcome these fears and move forward? You can get the family leaders on board by creating safeguards to reduce anxiety and by helping them develop a positive mindset. You can talk about how an outside facilitator can help to keep order, as well as how planning and setting clear expectations can reduce the chance of emotional derailments. Also if a family leader wants certain topics to be off limits, this can usually be accommodated.

Another possible stumbling block might be that the parents fear that having a meeting will invite younger family members to feel 'entitled' to make decisions. This can be reduced by making it clear that listening to each other is not the same as having shared decisions. The family leaders must clearly communicate that they want input but they may need to affirm that any decision is theirs to make. Reinforcing that they control the amount of information shared can alleviate concerns about confidentiality and sharing. A trusted advisor can help everyone see that they can avoid misunderstandings and feelings about fairness if they talk about expectations and values together, as well as set clear expectations about the future. The goal is to get the family leaders to understand the positive need for the family meeting and learn that advance planning can minimize any negative concerns.

After getting agreement from the family leader to hold a meeting, the next task is to get the rest of the family to participate. Invite selected members of the next generation to join the planning process and ask them to communicate with their siblings and other family members. The goal is to calm any fears and concerns by creating a positive environment and clear expectations.

2. Have a Clear Purpose and Goal

Defining one **Big Task** based on current family needs and challenges helps keep the meeting manageable and overcomes the tendency of families to jump from one issue to another. It also motivates people to participate. Any topic can trigger emotional connections and associations in a family. It is incredible how quickly a meeting can lose focus when someone says something that upsets another family member, dredging up past hurts. Keeping a family meeting on track is difficult for most families especially when the topic is a difficult one with emotional overtones.

The purpose of most family meetings (especially the first one) is to communicate, not make decisions. Many family members are anxious about having a meeting because they feel there will be pressure to make decisions that are outside their ‘comfort zone’. By stating clearly and directly that the purpose of the meeting is to get to know each other, hear what everybody thinks and that no decisions will be made, the participants will be more relaxed. A result of a successful meeting is that the family feels good enough about what they have achieved to schedule another meeting. A family with many shared enterprises should not be surprised if they need several meetings before coming to the point where they can make a good decision. Or, the meeting may share ideas and perspectives on an issue for the family leaders or elders to make a decision. For example, the elders may decide about the structure of their family trust or estate plan.

“The best minute I spend, is the one I invest in people.”

– **Dirk Vyncke,** Pater Familias
4th generation owner
Vyncke, Belgium

3. Design the Meeting Collaboratively and Create Clear Expectations

The initiator should hesitate to define the agenda alone or with help solely from the family elder. They should work with a small group of two or three people who act as the **steering committee**, representing different roles and generations. The steering committee should, in turn, reach out and talk with all family members about what they would like to accomplish in a family meeting. The committee can then define a theme, or big task, and craft an **agenda** so family members know the purpose and what will be discussed. There will also be discussion about whom to invite—whether to include in-laws and if children should attend (and what is the appropriate age). If a family member offers to facilitate the session, they must agree to not inject their personal opinions or voice in the meeting, as well as adopting a completely neutral position no matter what topics arise. Since this can often be difficult to do, it can be beneficial to bring in an **outside facilitator**.

The steering committee can meet with the facilitator or on its own, planning the meeting and periodically reaching out to the rest of the family for information, sharing ideas, and setting the date, format and agenda of the meeting. If the family is widely dispersed across different regions, the steering committee can work by telephone conferences and share their notes with the rest of the family. The more they share, the more they will engage the family and build commitment to the meeting. In fact, by working together, the process of communicating is set in motion for the family even before the meeting is held.

