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Volume 4, Issue 1

**Newsletter
highlights:**

- Entrepreneurial Women Session
- STEP Transgenerational Entrepreneurship Panel Reflection
- Multigenerational Dialogue: questions never dared to ask
- STEP Partner Reflections: A Truly Global Learning Community

The STEP Global Summit

Dedicated to sharing some of the highlights of our first Global Summit, in this issue of STEPout, we present articles from several participants and session leaders.

More than 125 academics and family business owners from 34 partner countries participated in the first STEP Global Summit at Babson College November 4-7, 2010. The Summit is a distinctive part of the [STEP Project's](#) applied research design, allowing the families to receive immediate value from the findings and the academics to better understand the needs of the transgenerational entrepreneurial family enterprises.

Generous sponsors of the Global Summit included [The Gilbane Family](#), [Habib Bank AG Zurich](#), The Gaklis Family, and The Martiros Family. You can also read the [press release](#) for the summit and several media stories in- [Forbes](#) and [CNBC](#).

We hope you enjoy it!

[Summit Photos](#)

Click the link to view more!





Patricia Silhy with her team's quilt from the opening Summit exercise.

STEP Summit Quotes

"I enjoyed the opportunity of meeting Family Business Leaders from all over the world and forming valuable connections. For instance, with a family business from our the region, Central America, we are going to meet for an exchange, this will allow the families to share different methods of family governance that each has used and which ones have given the best results."

Patricia Silhy, Grupo San Nicolas, El Salvador

"The STEP summit in Boston was a success, with a large number of families participating in this global gathering. A large number of the attendees all have similar issues in common, despite coming from a diverse background of cultures and industry groups. It was fantastic to have the opportunity to participate, exchange information and learn from other family businesses as to how they are tackling some of these issues. In short, the STEP summit fulfilled its promise of being a world class, one of a kind event."

Wade Heggie, Neumann, Australia

Entrepreneurial Women Session



-By Ethel Brundin, Jönköping International Business School, Sweden

In the session Entrepreneurial Women in Family Firms, the organizers focused on the family part, rather than the business part, in the STEP model and how the family capital of women contribute to transgenerational potential. The presenters guided the audience through the three dimensions of family capital, namely human, social and financial capital. A panel of four entrepreneurs (N. Omar, Malaysia; M. Rosado, Puerto Rico; G. de Silhy, El Salvador and G. Sily de Daboub, El Salvador) commented on and discussed each dimension related to their family firm. A special focus was made on how the family capital changes and transforms over generations. It was concluded that family capital can be developed and utilized in different ways by different generations and that it can be "stored" for transgenerational potential. It was concluded that women entrepreneurs in family firms are a group with powerful resources for transgenerational potential.

Upcoming Events

STEP Related	When	Where
• LA STEP Meeting	11 – 13 April 2011	UAI: Santiago, Chile
• European Summit	28 April – 1 May 2011	St. Gallen, Switzerland
• NA Launch (All welcome!)	5 May 2011	Grand Rapids, MI
• Latin American Summit	3 – 7 November 2011	CENTRUM: Lima, Peru
• Asia-Pacific Summit	17 – 19 November 2011	Sun Yet Sen, Taiwan
General Conferences		
• IFERA LA	23 – 26 March 2011	Bogota, Colombia
• FERC	5 – 7 May 2011	Grand Rapids, MI
• EIASM	27 – 29 May 2011	Witten, Germany
• IFERA	June 28 – July 1	Sicily, Italy

