



NEWSLETTER

Aspen Family Business Group

fall 2000

The Aspen Family Business Group—David Bork, Leslie Dashew, Dennis T. Jaffe, Ph.D., Sam H. Lane, Ph.D., Joe Paul—serves as a resource to help families create an environment in which members are open and willing to learn and grow. It is in such a setting that families are able to envision and achieve the positive possibilities of their business as well as maximize enjoyment of their family life. Our goal is for the family to develop harmonious, healthy, constructive interpersonal relationships and to maximize the success of their family-owned enterprise.

SHARED VISION

by Leslie Dashew

In my many years of specializing in work with family businesses and families of wealth, I have found that the single most important indicator of success for these families is a shared vision. When a family shares a clearly articulated picture of the future, they have the foundation for making decisions about the use of resources, for selecting members to carry out responsibilities and for creating guidelines on how the family will function. When members of a family understand that they are all trying to achieve the same objectives and they recognize their interdependence, they take better care of their relationships. This process is especially important for families who share ownership of active or passive assets and/or when overall leadership is shared by more than one person.



What is a vision statement? Ernesto Poza in *Smart Growth* defined a vision for an organization in the following way: “. . . a vision is a clear, concise statement of what we want at some point in the future . . . it gives form and body to people’s most cher-

ished values and beliefs. Visions combine strategic objectives and ways of doing business that constitute the essence or ‘heart’ of the organization. Visions highlight important results, not the processes or means of achieving them.”

When members of a family understand that they are all trying to achieve the same objectives and they recognize their interdependence, they take better care of their relationships.

Creating the statement of a shared vision is an exercise in thorough, open communication, exploration of assumptions, research and co-creation. The process may take a series of meetings in which members of the family have in-depth dialogues about the future, their goals and dreams, the realities and assumptions about the business environment and come up with a clear statement of the future they are committed to work toward.

Creating a Vision Statement. The following are steps which can be taken in order to create a shared vision.

1. Identify individual dreams and goals for the future. It is

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looking ahead

October 25-28, 2000

Family Firm Institute
Annual Conference
Washington, D.C.

December 7-10, 2000

Himalayan Family Business
Retreat, Pokara, Nepal

February 16-18, 2001

Alumni Gathering
Mexico

March 1-4, 2001

Women in Family Business
Miraval Resort, Tucson, AZ

August 2-5, 2001

Aspen Family Business Gathering
Snowmass Village, CO.

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Shared Vision

continued

important that each member of the family identify and share that which is most important to them in a picture of the future. For some people, they have not felt empowered or experienced the need to articulate a personal vision. An exercise to facilitate this process is what we call a "Letter to One's Self."

The letter starts out with the following paragraph: "It has been eight years since our family retreat. A lot has happened in my life, the family and the business. I am very pleased with what has occurred. Here is what happened and what I did to help it all come to pass": Each individual adds the detail to his/her letter which describes a desired view of the future.

2. Collect themes. As each member of the family reads his/her letter, one person collects the main themes on

a flip chart. The themes are then summarized from the individual letters and major points for a shared vision are thus identified.

3. These points are then used to draft a vision statement. As it is difficult to write as a committee, often we ask one or two people to "word smith" the statement, give it to everyone, ask them to review it and suggest edits. This draft is then reviewed by the group and typically edited again.
4. Finally, the group must give this the ultimate test: ask the question: "Is this vision one that encompasses my dreams and hopes for the future and does it feel like something I want to help achieve?" If it passes the test, then develop a strategic plan to achieve the vision. Consider what strategies are needed to accomplish the vision; who will be accountable for what aspects of the plan; what are the ramifications for

careers, education, and teamwork?

Excerpts from a vision statement of one family in business follow: "We are committed to maintaining and developing our family business as a legacy which will continue into future generations. The structure of the business might change over time, but it will continue to grow, increasing sales, profit, market penetration and customer satisfaction. Our continued business success will be a result of this commitment and our ability to build a strong team of employees, continuously improving processes, diversification (including new, patentable products), full use of our facilities, progressive technology, aggressive marketing through current and new channels, and an expanded international distribution system. . . .