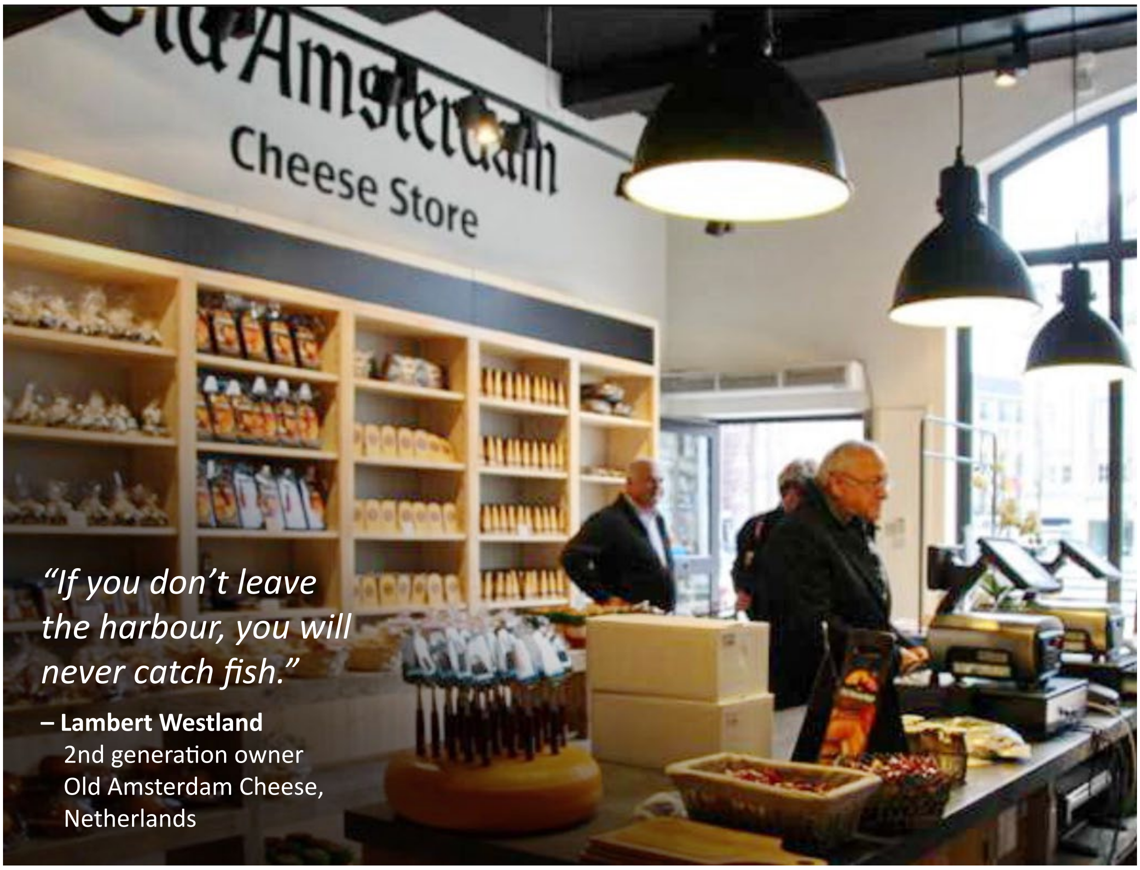
One common steering committee activity is sending a questionnaire to each family member. The questions ask about concerns and topics for the meeting. Answers can be submitted anonymously so that members can feel free to suggest controversial or difficult issues. There are also assessment tools that can be used by the family to gather information. The survey results help the steering committee insightfully define an agenda.

Note that the first meeting should not attempt to cover every issue. The agenda should not be too ambitious or attempt to address the most difficult issues. A good first meeting contains activities where family members share things about themselves they may not have shared previously. The family may contain new members (married-ins) and siblings may have grown up, so learning about each other is an important element of a first family meeting. The agenda and the meeting should not be 'all work and no play'. If the family members have come from far away and the meeting takes place at a resort or conference center, there should be fun activities for the family to do together. The goals of the first meeting are simply for people to have a good experience, get to know each other, share some of their concerns without feeling they need to solve them, and plan follow-up meetings to go into more depth.

Sample agenda from a day-long family meeting

- **Introductions and Purpose of Meeting**
- **Best Practices of Legacy Families**
- **Communication in Families**
- **Discussion: Opportunities, Challenges & Responsibilities of Sustainable Businesses**
- **Develop Shared Family Values**
- **Responsibilities & Privileges for Individual and Family-Related Goals and Objectives**
- **Meeting Wrap-up and Next Steps**
- ***(After the facilitators leave, the family gathering continues with fun activities.)***

The agenda should be written and given to everyone well in advance of the meeting. Sometimes, materials are shared in advance—perhaps a case study or a letter from the grandparents about their legacy. Also, there may be tasks that people are asked to do to prepare such as complete a questionnaire or read an article.



"If you don't leave the harbour, you will never catch fish."

– Lambert Westland
2nd generation owner
Old Amsterdam Cheese, Netherlands

4. Clarify Format and Expectations

Decisions must be made about the setting, format and participation. While there are some best practices for meetings, each family is different. A family should try to accommodate everyone's concerns from the beginning.

Who should be invited?

The invitees will depend on the topic. The family should be as inclusive as possible because everyone in the family has concerns and questions about the family enterprise. Families need to consider whether they want the members to hear about things first-hand or second-hand. From comments of included spouses, the positive impact on family unity is apparent. However, there are some limits.

A family with two or three generations may wonder at what age should younger members participate and should spouses be invited. Sometimes a family has issues about trust, hurt feelings or delicate issues, and may want to limit attendance at the first meeting to the immediate family line (often the parents and their adult children). This can cause spouses to feel left out. However, if there is a good reason to start with the core family line, a family might hold a meeting with just that group, but include spouses for the last hour (and the informal and fun activities, of course) so they can be briefed on what happened.

Should teenage or younger children be included? Some families invite them; others set the age at 18 or 21. If there are significant numbers of young or teenage children, the family may also have a special session for them where they learn financial or business skills. The family may also have a separate third-generation meeting, bringing the whole family together at the end so the younger group can share what they learned. Younger family members may be included in a specific part of the meeting such as the values discussion (with a 'kid-friendly' version of the value statements) or to present a grant request for the Family Foundation or Donor Advised Fund.