Call for Papers / Publishing Opportunities

- FOBI: The 2011 Family Owned Business Institute (FOBI) Research Scholars Program is seeking applicants for their \$5000/each research awards. **Please** note that all proposals must be submitted electronically through FOBI's website. For more information, please visit <http://www.gvsu.edu/fobi>. Deadline is March 4, 2011 and scholars will be announced at the 2011 FERC Conference.
- FERC: Strategic Entrepreneurship in Family Business: How do Family Businesses Promote & Manage Entrepreneurial Activity? The conference will be held at Grand Valley State from May 6-8, 2011. www.gvsu.edu/ferc Students can also participate in the doctoral program and should email Reg Litz at rlitz@cc.umanitoba.ca for more information. We also encourage all STEPs to attend the NA launch day on May 5th – please email mason@babson.edu for further information!
- **FBR Special Issues:**
 - [Advising Family Enterprise: Deadline May 31, 2012](#)
 - [Social Issues: Deadline May 31, 2013](#)
- EIASM: Theme – The Challenge of family businesses to balance tradition and change. Deadline February 7
- **STEP Data Log:** Fill out the short survey of our new data log to share the cases and research topics that you are working on. [Visit the spreadsheet](#) to view others entries and connect to each other!
- STEP Global Findings Booklet: We have nearly all submissions and will present the final results at the European Summit in St. Gallen. Please contact philipp.sieger@unisg.ch for further information or contributions!

The journals and special issues in this section could make good homes for the dissemination of STEP research. Please email us if you have opportunities that would be good to highlight here in the future.

"It was impressive to see how Family Businesses from all over the world have similar issues; and the experience of learning from each other made the conference exponentially gratifying."

- Glorybell Silhy de Daboub, Grupo San Nicholas, El Salvador

STEP Transgenerational Eship Panel Reflection

-By Allan Cohen, Babson College, USA

The Transgenerational Entrepreneurship panel on Saturday November 5, 2010 was an unusual opportunity to hear two mother-daughter combinations from well-established family businesses discuss some of the important issues and lessons they had learned. The pairs were Stephanie Sonnabend and her daughter, Antonia Ciccolo, from Sonesta Hotels and Resorts, (with Antonia joining a new non-profit being started by Stephanie – 2020 Women on Boards), and Ann and Lauren Ratner from the Ratner Companies.

Picture from left to right: Allan Cohen (Babson College, Moderator), Ann Ratner, Lauren Ratner (Ratner Companies), Antonia Ciccolo (2020 Women on Boards) and Stephanie Sonnabend (Sonesta Hotels)



“It is important for the family to work on and invest in communicating about family dynamics. Greater openness makes it possible to resolve what can be inherently difficult relationships.”

Some of the insights that emerged from the lively discussion:

It is valuable for the next generation of family members to find their own role, whether in or out of the business. There can be great value in working outside the business for some period of time, so that confidence can be gained, informed decisions can be made and commitments – inside or outside the company – built from experience. It is probably better for the individual and the business if there is not a fit of interests, talent, aspirations, and business needs, for the individual to pursue a career outside the business. But there can be many creative forms of participation.

The form of participation in the business can be highly varied, ranging from becoming a regular employee and working up through the business; starting a new unit that does or does not benefit from association with the main company; serving only as a board member or shareholder; any other variation that can be imagined.

It is important for the family to work on and invest in communicating about family dynamics. Greater openness makes it possible to resolve what can be inherently difficult relationships. For example, Anne Ratner and her husband divorced many years ago, but have managed to stay complementary partners in the business. They have worked with an outside consultant for over 10 years on sustaining the partnership, the role of their children and other family members, etc. Families are complex systems and are likely to require continuous maintenance.

“During the Transgenerational Entrepreneurship Panel, it was great to see the participants speaking so openly and hearing mothers and daughters able to embrace each other’s different opinions.”

- STEP Summit Delegate

Multigenerational Dialogue: questions never dared to ask (QNDA)

-By Alberto Gimeno, ESADE, Spain and Arist v.Schlippe, Herdecke University, Germany

1. The Idea

The Workshop about “QNDA” on the first Global STEP-Summit was designed to offer an opportunity to open a new quality of dialogue between the generations. As these kinds of questions are usually not instantly accessible, we suggested a structure to help becoming aware of them: a model from family therapy describes three important dimensions of family life: *power, affect, and meaning*. Most of the issues between the generations can be found in one of these dimensions. So we elaborated them in a way that they would be meaningful for business families:

Power

Power, defined as the capacity of influencing the behaviour of others, can be looked at under the perspective of three sources: authority, knowledge, and leadership. Authority can be transferred through a decision, but can hardly endure only from that alone. Transferring knowledge and leadership into the next generation is not easy to handle. STEP_cases suggest that entrepreneurial family businesses don't support their power mainly in authority, but quite heavily in knowledge and leadership and that when the family business evolves into mainly authoritarian structures, entrepreneurship tends to disappear quite fast.