Subsequent generations must have their dreams incorporated into the vision as well.

Our family will continue to grow in harmony as well as prosperity. "We will increase our communication skills, mutual understanding and support. We will grow in our capabilities as business owners by learning more about our businesses, business in general and financial management. . . .

We will support the next generation by offering them guidance in exploring a range of life options including the opportunity to join a strong family business if and when it is appropriate. We will establish guidelines for employment in the family business, including the completion of appropriate education, experience outside of the family business, selection on a competitive basis for existing positions. . . .

We would like to improve our individual network and gain assets outside of the business . . . In order to do this, we would like to see the company attain sales in excess of \$100 Million by 1999, allowing for reinvestment in the business and distributions to the owners. . . .

We are also committed to managing

(continued on page 5)

the gathering

The Aspen Family Business Gathering

August 2-5, 2001

PROGRAM OVERVIEW

Register early as space is limited

Thursday—August 2

- 5:00–7:00 p.m. Keynote Presentation—Ten Keys to Success
7:00–9:00 p.m. Working Dinner: Roles of Family Members in the Family Business
Workshops Overview and Selection

Friday—August 3

- Morning: Plenary Focus: Communications
Workshops—Selected from initial offering
Afternoon: Recreation and opportunities for informal family business conversations.
6:30 p.m. "Family Business, Family Fun"
Western Barbecue

Saturday—August 4

- Morning: Plenary Focus: Succession Strategies
Workshops—Selected from initial offering
Afternoon: Recreation and opportunities for informal family business conversations.
6:30 p.m. "A Room With A View"—Light Buffet & Sunset Over the Elk Mountains

Sunday—August 5

- Morning: Plenary Focus: Planning for the Future
12:00 p.m. Adjourn

For further details, call 1.800.835.5883; Registration form on back

CKO (Chief Knowledge Officer)

by Joe Paul

Business leaders tell me that one of their greatest business challenges is hiring and keeping smart people. They describe a marketplace where the pace of change is accelerating and their ability to anticipate and plan for the future becomes more and more speculative. "If I have people on board who are smart enough, they will help me figure it out as we go," is the way one leader described his strategy for managing the need for continuous innovation in his company.



Every business leader is already actively involved in knowledge management regardless of what he or she calls it.

This challenge of finding and keeping smart employees is one aspect of a business activity that has come to be known as knowledge management (KM). Every business leader is already actively involved in knowledge management regardless of what he or she calls it. Some of the reasons why KM is getting more attention include:

- The pace of innovation
- Reductions in staffing
- The cost of learning
- Retirement of expert employees
- Increased employee mobility
- Increased market complexity
- Rapid strategy change
- More demanding information management requirements

Basically KM is any business activity where you are creating or leveraging your company's intellectual assets to create economic value. Successful KM involves the ability to

give good answers to three basic questions.

- What is the knowledge that makes a difference to my company?
- Where is this knowledge?
- How well does this knowledge flow to where it needs to go?

I have recently partnered with a software design company to help my clients answer these questions by mapping the content, location and flow of knowledge in their organization. The result of our collaboration is an application called CKO (Chief Knowledge Officer) that we will release before the end of the year. CKO is a system that will help executives harvest existing knowledge (both tacit and explicit) and move their organization toward standards that reward continuous learning and knowledge sharing. It will also stimulate development of the new knowledge among your internal experts and natural work units, while also helping you develop strategies to continuously harvest relevant knowledge from outside the company.

A standard process for a small company of 20 employees will be to initiate the KM project with a one day "knowledge harvesting" session with the top managers. This will give them a greater awareness of the extent of the expert knowledge among them and make their assumptions about organizational knowledge explicit. It will also help them learn to navigate through the CKO software and map the content, location and flow of existing knowledge throughout and surrounding the business.

This executive session will be followed by a half-day workshop for the company on what KM is and why it makes sense for the company to become more of a "learning organization." After the workshop we begin a series of half-day knowledge harvest-

ing sessions with the natural work units of the company. These natural work units will be defined differently in different companies. Basically, they are the groups of employees who routinely use and add to the knowledge of the company in the process of working together. These natural units might be an assembly line crew, or a Board of Directors.