What will be the length and format?

Families should select a time and place where people can be comfortable and talk freely, with no distractions. Often, the meeting is a WiFi-free zone. The first meeting should not be a marathon. It is a chance for people to learn something and to share some of their own feelings and perspectives. But the meeting should last at least a day or half day, as anything shorter will not offer enough time for people to learn or share. If the family is large or there are a lot of difficult issues that could arise, we recommend an outside facilitator.

Who Pays?

Family members have different levels of income. If a family feels the meeting is necessary, they should expect to pay the expenses for travel and, sometimes, offer payment for losing a day of work or getting a babysitter. Supporting meetings this way is another sign of their importance and the desire for everyone to be there.

5. Invite Participants and Gather Information

It is important that everyone is clear about the date, time, place and purpose of the meeting. Like any important gathering, everyone should have time to prepare and respond. An invitation letter can state the purpose of the meeting, its importance and tone, and what to prepare and think about.

Many facilitators find that confidential interviews with each person in the family prior to the meeting is a great way to become aware of concerns, differences and hidden issues within the family. While the outside interviewer agrees not to share individual concerns learned at the interviews, advisors can share general themes, as several family members usually voice a few widely shared core concerns. By having an outside facilitator gather and present the information, the family has the security of knowing that the information will be handled sensitively and shared appropriately, and no individual family member will be 'put on the spot'. After the interviews, the facilitator meets with the steering committee to design the agenda. The advisor can suggest a topic learned in the interviews but not reveal where the information came from, which can help surface and air a controversial issue.

There are survey and assessment tools that allow the family to learn about skills and perspectives of each family member. Particularly in larger families, an online feedback tool can be helpful. It gives each family member a voice and provides the opportunity to learn what worked and what didn't work, which can be helpful in planning the next family meeting.

6. Create a 'Safe' Environment

Psychological safety is needed for people to build trust and participate in an open manner. Holding a family meeting in a place where individuals feel comfortable will let them be authentic, open and less afraid to bring up conflicting or controversial perspectives.

There are physical and psychological elements of creating a safe space. This is usually done in a place outside the home and office. The space should have windows and be light, airy and open. It may be an advisor's conference room or a conference center. To be physically comfortable, the meeting room should be arranged so that people have eye contact with each other. A conference table or a semi-circle of chairs will suffice. If there are more than a dozen people, the room can be arranged with a group of round tables, where smaller groups can have discussions.

Holding the Meeting

People often make the mistake of assuming that a family meeting is a setting to tell the family something. However, that is not an effective meeting. A meeting has to be interactive, with each attendee contributing. When information is shared it must also be discussed, and feelings or responses should be communicated. The purpose of sharing the information must be clear, including an explanation of how the family can use it. A good meeting has a beginning, middle, and end, and a flow that makes the meeting comfortable, productive and stimulating.

Here are some elements of a good interactive meeting:

- Use an Outside Facilitator
- Start Meetings with an Icebreaker.
- Establish and Enforce Ground Rules (Code of Conduct) for Participation
- Create Dialogue
- Teach Listening and Communication Skills
- Help Everyone Find a Voice
- Focus on the Future, not Rehashing the Past
- Sharing Information about Family Enterprises
- Listening, Commenting or Making Decisions

Use an Outside Facilitator

The **facilitator** role ensures that attendees are respectful, follow the ground rules and keep to the agenda. He/she helps the family put aside especially contentious issues for later in order to keep the meeting flowing. The facilitator is usually a non-family member with no stake in what happens in the meeting, whose task is to keep the meeting on track and to ensure that it stays focused on the outcome, and that people feel comfortable and able to contribute. The more concerns the family has about being comfortable or developing trust or the more people are involved, the more need there is for a facilitator.

The actions of a facilitator can include:

- Have members ask questions but wait for the presentation's end before discussing.
- Begin with each person sharing responses and concerns.
- Ensuring members don't interrupt each other.
- Get people to be concrete and specific instead of talking generally. If something is not clear, ask the person to say more or to clarify. Asking for a specific example is helpful.
- Paraphrase what people said. Ask people if you can repeat back what they stated and if you summarized their point. This gives a sense that they are being heard, that you understand their viewpoint and that they can trust you.
- Focus the discussion by telling people when moving onto another topic.
- Make sure everybody talks and that people who are reluctant or quiet are regularly drawn into the conversation.

Start Meetings with an Icebreaker

Start with a fun activity to help the family get comfortable with speaking up and getting to know each other in a new way. A good icebreaker also is a model of the kind of discussion, openness and exchange that will occur in the rest of the meeting. Ice breakers are selected to fit with family culture and bring energy into the room to start the meeting. This is an opportunity to get creative.

Ideas include:

- Check in—each person shares something that they do not ordinarily share about themselves in their family.
- Group meditation on what is important to them.
- Playing music.
- Talk in pairs with someone you don't know as well, and then each person shares something about the other.
- Updates—go around the room; each person gives a quick update on how they have been and what they have done since the last meeting.