Thus we suggested to think of QNDAs like who in the family might be seen as the most powerful one, how power is dealt with, if there is a difference between 'open power' and 'covert power' etc.

Meaning

Meaning deals with the ideas of what is seen as good and bad, right or wrong in a family. So meaning deals also with explicit and implicit rules, norms, meaningful issues, and of course with values. Questions that we suggested had to do with situations, when essential values had been challenged, how values are processed, if the core values of the family are known and shared etc.

Affect and Affection

Affect concerns the way how people are related to and get along with each other. Affect has, of course, a lot to do with emotional relationship. In family business questions of power and affect are often comingled. This overlap causes irritation conflict between family-members. The suggestions for questions were directed to “affect-issues”, and to ideas if and how one feels estimated as a person, personally liked by the other (and how the partner would answer this question).

2. Generational Groups

The QNDAs first were discussed in generational groups. So everyone had a chance to find her/his questions within a peer-group. More by chance than by intention there was a group of senior women which came together, reporting a discussion of a very specific quality afterwards.

Of course to ask for questions that one never dared to ask before is a daring project. So the exercise went quite different within the generational groups. It seems as if the way of asking also is a critical cultural issue, as in some cultures questions like this seem to “cross the red line”. But in general, after a first phase of uncertainty, the increasing trust in the small groups led to vivid and engaged conversations.

3. Reflecting Positions

Later evaluation of the small-group discussion took place in a certain “reflecting format”: the group of juniors first, then seniors (and finally academics also) were invited to sit in the middle of a big circle exchanging their small-group-experiences while the others could listen. It was interesting to hear that some of the juniors, especially the very young ones, hadn't found any “secret questions” and claimed that they dared to ask whatever they want. The elder representatives of the younger generation dealt mostly with core questions of “if” and “when” succession would take place, and questions like: “Is my father ‘really’ interested in me joining the business” or “What would happen if a family member would not perform well?” showed that it might be quite difficult to know what is ‘really’ going on in the other generation's mind. The elder generation saw questions of assessing competence of the other generation as crucial – another critical point which is obviously not easy to handle even in an open dialogue.

A special observation in one of the junior group came from a participant who had claimed in the beginning to not be interested at all in joining his father's business, and that he was sure to pursue a different career path. However, he was quite active in the discussion, and later told someone else that after the Summit with all its interesting discussions and participants, and after watching young and senior generations working and discussing together, he began to actually think of joining his father's business!

STEP Partner Reflections: A Truly Global Learning Community

-By Justin Craig, Bond University, Australia

Five years on, the STEP project is firmly positioned as a truly global learning community. At the Australian Centre of Family Business (ACFB) at Bond University we see the benefits across many fronts and **our involvement in STEP has already paid tangible and intangible dividends**. The experiences I share in this article parallel those of other STEP zealots around the globe and it is hoped will inspire others to join us on this rich and rewarding learning journey.

I first heard of the STEP project when it was embryonic and Tim Habbershon and Joe Pistrui were hatching what seemed like an ambitious pipedream in a bunker somewhere on the Babson campus. The passing reference to a global research community in the family enterprise field, which engaged families actively in the process, pricked my interest and I made a mental note to keep my radar tuned. Time evolved and the Europeans pioneered stage one while others like me watched with curiosity and growing envy. The South Americas followed the march and responded to the call while, still, others like me waited eagerly. Finally, the recruiters called and a select few from the Asia Pacific assembled in the vibrant metropolis of Hong Kong as guests of the Chinese University of Hong Kong and Professor Kevin Au. I recall after a series of 'pitches' from founder Tim Habbershon and his capable side-kick Rob Nason, in their Batman and Robin/Lone Ranger and Tonto like roles, most of us eagerly signed the 'intention to commit' sheet, many without our Dean's approval.

