Hello, Friends of the Koch Center!

Greetings from Paris, where I, along with my colleague Sam Chun, have just finished a class on strategy and execution for our second-year MBAs. I love this course because I get to work through one of my favorite questions – what does it mean to be an owner with purpose? You can look no further than Twitter’s recent take-over and the corresponding layoffs to see that ownership matters. But what does it mean to own a company strategically and with purpose?

While in Paris, one of the more interesting visits was with Leah Marshall of the iconic Le Bristol Hotel. The Bristol is part of a larger family-owned hotel group owned by the Oetker family. In our conversation and tour of the building, Leah emphasized that one of the things she loved about her work was the family commitment to specific values – in this case, artistic design and robust hospitality – even if the financial return implications were not always straightforward.

Attention to a diversity of return types is not unique to luxury brands. Earlier in the week, our students visited with an entrepreneur, Amaury Boussard, in the shared warehouse of his natural wine distribution company, Iroma SASU. Over the clanging sounds of men on forklifts coming in and hauling out pallets, we listened to an owner wrestling with questions of purpose. How does he ensure the company grows in alignment with what he desires? How does he balance the stress of running an operation with a commitment to family, friends, and his health?

I can’t tell you how many times this theme has been echoed in personal conversations this fall: a multi-state industrial parts dealership that wants to ensure strong community support over generations, a manufacturing leader that ensures project selection is shaped by attention to what is interesting for their employees, or a London restaurateur who seeks to ensure differentiated hospitality remains at the core of all they do, to name a few. While there is profound power in driving alignment through a focus on shareholder value, when you talk to actual owners, you often quickly realize that value is much more plural than our business textbooks sometimes suggest.

Defining and operationalizing strategic ownership continues to be a central question guiding our work as a Center. In our newsletter below, you will see a series of examples of that work:

- **In January, we will launch our first-ever two-day intensive course for ownership groups to think through their family and business purpose and how it links to strategy.**

- **Last week, a group of students traveled to Cornell to get second place in a competition on strategic ownership in the family enterprise.**

- On the 28th of this month, we will take 50 students to the new St. Louis City Soccer Stadium to hear from their COO, Jason Thein, on how the Taylors have integrated purpose into the build-out of the downtown west stadium complex.

- Last month, we listened to owners and senior leaders of Continental Grain walk through how they approach governance, strategy, and an evolving business model to meet owner objectives with an extended time horizon.

- And the list goes on…

One of the things I am most excited about is the ability to welcome YOU into a more dynamic conversation around these questions with the launch of our Learn.WashU
platform. Right now, on this platform, you can find a series on understanding Patagonia’s trust structure, video recordings of our recent symposium with Continental Grain and interviews with family business professionals, and highlights of cutting-edge research on questions central to owners. In the next month, this will include the recorded discussion between Jason and myself within the MLS stadium, an opportunity to share these insights with a broader audience. In this platform, we hope to collectively build a space for us to learn from each other about what it means to approach ownership with intent!

Thanks for joining us in this vital conversation!

Peter Boumgarden, PhD
Koch Professor of Practice for Family Enterprise
Koch Center Director

INSIGHTS FROM THE FIELD

Advising the Family Enterprise
A discussion with Mike DeCola

It was an absolute honor to spend time with Michael DeCola, former CEO of HBM Holdings, in an interview we posted to our new learn.washu platform. Check out the full interview on learn.washu.

In drawing from your experience at HBM Holdings, how might you evolve a business over time in line with the owner's objectives, but also in line with performance expectations?

Any huge shift in strategy needs to be a process, not an event. You need to bring everyone along at a fairly similar pace as the idea and direction is being formulated. Which is one of the big gaps I see in how companies do strategic planning, it’s a thing vs. a conversation. At HBM, it absolutely was a conversation over the course of years about not just the priorities of the business, but what we saw going on in the outside world and what that could mean for us. So we said it made sense for some diversification to begin taking place, and it made sense for that to happen in the structure of the business, and that’s the path we took. There may have been other paths we could have taken that would have delivered the same or even better financial outcome, but that was the path we chose after a lot of discussion about those non-financial owner’s objectives. That’s one of the benefits of working for a family business, you can actually engage in those types of dialogue.
Many thanks as always to our Executive in Residence, Spencer Burke, for keeping his eye on issues of family business in the news. Linking below to three of Spencer’s recent finds:

- A lovely profile of Herb Kohler, the father of one of our former symposium speakers.
- For fans of the Royal Family, an interesting profile inside the financial side of the operations.
- Patagonia’s founder makes waves in his unique charitable structure — head over to Learn.WashU to hear Spencer Burke discuss what makes it so unique.
- Navigating the complex relationship between family business and private equity.
- Might Ray Dalio’s transition at Bridgewater provide lessons for family business succession?

CENTER UPDATES AND LOOKING AHEAD

Join us on learn.Washu!

I am delighted to announce the launch today of an online community space called ‘Ownership Insights’ within our learning platform, learn.WashU. We will use the community to share resources, videos, details of events, and news on the topic of strategic ownership. We actively welcome your contributions too.

To access the Ownership Insights community sign in to learn.WashU:

1. If you have an account already you might like to use the ‘Help me sign in’ link here to remind you of the details:
   https://learn.washu.online/

2. If you do NOT yet have an account click here, then choose ‘Sign Up’:
   https://learn.washu.online/?provider=execdev

Please make sure you use the email address this message was sent to in order to gain access. Should you have any problems please contact support@washu.online

Once you have signed in to learn.WashU, click on the ‘Communities’ tab on the learn.WashU homepage and join the ‘Ownership Insights’ community.

Thank you for attending the Seventh Annual Olin Family Business Symposium!

We hope you found this year’s speakers to be enlightening and engaging. If you missed this symposium, we took a deep dive into a single-family enterprise to examine the owners’ behaviors, the strategic role of the professionalized nonfamily members, and how to best leverage a robust global network of investors and partners.
We hope to see you at Koch Center events in the future!

BUILDING STRATEGIC OWNERSHIP

New Executive Education from the Koch Center

What does it mean to be a strategic owner of a closely held organization? How can you build a vision for purpose and performance? And how do you translate that vision into action over an extended time horizon? Beyond building tools for effective management, business owners must navigate strategic ownership of an asset for the long term. In this course, we work with owners and senior leaders of an organization to build strategic ownership competence and capability.

Find more information and register HERE.

Olin students compete at the Cornell Case Competition for Family Ownership

Earlier in November, three Olin graduate students, Jessica Timerman, Colin Barry, and Elle Berger, traveled to New York for the Cornell Case Competition for Family Ownership and won second place!

The team participated in the examination of a real-life case with firsthand access to the family protagonist. They had one week to analyze the case and presented their first-round analysis at the beginning of the competition. The second-round case was delivered in real-time, with direct input from the case subjects.

“The results are in, and we got 2nd place. Thank you for this amazing opportunity and all that you did to make it possible. Attached is a picture of our group participants, Jessica Timerman, Colin Barry, Elle Berger, and the CSO of COSAN, Mr. Marcelo Martins (who was so incredibly helpful and kind).”

- Elle Berger, Chancellor Scholar/Forté Fellow