Establish a Code of Conduct for Family Members

Ground rules are created by everyone in the meeting with the understanding that they help people feel comfortable being open. This process anticipates barriers to openness and sensitizes individuals about how to feel safe and communicate effectively given some negative past experiences. This list is often called a **Code of Conduct** and should be posted in an easily viewable area. The family meeting ground rules become part of the family governance and are reviewed at the beginning of each subsequent family meeting. The family may decide to use these as expectations for communication outside the meeting as well.

Typical ground rules include:

- Listen respectfully; don't interrupt.
- Focus on issues, not people or personalities.
- Leave titles outside the door; address each other as peers.
- Share feedback with consideration and kindness; avoid attacks.
- Use "I" statements, not "You" statements (for example "I feel irritated and hurt when people interrupt me" rather than "You are being so nasty, interrupting me all the time").

Example of one family's ground rules:

1. **Be curious.**
2. **Do your homework before coming to the meeting.**
3. **Create a safe, open, respectful environment.**
4. **Speak for yourself. Avoid criticism or blame.**
5. **Full transparency within the family. Outside the family is a need-to-know basis. Maintain privacy.**
6. **Have fun!**

Create Dialogue

What is the most important thing that happens at a family meeting? The answer: Creating a multi-generational **dialogue**. This dialogue is a flow of conversation where people do not argue but rather learn from each other by inquiring and seeking to understand other points of view. It is based on trust and candid communication.

To allow for dialogue:

- **Set the tone of the dialogue.** Family leaders or the facilitator set the tone of the dialogue by enforcing ground rules and teaching communication skills. In one example, the family members were accustomed to a powerful patriarch and matriarch who made the decisions. At the first family meeting, where the next generation was asked for input, they looked around awkwardly not knowing how to respond. In time, they became accustomed to this new way of participating and enjoyed growing into family leadership. Conversely, in one notable family who had been meeting for years, the 50-year old daughter shared that she dreaded their quarterly family meetings while her father was alive. “Dad talked, we sat and listened,” she said. It wasn’t until Dad passed that the meetings changed to a true dialogue where she and her siblings had an equal voice at the table.

- **Be intentional about structuring the agenda with enough open space for dialogue.** All too often there are meetings where the agendas are packed with presentations and not enough room for dialogue.

- **Mix things up from group discussions to twos, threes, and siblings.** Carefully consider the most effective structure for the discussion, especially in larger groups. Use a mix of twos, threes and different contingents of the group, as well as the entire group discussions. Many meetings include a sibling-only discussion or spouses group where conversation may flow more easily.

Teach Listening and Communication Skills

Trust refers to reliability, sincerity and competence. Every family meeting should include a piece on listening and communication skills. This can be worked into the topics you are already covering (for example, teaching paraphrasing skills and practising them) or as standalone topics. The benefits of improved listening and communication skills transcend the family meeting. It advances the spectrum of people’s interactions: relationships, school and work.

Help Everyone Find a Voice

While a key function of the facilitator is helping quieter family members be heard and making sure everyone participates, it is also helpful for each family member to take accountability for participating.

In one family meeting of 26 family members and spouses in the second and third generations, the family was asked to determine how they should monitor participation. One member shared a rule of 'Three and Three' they learned in business school: Monitor yourself to say no more than three comments in any one class and don't go more than three class periods without contributing a comment. While this concept played out a bit differently in the family meeting structure, the underlying idea of self-awareness to monitor yourself and not over- or under-participate was implemented. The family brought a variety of communication tools, from a talking stick to a chime, to see what tool was desired.

They ultimately decided they wanted flexibility, so each family meeting has several tools on the center table.

Another family member noted, *"There are short-pause people and long-pause people. I'm a long-pause person. If you don't pause long enough to let me respond, you'll never hear what I have to say."* Facilitators should be aware and comfortable with that quiet space to allow for the 'long-pause people' to participate.

Breaking the meeting up into smaller sub-groups for some discussions and then sharing each group's key ideas with the whole group can be helpful. A spouse or young family member may be more able to find their voice in the smaller breakout group. Spouses, next-generation members or teenage groups can meet and define their questions, concerns and what they want recognized by the other parts of the family.

Focus on the Future, Not on Rehashing the Past

The family meeting is a forward-looking discussion on what members want to happen, and building a strategy to achieve it. When past issues arise that could derail the meeting, they can create a 'parking lot', a paper taped to the wall, where they can record any topic that threatens to knock the meeting off-course so the person feels heard.

But explain to the group that, to keep the meeting on track, this will be addressed at a later time in the appropriate venue. Sometimes however, issues in the past that have not been worked out are intense enough that they should not be ignored.

Sharing Information about Family Enterprises

The best philosophy is to "share the right amount of information at the right time," but how do you figure out what the right amount of information is and what the right time is? Some family meetings have two versions of family data available—one with numbers and the other without—gauging the atmosphere of the meeting to determine which to share.