As part of the offer, Tim threw out that there was real potential for partners to develop what he then referred to as a 'learning laboratory' set up on campuses and this resonated with an initiative we had on our ACFB agenda, specifically, **to establish a family business learning community**. I reported back to my co-director, Professor Ken Moores, the Hong Kong discussions and our learning community conversations were effectively fast tracked. Put simply, we were looking for ways to continue to build relationships with long term horizons with families who had had an 'ACFB@Bond' experience and STEP was, we were quietly confident, going to deliver us this, plus more. We were in the fortunate position of having been established for 15 years as a research centre with considerable profile on campus and in the family business community in Australia and around the world. But, even more important and integral to being able to maximize this opportunity, we had in place a PhD program with an eager candidate in Wayne Irava who had just finished his course work and who was keen to get his teeth into his Dissertation. **The planets had aligned and STEP was the vehicle that arrived at our door and we all climbed aboard.**

We have since found that this vehicle, to our delight, was in fact more like a train and we were a carriage that was hitched to a growing number of very colorful carriages. The Babson engine is at the head of the train and Rob Nason has evolved into a capable engineer while conductor duties have been handed from the visionary Habbershon to the fervent Dita Sharma. What follows are carriages filled with a cornucopia of committed characters from around the world who are delivering answers to complex research questions previously never asked.

Back at the ACFB, Irava the PhD student became Dr Wayne Irava and took out the coveted Family Firm Institute Dissertation Award in 2010, while the *Journal of Family Business Strategy* (JFBS) (Irava and Moores, 2010), the *International Journey of Entrepreneurial Venturing* (Irava and Moores, 2010; Morris and Craig, 2010) have published STEP related papers, and an Elgar book of chapters which features 11 Asia Pacific STEP families is due for launch at Academy of Management meetings in 2011. ACFB faculty and learning community families have been involved in STEP forums in Hong Kong, India, South Korea and at the recent Babson Global Summit. As well two new PhD candidates (Manuel Eberhard and Greg Lennon) have signed on for STEP tours of duty and are about to join our carriage on the STEP train and have the pleasure and honour of working with significant Australian families and interacting with families and scholars from around the world who, like us, are enjoying a unique learning journey.

“The chance to meet wonderful families and identify new opportunities to improve our company were the most valuable aspects of the STEP Global Summit for me and my family.”

- STEP Summit Delegate

Maximizing entrepreneurial spirit across generations

- By Lucia Naldi, Bocconi University, Italy and Maria Fonseca, Tec de Monterrey, Mexico

"During this workshop participants were asked to discuss in small groups the meaning of being entrepreneurial, what resources and processes they appreciate and use in order to maximize their entrepreneurial performance. Then an open plenary session was moderated and more that answers or recipes to maximizing entrepreneurial spirit across generations, reflections continue aligned with the idea of awareness and commitment to the objective recognizing the constraints and resources. Some of those resources are courage, knowledge of the business, values, etc."



STEP Summit: Feedback

Towards the end the participants gave their feedback on this inaugural Global Summit. Attendees were asked to rate the overall summit and each session sharing comments on strengths and weaknesses.

It was exciting to see that the summit was rated 8.25 overall with majority of the participants agreed that the summit helped them generate new ideas in their field of expertise and broadened their network outside their home county. The Summit is a model that will continue to evolve and the feedback helps us to identify important areas to improve for the future as well.



Overall	8.25
Networking	8.46
Practical Application	7.41
Encouraging New Ideas	8.00
Stimulating Constructive Reflection	8.43
Delivery of Research Findings	6.14
Identifying Drivers for Family Entrepreneurship	7.57



"This first global summit is an important milestone of the STEP-Project. When STEP began in 2005 I saw it as one of many interesting chances to generate data. Today it has become one of the highlights of my professional life, realizing that I have become a member of an international community, bursting with energy. I don't see any parallel to this construction of a worldwide network of business-families and scholars, which provides unique research opportunities as well as the chances for global collaboration and friendship."

- Arist von Schlippe, Herdecke University, Germany

We would like to highlight more personal and professional news here so please contact rnason@babson.edu if you have anything you would like to share!