"Leading through Data & Design"

When it comes to our mission of supporting family business leaders as they pursue new ways to thrive in the emerging economy, we can learn a great deal by looking at WashU Olin’s model of being data-driven and values-based. But living this theory in practice means flexing a muscle that is often under-developed in many organizations, family businesses notwithstanding.

So what does it mean to have an eye toward relevant data while simultaneously being shaped by a guiding set of values? At the Koch Center, one way that we do this is in our unique approach to combining data and design in our engagement with the broader business community.

"Balancing Continuity & Change"

Each month we ask a set of leaders to answer a specific question tied to the family organization. Below, you can hear from one of the participants from our Data+Design session, Marc Braun.

Marc is the current board president for the Association for Manufacturing Excellence. He is also the former President of Cambridge Air Solutions where he served as an external manager for this second-generation family business and helped create one of the most benchmarked manufacturing cultures of continuous improvement in the world. Marc now serves business leaders of privately owned businesses as coach/advisor for those wanting to grow in both profit AND purpose.

This month, we wanted to hear from Mark how a family business can best strike the appropriate balance between continuity and change.

"It was a delight to be present for the latest discussion at the Koch Center on "Striking the Balance Between Continuity and Change." Family businesses are in such a unique position to be a force for good in the world if they can get this right. The assumed problem suggests that competitors may pass you by if you focus too much on the protection of the business (Continuity). Additionally, if you focus too much on change and innovation, you could lose the mission of what the family set out to accomplish in the first place. I don’t believe you need to trade one for the other.

Here is what I recommend instead:

First, build the business around a Constancy of Purpose. Maintain that purpose and only edit it to elevate rather than turn away from the original purpose. As the business and family grow, the purpose is free to expand and is a guiding force for all major decisions.

Second, build a courageous culture of continuous improvement into both the family and the business. By normalizing change and experimentation inside of a constant or
expanding purpose, the business will outpace its competitors and have the best chance of accomplishing its mission.

The above two recommendations are extremely simple to write about but require enormous humility, courage and discipline to execute. Be encouraged, you don’t have to do this work alone, and it isn’t designed to be done that way either.”

FAMILY ENTERPRISE IN THE NEWS

- Bloomberg offers a rare insight into the succession planning of one of the world’s wealthiest families, the Ambani family of India. The family looks to the Waltons of Walmart fame to learn how to not disrupt their business empire with family dysfunction.

- The Wall Street Journal’s John Jurgensen compiles a set of family business leaders interacting with HBO’s Succession. John reached out earlier this fall looking for family business connections, and I introduced him to the Smith family from St. Louis, a father and son duo that ended up featured in the profile. Will was one of the attendees at our inaugural Data+Design event. Keep up the important work shaping the urban landscape of St. Louis, Steve and Will!

- For those interested in the real-life business lessons from the HBO show, I would recommend Kara Swisher’s interview with Adam Grant to explore some of the psychological dynamics at work in the show. Mark Cuban similarly offers a thoughtful dissection of the power of activist investors and their engagement with the Roy family in his interview on the same podcast.

- In light of our upcoming discussion on direct investment by families and family offices, it is worth noting that not all family direct investment is met with financial success. The trial of Elizabeth Holmes and her leadership of Theranos put into focus the challenges of doing direct investment effectively.

- Wonderful to see WashU alum Chris Hoffmann offering an alternative playbook for family businesses to scale outside of the world of private equity investment. A great listen. Keep up the good work, Chris!

As always, thanks to our Executive in Residence, Spencer Burke, for keeping a pulse on all things family enterprise in the news.

CENTER UPDATES AND LOOKING AHEAD

Beyond the thought leadership of “The Family Enterprise” newsletter, we would encourage you to engage with us in events we put out for the broader public. Please find below what is forthcoming from our work at the Center:

December 1, 12:00 - 1:30pm CT - SIGN UP LINK - December 1 marks the start of Olin’s inaugural “Family Investment and Impact” series. For the first session, we have the opportunity to hear from Washington University Investment Management Company CIO Scott Wilson, fresh off of his team’s 65% record return over the last year. Permanent Equity’s founder and CEO Brent Beshore will join Scott on the virtual stage. Permanent Equity is a Columbia, Missouri PE firm that takes a unique long-term approach to direct investment. The session will focus on direct investment strategies by families and family offices. The series continues into the spring with forthcoming events on impact investment and strategic philanthropy. We hope to see you there!

Thanks, as always, for reading. We hope to see you on campus or online sometime soon!

Sign up for our newsletter!

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