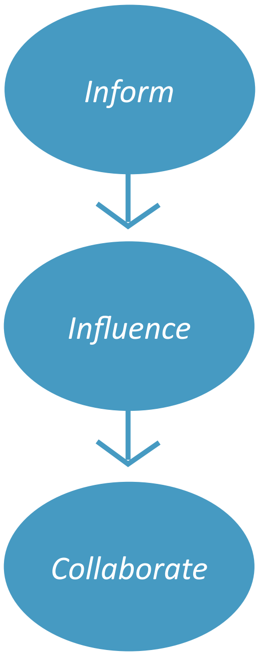
As you think through this thorny topic, here are some guidelines:

- Families generally tend to under-share, not over-share, information. More is usually better.
- Be sensitive to different thinking and learning styles of family members.
- Communicate in understandable terms. Neuroscience teaches us that when dealing with new concepts, using metaphors gives the brain increased ability to process and understand. Start with visuals for the big picture and be prepared to share the information more than once.

Listening, Commenting or Making Decisions

One reason for resistance, avoidance or misunderstanding in family meetings is when different people are not clear whether they are invited to make decisions or what role they should expect. It is critical that a family meeting be clear from the start about its purpose. Is it to share ideas, learn more about a specific topic or make decisions? If decisions are to be made, what decisions are they? Family elders feel more comfortable at a meeting when it is clear that it is an advisory meeting, not one where everyone has a vote.

To avoid misunderstandings, at every family meeting, clients must clearly define expectations about what level of engagement they expect and make it clear to every participant:



Following Up

The family meeting is not a single unique event for a family. It raises issues and sets a model for further communication. If the first meeting is successful, there will be plans for more follow-up meetings to discuss other topics and to eventually make decisions. Therefore, the events after the meeting that record, reinforce and carry out decisions and next steps are crucial to success. If a good meeting happens but what was agreed on does not happen, then family members will be reluctant to meet again.

Because the meeting is a very important event for the family, what was said should be remembered. Taking notes reinforces to the participants that this is a serious and ongoing process about taking action, and ensures that the meeting has real impact.

Each meeting should have a recorder taking notes. This role is often shared among several people. Notes can be made on flipcharts in the front of the room so that people can keep track of ideas. After the meeting, the notes from the charts can be transcribed. If decisions are made or agreements are made, they should be carefully written down.

A draft report should be first reviewed by family leadership and/or the steering committee. Within two weeks of the meeting the steering committee should send the final meeting notes in a report to everyone who attended. The committee can add some panache to the report by including photographs of the family meeting and historical family photos when available. As the committee is responsible for making sure action steps are carried out, it should also record who is responsible for those actions. The committee also plans the next meeting and keeps the process moving forward.

Some families may create a secure website to store all the reports and distribute information that the family members can view on their iPads or laptops, while others will create binders encrusted with a family logo that each family member is responsible to bring to each meeting.

The Action Plan from a Summary Report

A section of the Family Meeting Summary Report should include the **Action Plan of Next Steps**, with accountability for who has primary responsibility and the due date.

“There is so much we can learn from each other. Though each family business situation is different, many of the issues are indeed the same and we can greatly benefit by learning how others have dealt with those same issues. FBN provides our members with this opportunity to share and learn from each other through our various activities and forums. It is also a network of sensitive individuals willing to share knowledge and experiences with others in the network.”

– Farhad Forbes
3rd generation owner
Director
Forbes Marshall, India

Planning the Next Family Meeting

If the initial family meeting is well-planned and executed, there will almost certainly be calls for follow-on meetings. You can build on this momentum and ensure effective ongoing meetings by designing meeting agendas that draw on creative activities and that promote authentic interaction. The pages that follow offer some idea-starters. The challenge is to find an activity that fits the type of meeting, level of trust in the family, and the main thrust of the agenda. Some of these activities entail preparation by the family such as filling out worksheets in advance.

Telling Family Stories

A good icebreaker, perhaps held after dinner the night before the meeting begins, is to ask each member to come with a story that speaks to the essence of them as a family. Have the family share the stories from oldest to youngest, maybe with a five-minute time limit. We have heard children as young as seven share stories. The stories often coalesce on a theme or themes that can be highlighted afterward, and they help family members learn about their family and celebrate their history. They are often funny, moving and inspiring—a great way to begin a gathering.

Writing Legacy Letters

One of the most powerful activities by a family, often preceding a first meeting, is for the family elders to write a letter to the next generation (their children) defining their values, their desires for the next generation and what they would like to see as the outcome of the many possible forms of family capital in the next generation. These letters can be deeply moving and form a preamble to the defining of a family constitution or agreement for the future. The letters take time to write, so the elders may want help and support in writing their letters. They can be shared at the family meeting or shortly before it. When they are shared, there should be a time for questions and answers and a discussion by the whole family of what this means and how to put it into action.