CKO is a system that will help executives harvest existing knowledge (both tacit and explicit) and move their organization toward standards that reward continuous learning and knowledge sharing.

This process becomes the beginning of a shift in culture of the organization where knowledge sharing is rewarded and knowledge hoarding is discouraged. After these first harvesting sessions, employees will have created working digital documents and new knowledge-based structures and processes. These will continue to be developed as employees learn to recognize, document, and share the knowledge that will be the basis of your future competitive advantages.

If you are interested in this concept of knowledge management, I encourage you to simply type the words "knowledge management" into your favorite Internet search engine and see what a wealth of information is available. And, if you are interested in learning more about the CKO system please contact me at the address, phone number or e-mail address below. ♦

J. Joseph Paul

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All In The Family

by Sam H. Lane, Ph.D.

In working with large families, I sometimes encounter puzzling and undiscussed conflict between in-laws and the families into which they marry. This conflict is usually expressed as an in-law not feeling he or she is “one of the family.” In working with families over the past number of years, I have discovered part of the reason for this (besides the usual problems associated with a person coming into the family upon marriage) is the operation of a conflicting set of norms between the in-law’s family of origin and the family into which he or she has married. Because each of us generally assumes the rest of the world is the way we are, one never stops to think about these differences.



What it means to be “one of the family” is ambiguous at best.

The most important feature of these norms is that they define who is “family.” You are a member of the family if you operate according to these norms; if you do not, you are not one of the family. Typically, an in-law is unsure as to their acceptance by the family because there are many sources of natural conflict. What it means to be “one of the family” is ambiguous at best. Thus, when one of these norms is violated with the resulting perceived rejection, it can have a powerful impact upon that person. These norms may exist in greater degrees of strength. Different profiles may exist between the two families and further accelerate differences that may exist.

I have identified four such norms in my work but I’m sure there are

probably more:

1. Sharing Information - Some families are very open about the happenings relative to other members of the family. It is “okay” for children and spouses to know that another of their number is having difficulty in his or her marriage or has suffered some personal embarrassment. Other families are very secretive and very little information is shared. An interesting pattern in the secretive families is the role the parents play as a “clearing house” of information or as an arbiter of what information is shared and what is not. In secretive families, the flow of information is around a “hub” with parents at the center and the children at the spokes. The flow of information is from the children through the parents to other children.

In such a family, the in-law spouse only finds out about events long after they are common knowledge to other family members and experiences a sense of “being out of the loop.” If the in-law spouse comes from an open information sharing family, then the message is clear: “If you are part of the family, you are part of the information loop; you are not in the loop, thus you are not a bona fide member of the family.”

2. Handling Conflict - This is perhaps the most straight forward norm of the four. Families range tremendously on the norm regarding the degree to which open conflict is tolerated and how it is handled. It ranges from a family where conflict is never expressed openly to a family where “everyone yells at everyone else.” A person coming from a closed conflict family typically has very under-developed conflict coping skills and tends to

withdraw from any argument or discussion of sensitive subjects. When strong conflict erupts, they are terrified. By the same token, a person from an open conflict family feels that members of a closed conflict family never express their true feelings and you can never get a straight answer.

Families range tremendously on the norm regarding the degree to which open conflict is tolerated and how it is handled.

3. Expression of Emotion. Some families (and individuals within families) are expressively warm, caring and loving. Other families are more shy, reserved and less forthcoming with expressions of caring for one another. Hugging, kissing, and telling another family member you love them are simply a normal part of the emotional transaction in the first family, but never done in the case of the second family. People from caring, expressive families experience more reserved families as “cold fish.”

This difference shows up a good deal across ethnic or cultural lines. For example, sometimes a person from a Hispanic or Italian family “feels funny” when they marry into a more Germanic or English tradition family. It is interesting to listen to people from expressive, caring families characterize their closed family in-laws. They almost feel as though something is psychologically wrong with these people. They don’t understand why a family would be so reserved with their feelings for other family members.

