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A Guide to Reflecting on Your Entrance Into the Family Enterprise

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The context of a family enterprise can serve as a source of well-being for members of the next generation, as it offers a safe environment where there are plenty of resources for finding a balance between different roles in life (e.g., work and family) and a balance between challenges and skills. Some of the reasons cited by members of the next generation for joining their respective family enterprises include: flexible hours, a comfortable and secure environment, money, taking care of parents and creating something to pass on to their own children.[1] Nonetheless, managing a family enterprise is a challenging endeavor that can involve sacrifices and which requires unique personal qualities.

There are specific attributes that seem to be desirable in next-generation family members.[2] These include integrity, commitment and respect for the family enterprise, self-knowledge, as well as management and decision-making abilities. Likewise, it has been discovered that the performance of next-generation members is largely based on how effectively specific knowledge regarding the family enterprise, as well as social networks, are transferred from one generation to the next.[3]

Overall, from a perspective of well-being, the context of family enterprises can provide next-generation members with numerous opportunities for personal and professional growth; nonetheless, family enterprises also represent a complex context for daily life—especially for young members. The intertwined systems of family and business, both systems operating

[1] Vera & Dean (2005). "An Examination of the Challenges Next Generations Face in Family Businesses," *Family Business Review*, 18, pp. 321-345.

[2] Sharma & Irving (2005). "Four Bases of Family Business Successor Commitment: Antecedents and Consequences," *Entrepreneurship Theory and Practice*, 1, pp. 13-33.

[3] Steier (2001). "Next-Generation Entrepreneurs and Succession: An Exploratory Study of Modes and Means of Managing Social Capital," *Family Business Review*, 14, pp. 259-276.

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according to different logics, give rise to specific challenges such as the incorporation of the next generation into the family enterprise, which often constitute a delicate endeavor that must be planned very carefully.

Pablo Ruiz: Designing a Roadmap for Entering the Family Enterprise

In this technical note, we invite you to join us on a journey of reflection and self-discovery to begin drawing a roadmap that will help you find the best role for you in the family enterprise. To do so, we will follow the story of Pablo Ruiz, a next-generation member of a large family enterprise in the agriculture industry in Peru. Pablo is 29 years old and will soon be finishing his MBA. Thirty years ago Pablo's father, together with his grandfather, founded the family enterprise. The company has grown substantially over the last 10 years and is now present in several countries in Latin America.

Pablo is the eldest member of the second generation and he has two younger sisters, both of whom are still completing their bachelor's degrees in business administration and industrial engineering.

Pablo's father is excited for his return to Peru that coming summer, so they can begin working side by side in the family enterprise. Although Pablo's father keeps saying that he has big plans for his son at the company, father and son have not yet sat down to discuss the details of Pablo's future in the family enterprise.

Back in Barcelona, a mix of adrenaline, fear and freedom can be sensed among the MBA students; Pablo's classmates are traveling to different cities searching for their "dream jobs." Although he hasn't told his family yet, Pablo is in the advanced phase of a recruiting process for a well-known consulting firm in London. Under his desk at home, in a blue folder hidden beneath all his MBA coursework, he has the date and details of the final interview for the potential job in London. He knows that the deadline for making a choice is coming soon and the dilemma is growing in his head; part of him wonders about the challenge of starting a new job in London, but at the same time, he is thinking about Peru, his homeland, and he can feel the excitement of finally starting a career in the family enterprise.

Pablo is facing a common dilemma experienced by next-generation members: whether or not to enter the family enterprise, especially when they have engaged in a cross-cultural and global learning experience such as an MBA program. In order to reach a place where he can make the greatest contribution in the family enterprise, Pablo may do well to take advantage of entering a learning environment where he can first learn how to manage "himself," as Peter Drucker comments in one of his articles:[4] *"Success in the knowledge economy comes to those who know themselves—their strengths, their values, and how they best perform."*

1. Manage Yourself

In order to be successful and happy in all areas of our lives, we have to learn to manage ourselves. We have to learn to develop ourselves. We have to situate ourselves where we can make the greatest contribution. In the process of getting to know ourselves and developing individually, it is very useful to spot and exercise our personal strengths, to recognize our life goals and to identify our professional calling. This will help us find the best place for us in the family enterprise.

[4] P. F. Drucker, 2005. "Managing Oneself," *Harvard Business Review,* p. 1, January 2005.

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Identify and Exercise Your Strengths

A strength can be defined as an existing capacity for a particular way of behaving, thinking, or feeling that is authentic and energizing to the user and enables optimal functioning, development and performance.[5] Strengths are authentic: this means that when we are using our strengths we feel that we are being the "real us," not the person that someone else wants us to be. Our strengths allow us to be true to ourselves and follow our own preferences in life. Part of this authenticity is that someone's strengths are identifiable across many different situations.

Broadly speaking, there are two major ways through which we can identify our strengths. The first involves individually focused observational techniques, either through informal self-reflection or the observations of others. If you have trouble identifying your strengths, you can think about your accomplishments and proud moments, your best performances and the times when you succeeded in the face of challenges.

Likewise, a useful exercise that can help you tap into unrecognized and unexplored personal strengths is the Reflected Best Self (RBS) exercise,[6] which presents a systematic procedure for gathering and analyzing information about your best self. This simple exercise can help you develop a richer understanding of yourself and your strengths. We have adapted the RBS exercise to the context of the family enterprise. The exercise consists of the following four steps:

Step 1. *Identify respondents and ask for feedback*. In this first step you should gather input from a variety of sources—past and present work colleagues, family members, friends, etc.—by asking them to provide information about your strengths, accompanied by specific examples of situations when you have used those strengths in ways that have been meaningful to them, to their families or teams, or to their organizations. You can use the form shown in Table 1.[7]

For this first step, Pablo Ruiz asked three of his closest friends and classmates in the MBA program to give him feedback on his strengths; he also sent an e-mail to his father, his youngest sister and one of his bosses from his first job in Peru. All of them were positively surprised by the request and promptly responded. The answers from one of his MBA classmates are presented in Table 1. (Please note that you will find a blank form in Exhibit 1, which you can use to collect your own answers.)

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[5] Linley, A. (2008). *Average to A+ Realising Strengths in Yourself and Others*. CAPP Press: Coventry, England.

[6] Based on Morgan-Roberts, L., Spreitzer, G., Dutton, J., Quinn, R., Heaphy, E., & Barker, B. (2005). "How to Play to Your Strengths," *Harvard Business Review*, January 2005.

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