Learning Club

In planning the meeting agenda, look for ways to extend the learning beyond the meeting. A key tool to do this is to include a family Learning Club. One version is to provide a Basket of Books with plenty of variety selected for the family. At the end of the meeting, each participant selects a book or article to read and report back on at the next family meeting. Include variety on all four aspects of sustainability: people, community, environment and next generations. Provide a few extra books and articles so that each participant has a choice[1]. In one family meeting, the family tied the topics of books to roles each family member wanted to play in the family over the next year (philanthropy, communication, etc.).

Suggestions for sustainability books and articles include:

- *The Breakthrough Challenge*, Elkington, Jossey-Bass, 2014
- *SC Johnson Case Study*, WBCSD, 2012
- *Sustainability as a Catalyst for Organisational Change*, Scott & Bryson, Greenleaf publishing 2012
- *The Social Intrapreneur - A Field Guide for Corporate Changemakers,* SustainAbility, London, 2008
- *Planning for Sustainability*, The Natural Step, 2009
- *Good Fortune: Creating a 100-Year Family Enterprise*, Jaffe, 2013.
- *Creating Shared Value*, Michael Porter & Mark Kramer, Harvard Business Review, January/February 2011
- *Sustainability Insights: Learning from Business Leaders*, Economist Intelligence Unit, October 2013
- *How to Become a Sustainable Company*, Eccles, Perkins, and Serafeim, MIT Sloan Management Review, Summer 2012
- *Model Behavior: 20 Business Model Innovations for Sustainability*, SustainAbility, February 2014
- *Towards the Circular Economy*, Ellen Macarthur Foundation, 2013
- *The Innovation Bottom Line*, MIT Sloan Management Review, Winter 2013
- *Why Sustainability is Now the Key Driver of Innovation*, Nidumolu, Prahalad, and Rangaswami, Harvard Business Review, 2009

Appendix

A. Family Sustainability Circle
B. Family Sustainability Assessment

A. Family Sustainability Circle

Proposal for the First Family Meeting

To get started implementing the Sustainability Pledge as a family, you should convene a Family Sustainability Circle, which would take place in parallel with the efforts in the business. This engagement offers the opportunity for the family to initiate its own efforts to make a difference in the family, the business, the community, and the planet.

Getting Started/Pre-work:
To begin the initiative, the family (including as many as are willing to attend) will get together for a day to hold a Family Sustainability Circle.

To enable the most effective path forward, consider implementing the following preliminary activities:

- Have 2 or 3 family members organize the Family Sustainability Circle by planning and convening the first meeting.
- They would design the agenda and bring in a facilitator to conduct the meeting. The facilitator would be either an experienced family member or an outside facilitator.
- They would send invitations to all family members, inviting them to prepare for the meeting and attend.
- The purpose and meeting agenda would be shared in advance. This would be developed and personalized for the family, based on where they are on the Pathway to Sustainability and what they have done so far.

Each family member who plans to attend the Circle would:

- Read the **Pledge**, the **Polaris Guide** and **Introduction to Sustainability** tools.
- Complete the **Family Sustainability Assessment**
- Read this guidebook, **Family Conversations on Sustainability**.

Sample Agenda for a Family Sustainability Circle

20 mins	**Introduction/Check-in:** Each person shares something they know or believe about sustainability, and why they came.
40 mins	**Overview of Sustainability Pledge:** 1. Read the Pledge together. Talk together about what each of the 4 areas—People, Community, Environment and Next Generation – mean to you. 2. Discuss how family engagement and action is important to implementing the Pledge, and why the family will have its own plan and process, independent of the business. 3. From the **Guide to Polaris**, each family member talks about one of the cases that 'spoke' to them, and why they feel it is an important example. What is the importance of visible leadership, the stepping up of a 'family champion' to the family? How can family activities contribute to and enhance the business approach to sustainability?
75 mins	**From Personal to Family Values:** 1. Values are the foundation of sustainability and stewardship. Each family member talks about what sustainability means to them, and how they want to support it – in the family and the business. 2. Look at the Family Values Statement (if one exists). If not, each person shares one or two values they think should be important to how the family behaves. What values are hard to live by, but important to the family? 3. Each individual then talks about one or two values that are most important to them as an individual, and how that value is reflected in their behaviour.
15 mins	**Break**
60 mins	**Discovering The Family 'Why':** Which of our values concern sustainability, or do we need to add to the values statement? Settle on some family values that underlie sustainability. Discuss and create a Family Purpose Statement of why we want to commit to sustainability. The outcome will be a clear mission statement of why sustainability is a shared area of development for the family.

60 mins	**Lunch**
60 mins	**What Are We Doing/Can We Do for Sustainability?** 1. Distribute results of the **Family Sustainability Assessment**. Discuss: What are we doing now in each of the 4 key areas of the Pledge? 2. What additional things can we do as a family if we take the Pledge seriously? Each person shares some possible things the family could do. Distinguish between those that are immediate and easy, and those that are harder and need more work.
30 mins	**Break**
40 mins	**Family Input to Business Sustainability:** 1. Do we know what the business is doing? There might be a briefing here of the business sustainability activities. 2. What do the family owners, and future owners, need to say to the business to encourage and support the family commitment to sustainability? How do we as family owners demonstrate our values to the business? How does the family give a clear message to the business leaders? Define the message to the business about the family desires for action on sustainability. 3. How can family members, including those who are not employed there, help support business sustainability?
30 mins	**Next Steps:** 1. Who wants to step up and help the family move forward? Select members of **Family Sustainability Task Force**. 2. What key action items do we have from this workshop? What are the next steps? 3. Affirmations – what was special about today? What I am going to do as a result?