4. Conspicuous Consumption - This norm can be seen to operate most clearly when a son comes from a

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All In The Family *continued*

conservative family of origin and marries a woman who comes from a family where the open enjoyment of money is practiced. The norm of the first family is to live very conservatively and never, but never, engage in any form of conspicuous consumption. An interesting exception in these families is education. It's okay to spend substantial amounts of money on expensive private schools and camps. Other possible exceptions are lavish trips. But money is not spent on big houses, fancy cars, or extravagant clothes. The exact opposite is true in all these aspects in the other kind of family. It is not that the other family is being ostentatious or showing off their money; it is simply their cultural norm. Some interesting geographical patterns exist in this norm. For example, in the North and Northeast, the more conservative pattern is the norm, whereas in the Southwest conspicuous consumption is more accepted.

In the example mentioned above, if the daughter-in-law is from a more liberal, conspicuous consumption family, she will receive a lot of negative feedback in various forms (probably not openly) as the conservative parents feel she is frivolously spending the family money. This norm gains some

extra strength from the parents' floating emotional fear or anxiety that if one is not careful, you could lose everything. Her spending becomes an everyday, in-your-face, blatant example of what not to do.

These norms all have the same operative characteristics:

- They define who is and who is not "family."
- Because they are never openly discussed, they tend to fester and energy tends to build up around them.
- They tend to cause problems in the larger family systems as well as the couple family system.
- The dynamics become transferred to the couple family's children.
- They persist for years unabated.

Recognizing these norms and how they operate can help families understand puzzling conflict. Openly addressing these issues is the next step toward minimizing their negative impact. ♦

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Shared Vision *continued*

the relationship between the family and business in a constructive manner by developing an effective board of directors and a family council. . . ."

Re-vision. Vision statements are drafted, reviewed, used as a basis of a plan of action for the family and business, and then revised. As the world, the business and the family evolve, new circumstances arise which may alter the desired future. Subsequent generations must have their dreams incorporated into the vision as well. Otherwise, their interest in the future

of the family assets will decrease. If the vision statement is maintained as a living document that is a continual focus for all stakeholders involved in the family or family business, the interests of the family have greater probability of staying aligned and harmony maintained. ♦

Leslie Dashew

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resources

books

A) The Best of the Human Side

A Collection of Articles
by Leslie Dashew \$15

B) Working With Family Business

by David Bork, Dennis T. Jaffe,
Sam H. Lane, Leslie Dashew, and
Quentin G. Heisler \$37

C) Working With the Ones You Love

by Dennis T. Jaffe \$13

D) Family Business, Risky Business

by David Bork \$13

Set of 4 for \$60

monographs

It Ain't Easy to be Rich

by David Bork

Let's Celebrate the Good News for Family Business

by David Bork

Consulting to the Family Business

by Dennis Jaffe

Family Boards:

How to Make Them Work

by Sam H. Lane

Joining the Family Business

by Leslie Dasher

The Challenge of Families

Who Work Together

by Leslie Dashew

Transferring Authority

in Family Business

by Joe Paul

The Challenges of Downsizing

a Family Business

by Sam H. Lane

Succession Planning

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Exploring Differences in a Hierarchy

by Elizabeth McGrath and Nick Bizony

Getting Along With Family Members

by Sam H. Lane

The Family Business Employment Policy

by David Bork

Full set: \$20 Individual: \$2.50



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The First Himalayan Family Business Retreat: An Invitation

By Joe Paul

Last May, the Aspen Family Business Group was approached with a most exotic engagement proposal.

We were contacted by a German foreign aid organization, GTZ, to work with family businesses and business advisors in Nepal. How could we refuse?



Leslie Dashew and I accepted this economic development "mission" with great enthusiasm and we soon immersed ourselves in books and websites about the culture, geography and economy of Nepal. Upon our arrival we held focus groups with Nepali business leaders and the professionals who advise them. Later we conducted a four-day seminar for professionals, and a workshop for business families that was featured on Nepali national TV and in both of their major newspapers.

We worked most of our two week stay there but also had some wonderful weekend experiences on elephant back in the jungle, flying in a small plane around Mt Everest, exploring the bazaar of Thamel, wandering through a maze of Hindu temples late one night, and watching a most amazing four-hour evening thunder storm roll along the Himalayas from our perch on a ridge-top on the northern rim of the Kathmandu Valley.

