Next-Generation Family Education

In order to sustain family wealth and pass through the "Generation 3" hurdle, families have to identify what the next generations must know and experience in order to deal with the complex lives that they will live. Often, families feel challenged to identify methods to prepare next generation family members to lead and to make decisions. In addition, preparing the next generation to responsibly appreciate and appropriately steward their wealth is at the core of our service offering. We work with families to facilitate productive discussions about philanthropy, values and wealth, and develop customized programs to address specific educational issues that demand attention in each unique family setting.

CASE STUDY:

Managing Succession across Generations

The Family's Situation
For one chemical company, the difficulties of succession, management and control crossed three generations. Peter, 88, had officially retired and passed his responsibilities to his son John, 62. However, Peter still called either John or the company's CFO every day to get updates. When John turned over a great deal of responsibility to the CFO, instead of his own son, David, it precipitated a crisis.

Our Direction
Through separate meetings with the founder, his son and his grandson, it became clear that John was avoiding a supervisory role for his son because of his fear that he would treat him in the same manner in which he was treated by his own father.

With this realization, the company worked with Relative Solutions to develop a new management structure, which introduced a training program for family and non-family managers and included biannual performance appraisals. Two non-family managers mentored the grandson, and he became a divisional manager in three years.

Through a family council, the family decided to explore the idea of their involvement in a charitable foundation. Participation in a family retreat also helped all three generations interact and allowed them to modify and present estate plans to each other.