Trusted Family

Designing Your Next Generation Education Program in 3 Simple Steps

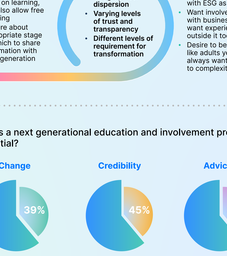
The engagement of the next generation and developing new talent, are essential to the success of family businesses. The three key threads that need to be intertwined for success are:



OVERVIEW

Engagement and education are iterative.

The three key steps in establishing an education and development program that is fit for purpose are:



Trust and transparency also play a role in the tensions between the current and the next generation in multi-generational family businesses, and it's important to understand these when designing an education program.

Current generation

- Involve next generation, but also want them to have their own lives
- Pass on learning, but also allow free thinking
- Unsure about appropriate stage at which to share information with next generation

TENSION BETWEEN GENERATIONS

- **Geographical dispersion**
- **Varying levels of trust and transparency**
- **Different levels of requirement for transformation**

Next generation

- Different agendas, with ESG as priority
- Want involvement with business, but want experience outside it too
- Desire to be treated like adults yet don't always want exposure to complexity

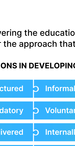
Why is a next generational education and involvement program essential?

Change



39% of next generation members say there is resistance in their company to embracing leadership change

Credibility



45% of next generation members say they find it difficult to prove themselves

Advice



Only **32%** of next generation members say they are used as a sounding board

1. COORDINATION

Planning and ownership are essential. A development committee should be established to ensure that the education program is given the care and attention it requires.

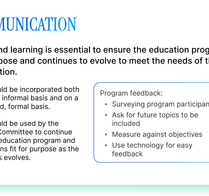
It is important to consider and agree the key objectives of the program. These can range from teaching broad transferable skills through to business-specific succession planning requirements. The objectives will impact program content.

Additionally, consider the cost.

- How will the program be funded?
- How much money will be allocated?
- Who approved the spending?

Structure of Development Committee

- 4-6 members, varied skills and experience
- Chair of Family Council included
- Family member that is an executive
- Voice of next generation
- Non-family HR representative



2. CONTENT

When designing and delivering the educational program, it is important to consider the approach that will be taken.

CONSIDERATIONS IN DEVELOPING CONTENT

Formal, structured	Informal, repository
Mandatory	Voluntary
Externally delivered	Internally delivered
Entire organisation	Selected participants
Practical-based	Classroom style learning

For delivery, technology can be used to manage the information and communications:

USING TECHNOLOGY FOR EDUCATION PROGRAMS

- Centralised storage library for all materials
- Easy sharing and distribution of course materials
- Planning and scheduling of sessions
- Video archiving for on-demand access of previous sessions
- Flexible surveys for feedback and idea capture

Family-specific topics could include

INTERNAL

- Succession planning
- ESG and how this will be addressed
- Passing on family business 'folklore'
- Aligning personal agendas with business objective

EXTERNAL

- Finance
- Leadership
- Negotiation
- Communications

3. COMMUNICATION

Feedback and learning is essential to ensure the education program is fit for purpose and continues to evolve to meet the needs of the next generation.

Feedback should be incorporated both on an ongoing, informal basis and on a more structured, formal basis.

Feedback should be used by the Development Committee to continue improving the education program and ensure it remains fit for purpose as the family business evolves.

Program feedback:

- Surveying program participants
- Ask for future topics to be included
- Measure against objectives
- Use technology for easy feedback

CONCLUSION

A properly designed and executed education program, that iterates through the three steps of coordination, content and communication, will serve family businesses well as the next generation becomes increasingly involved, and eventually takes over management of the business.

Benefits of next generation education programs include:

- Improved collaboration between senior and next generation members of the business
- Better multi-generational inclusion, connection and engagement
- More transparency with regards to expectations for roles and contributions

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