I must admit that we had some concerns about how many of our ideas about family businesses would fit in such a different culture. But we were gratified to find that there was a great hunger for what we had to offer and an active interest among both the business owners and the professional community. So much so that we have been invited back to lead a Himalayan version of "The Gathering" that we host for families in business every August in Colorado. We have named the Nepali conference The First

Himalayan Family Business Retreat and our program theme will be Continuity, Change and the Cultures of Family Business.

Would you like to come along with us? Visit <http://www.fulbari.com/fulbari.html> and take a look at the 5-star resort in Pokhara where we will be staying. Families from all over the world will join us in a very special place to learn from each other and from the presenters who will join Leslie and me in Pokhara. It is pretty easy to promise that this will be a conference to remember. ♦

J. Joseph Paul

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Professional Advisor Resources

As an advisor to complex wealthy families and family businesses, how often have you wished you could quickly get information about areas where family members do not see eye to eye, and find a way to bring those areas to the attention of your clients in a non-threatening way?

The Aspen Family Business Inventory helps families who are in business together to sort out the issues of communication, succession, work roles and family boundaries, effective management, and their vision of the future.

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The First Himalayan Family Business Retreat

Continuity, Change and the Culture of Family Business

Pokhara, Nepal

December 7-10, 2000

Presented by

The Aspen Family Business Group

Promoted by

GTZ Private Sector Promotion Project

Participate in an international learning community on family business issues in a spectacular location, with international faculty and family businesses from around the world.

In country lodging and travel will be US\$590-\$890 per person (depending on arrival date and twin sharing or single accommodation).

The package includes, full board from 6 to 9 December, airfare between Pokhara and Katmandu, conference material and theme dinners. The tuition for the conference is \$500 per person with a 20% discount per person after the second family member when three or more family members attend.

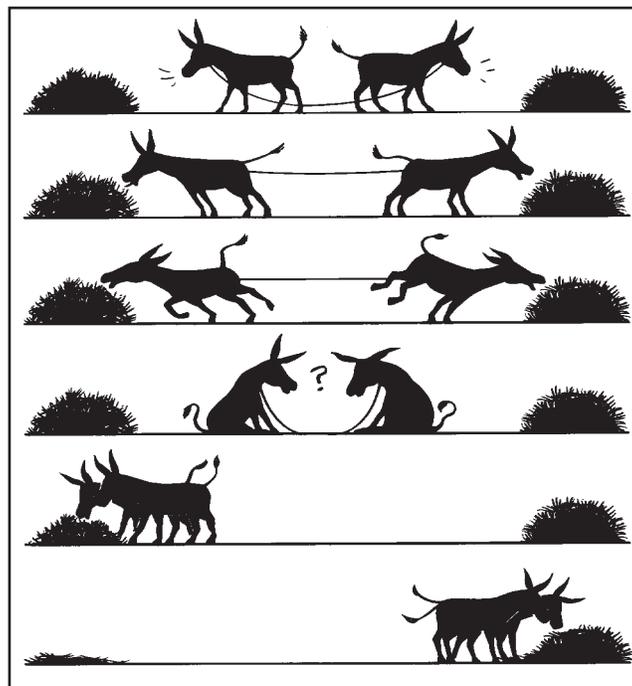
Recommended optional tours:

- Pokhara valley excursions, Trekking in the Foothills of the Annapurna (2 nights/3 days)
 - Rafting and Jungle Safari (2 nights/3 days)
- Himalaya Mountain Flights, and others by arrangement.

Want to know more?

Contact the Aspen Family Business Group for a brochure or visit our web site for an electronic version of the brochure. Or, you can e-mail our Mr. Prashant Rana in Katmandu, Nepal at prashant.rana@gtz.org.np

A Lesson for Family Business?



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_____ Number of family members to attend

\$650.00 per person. Complete this form and indicate additional names and addresses on a separate sheet of paper.

Total \$ _____ FOR REGISTRATION FEES

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The Aspen Family Business Group

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