



# THE FAMILY ENTERPRISE

A NEWSLETTER OF THE  
KOCH CENTER FOR FAMILY BUSINESS

## A LETTER FROM OUR DIRECTOR

### "A Developmental Agenda for Family Enterprise"

Actionable thought leadership and research into the dynamics of the family enterprise. Forums to come together as family enterprise leaders to shape strategy through a mix of data and opportunities to design. Takeaways from events we stage at the Koch Center for Family Business. These are some of the features in store for readers as we introduce our new monthly newsletter, "The Family Enterprise."

Today, I want to take a moment to share our plans for the newsletter and, more broadly, how WashU will be engaging with issues surrounding family enterprise. Our newsletter will also include insights from the field as we listen to leaders who are living this reality, snapshots of family organizations in the news, and upcoming ways to engage with the Koch Center, virtually or in person.

As a research center based within one of the world's preeminent universities, we believe accurate insight and actionable frameworks can add significant value for family enterprise leaders. You will see this vision manifest in our upcoming event, "[Data+Design: Striking the Balance Between Continuity and Change](#)," coming October 29. I hope you will consider joining us.

Unlike a traditional symposium, which is often high on inspiration but lower on concrete takeaways, this session will dynamically help you look inward while simultaneously leaving you with research-informed insights to guide your day-to-day strategic decisions. With this event and others to follow, we aim to generate a cascading impact on private and family enterprises within the region and, by extension, the broader national and international economy.

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## INSIGHTS FROM THE FIELD

## "The Potential of the Family Firm"

Each month we ask a set of leaders to answer a specific question tied to the family organization. Below, you can hear from **Alaina Macia** (MBA, Olin Business School).

Alaina is the CEO of [MTM](#), a leader in the healthcare and transit industries. Since 2005, she has overseen MTM's growth from \$30 million in annual revenue to nearly \$700 million. This month, we wanted to know from Alaina what she saw some *potential* competitive advantages that family-controlled firms have in comparison to their non-family counterparts and what organizational disciplines are required to bring such possibilities to fruition?



*"We believe there are several advantages to being a privately held, family-owned business. Noisy shareholders or quarterly earnings targets do not distract MTM. We take a much longer view and invest heavily in people, processes, and technology. We are a mission driven company and our clients are responsible for some of the most vulnerable members in the United States. Our heritage and family-owned status resonates with our clients, and we are able to establish trust based on long-term relationships and stability. For example, I have been at the helm at MTM since 2005, an uncommon tenure when compared to many publicly held companies.*

*Our family-owned status also allows us to share more information with a broader base of our employees than a public company would ever be able to do. We allow as many staff as possible "a seat at the table," allow for mistakes, and invest heavily in staff development. Our founders were entrepreneurs, and we foster that spirit in all departments and levels of the organization.*

*To support a high-performing family owned business we believe it is imperative to build a strong, cohesive executive team held accountable to balanced scorecards and a long-term strategic plan. We also believe that the continual nurturing of our unique culture is crucial to attracting, retaining, and engaging our staff. The investment we make in our culture more than pays for itself in enhanced performance, higher client retention, and increased margins."*

### FAMILY ENTERPRISE IN THE NEWS

- The Ernst & Young and University of St. Gallen Family Business Index recently came out, showing the "largest 500 family businesses generate US\$7.28 trillion in revenue and employ 24.1 million people." Here you can find both a [summary](#) of their work and the [full list](#). The material is worth looking through to better understand this space.
- One of our focuses in the Koch Center is beyond the family business alone, to other aspects of a family office. With that said, the recent report out of Goldman Sachs on [Family Office investment and management](#) is especially worth read. Some highlights relevant to our annual programming include:

- Almost half of all respondents who are focused on low rates are considering investments in operating businesses,
- Almost universally, respondents have at least some exposure to private equity,
- Venture capital investment continues to be top of mind
- Environmental, social, and governance (ESG) is front and center, with a majority of respondents moderately to highly focused on implementing such principles across their philanthropic efforts, workplace policies, and investing strategy.
- In a short 15-minute documentary titled the "[Prince of Luna Park](#)", filmmaker Daniel Lombroso of *The New Yorker* provides the Zamperla family, which owns and operates Luna Park at Coney Island. It is a lovely profile of father and son and the challenges faced by an iconic establishment amid COVID-19.
- If you, like me, are a big fan of HBO's succession, you might be interested in the [following profile](#) of the show's writer Jesse Armstrong.
- If more interested in the real life examples of succession, you might enjoy this [fascinating profile](#) in Bloomberg of leadership transition for the family behind one of the country's most prominent weight loss camps for kids.

## CENTER UPDATES AND LOOKING AHEAD

Beyond the expanded thought leadership footprint of "The Family Enterprise," three events of note are shown below.



### **October 13th, 7pm CT - Why St. Louis? How do we attract and retain businesses and talent?**

**[VIRTUAL EVENT]** ([SIGN UP HERE](#))- While not a Koch Center event in particular, Center Director Peter Boumgarden will be leading a conversation through the Jewish Federation of St. Louis around talent and the St. Louis region. St. Louis Major [Tishaura Jones](#) will make opening remarks, and then Peter will lead a conversation with [Greater St. Louis, Inc.](#)'s [Jason Hall](#), [Bunge](#)'s Chief HR and Communications Officer [Deborah Borg](#), and [Betsy Cohen](#), the Executive Director of the St. Louis Mosaic Project of the [World Trade Center St. Louis](#).



### **October 29th, 8am - 11am - "data+design: striking the balance between continuity and change" [LIVE EVENT]** ([SIGN UP HERE](#))-

In our first live event back on campus at Olin Business School, we will be running our first ever "data and design" session. This event focuses on the ways that family and private businesses balance continuity and change over time. Unlike a traditional symposium, you will be working through these challenges in real-time, getting data on where you stand as an organization and wrestling through the strategic design of an organization. Space is limited for this free event given COVID protocols, so please do sign up soon.



**November - Specific Date TDB - Family Office & Investment in the BIPOC Business [VIRTUAL EVENT]**

- November will be our first ever event focused on family office in particular. Given the growing interest of family offices in direct company investment and ESG strategies in particular, this event will focus in particular on the strategies of investment in BIPOC businesses. We look forward to exploring these topics with leaders throughout the space. More information to come in our upcoming newsletter.

Beyond external events, this semester we have student teams engaging with client engagement exercises with the following organizations:

- Tricia Zimmer Ferguson of [Kaldi's Coffee](#)
- [Hoffmann Brothers](#)
- [Honeymoon Chocolate](#)
- [Niche Food Group](#)
- [Corner 17](#)
- [L39ions of Los Angeles](#)

and many others...

If you are interested in running a project like this or perhaps getting to know our students interested in family business, please reach out to [familybusiness@wustl.edu](mailto:familybusiness@wustl.edu) to inquire about our mentorship program or experiential learning engagements.

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