B. Sustainability Assessment for Families

Contributors: **Dennis Jaffe, Gaia Marchisio, Lina Wang, Albert-Jan Thomassen**

What is Family Sustainability?

Understanding what sustainability means to a family starts with developing shared meaning and purpose. It includes the nature of the **family's commitment to their values in relation to family education, philanthropy, community service, investments and oversight of their businesses**. To make these a reality, the entire family must together consider their values, how they are expressed in important areas, and how they act on them. Polaris is a framework and guide to help members chart this journey, focusing on the four dimensions of the FBN Pledge - 'A Sustainable Future' for People, Communities, Environment and Future Generations.

This assessment tool is for families to explore their current and planned future actions related to sustainability and social responsibility. It looks at **family** activities separate from their business, and how they, as owners, collaborate and guide their business. It begins your preparation for a **Polaris Family Circle** where the family meets to consider where they are and how they can expand their efforts to support and embody sustainability.

Why it is important? / Why should this be relevant for you?

A successful business family is one that looks at how they use their human, social, and financial capital, as well as the messages and direction that they give to the next generation. Many families are well along on their journey having already accomplished many things related to sustainability. This assessment is a **tool** to look at where you are now as a family, and to expand and develop these efforts.

Why do an Assessment?

Before you move forward as a family, it is helpful to reflect where you are now as a family. This assessment can help you gather your family to define and review your family values, as you consider where you want to go, and which of the possibilities you want to embrace. We encourage family members from all generations to participate and be part of this conversation.

Each family member fills out the assessment as best they can, understanding that each family member experiences the family differently. Those who marry in and those of different generations may have different views. Members of the family can share their scores to begin a discussion together about their journey forward.

Filling out your Assessment

Each family member should receive a copy and fill out their assessment independently. For each practice, indicate in the **Current** column, on a scale of 4-1, how each statement reflects the practice of your family at this time.

4 = Very true of our family,
3 = Somewhat true of our family,
2 = Minimally true of our family, and
1 = Not relevant for or not true about our family.

Circle the number for your response to each question, reflecting how you see your family today. At the end of each of the four focus areas, total the numbers you have circled and divide by the number of questions in that area, and fill in the average in the bottom right column.

Practice		Use
Focus Area I: An Engaged and Values-Based Family *A family's values determine what is important to them and where they focus their energy, attention and resources. Values often cover a broad range of issues, and can also play a central role in communicating the family's viewpoints on sustainability.*		
1.1	Our family has a clear, compelling family purpose and direction.	**4 3 2 1**
1.2	Our family has a written statement that clearly articulates our values on business, family, people community and the environment.	**4 3 2 1**
1.3	We talk together as a family about how to use our family's financial and human capital to implement our values.	**4 3 2 1**
1.4	We have family discussions about what sustainability means and how to make it a reality.	**4 3 2 1**
1.5	Our family seeks out new ideas and is open to expanding its view about our role in building a more sustainable future.	**4 3 2 1**
1.6	Our family is transparent and shares details about financial and business decisions within the family.	**4 3 2 1**
1.7	We actively seek to inform and engage family members not working in the business.	**4 3 2 1**
1.8	We have a strategic plan to develop family sustainability.	**4 3 2 1**
AVERAGE SCORE FOR FOCUS AREA I (Total Score divided by 8):		
Focus Area II: Family Owners' Support for Business Sustainability *As owners, the family sends a message to their business about what is important, both in terms of results and in terms of how it acts with employees, customers and the community. Without a clear message from the family owners, the company may not fully understand the degree of commitment to creating a pathway to sustainability.*		
2.1	Our family has defined sustainability focus areas and goals for our family business.	**4 3 2 1**
2.2	Our family values are embedded in the culture, business strategy and policies of our family business.	**4 3 2 1**
2.3	Family members have explored, and are aware of the impact our company has on the lives and livelihood of our community and the environment.	**4 3 2 1**
2.4	Family members are aware of and actively support sustainability efforts in the business.	**4 3 2 1**
2.5	When required, the family seeks outside expertise on social responsibility and sustainability for our business.	**4 3 2 1**
2.6	Family members who are board members or employees are active, visible leaders in company sustainability efforts.	**4 3 2 1**
2.7	Board and company leaders brief the family on company issues related to sustainability.	**4 3 2 1**
2.8	The family supports the company in developing a clear and public values statement, which incorporates family values in its operations, products and employment practices.	**4 3 2 1**
2.9	The company reports to the family the outcome of its activities related to values, operations, products and employment practices.	**4 3 2 1**
AVERAGE SCORE FOR FOCUS AREA II (Total Score divided by 9):		

Practice		Use
Focus Area III: Community Leadership for Social Transformation *Because of their name, a business family is visible in their community. The activities and leadership of family members is important and reflects how others see them. Sustainability has to do with the way that the family takes on its role and leadership in community leadership, philanthropy and service.*		
3.1	We have a shared family philanthropic policy that guides our giving.	**4 3 2 1**
3.2	The family considers social impact as well as profit in its investment decisions.	**4 3 2 1**
3.3	We take pride in our family's reputation in the community.	**4 3 2 1**
3.4	Family members are active and visible in community events that support sustainability, community thriving and social responsibility.	**4 3 2 1**
3.5	Family members regularly share with each other what they are doing in service and community affairs.	**4 3 2 1**
3.6	Our family has policies to decide how much capital to set aside for investing in community needs and efforts.	**4 3 2 1**
3.7	Family members can receive support from the family to work in community service and sustainability efforts.	**4 3 2 1**

AVERAGE SCORE FOR FOCUS AREA III (Total Score divided by 7):

Focus Area IV: Cultivating Next-Generation Human Capital *The family has enormous influence on the next generation, and they can use their resources and guidance to prepare the next generation for a role as stewards of family wealth. The elder generation must actively prepare and guide the next generation to take on that role.*		
4.1	The family supports and encourages next-generation leadership.	**4 3 2 1**
4.2	Next-generation family members are encouraged to spend some of their time working in community service.	**4 3 2 1**
4.3	The family empowers individuals to seek personal fulfillment and determine their own life purpose according to their personal values.	**4 3 2 1**
4.4	The family values and supports family members who choose to work in community service and social entrepreneurship.	**4 3 2 1**
4.5	The family has a clear understanding with the next generation on what they value and how the family should allocate their wealth.	**4 3 2 1**
4.6	The next generation is held accountable for making a contribution to both the family and the community.	**4 3 2 1**
4.7	Next-generation members are offered opportunities to develop financial skills and learn responsible stewardship.	**4 3 2 1**

AVERAGE SCORE FOR FOCUS AREA IV (Total Score divided by 7):

Practice	Use
Focus Area V: Long-term Perspective and Family Continuity *Sustainability is about taking a long-term perspective, considering the impact of decisions on future generations. Family continuity depends on the current owners being stewards, considering the long-term future impact of current activities, and making an active investment in the future.*	
5.1 We consider long-term risks and invest in the future.	**4 3 2 1**
5.2 Our family supports leaders to serve for a long period of time.	**4 3 2 1**
5.3 We have a long-term vision for what we want to see in our family and business.	**4 3 2 1**
5.4 We reinvest a substantial amount of our profits in the business.	**4 3 2 1**
5.5 We will do as much as we can to avoid selling the business.	**4 3 2 1**
5.6 We value and support our employees for the long-term.	**4 3 2 1**
5.7 We have clear values that guide business decisions.	**4 3 2 1**

AVERAGE SCORE FOR FOCUS AREA V (Total Score divided by 7):

Scoring the Assessment:

Calculate an average score for each **Focus Area**, by dividing the total score by the number of questions in that area. Each area will have an average between 1 and 4.

When preparing for a family meeting, someone from the family should collect the scores of each family member. Take each person's averages for each Focus Area and average them to generate a family average for each focus area.

A Focus Area average above 3 indicates that your family is on the road to a family sustainability plan in that area. A lower score is an opportunity to have a family conversation to determine how you want to act in that area. The questions guide you to possible areas to work together as a family.

The Sustainability Family Assessment can be done as a precursor to or in parallel with the *Polaris Impact Assessment (PIA) for family businesses*. Developed in partnership with B Corp, the PIA enables family businesses on their sustainability journey as it measures, benchmarks and drives sustainability in the areas of Governance, People, Community, Environment and Long Term Impact.

About FBN International

Family Business Network International (FBN) is a global network run by ***family businesses, for family businesses***, with the aim of strengthening success for family enterprises across generations. Founded in 1989, it brings together over 3000 families, over 9000 individual members including nearly 4000 Next-Generation members – across 60 countries worldwide. FBN helps family businesses grow, succeed and prosper through the exchange of best practices and new ideas. Being by families, for families, FBN creates a unique environment in which family business learn from each other and share the passion they have for their family and their enterprises, and how to reconcile these two passions.

FBN is a not-for-profit organization, offering unique value and insights to family business members including:

- a strong international network of business owners, both global and local
- an inclusive, non-solicitation environment for intimate peer to peer learning for all members of the family
- a platform which fosters communication and dialogue across generations, where each family member is invited to share and exchange on their values, long term aspirations and roles within the family
- a forum where every stakeholder, CEO, board member, shareholder or spouse can engage with their peers on the problems they are confronted with on a day-to-day basis, and find support in learning through shared experiences

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