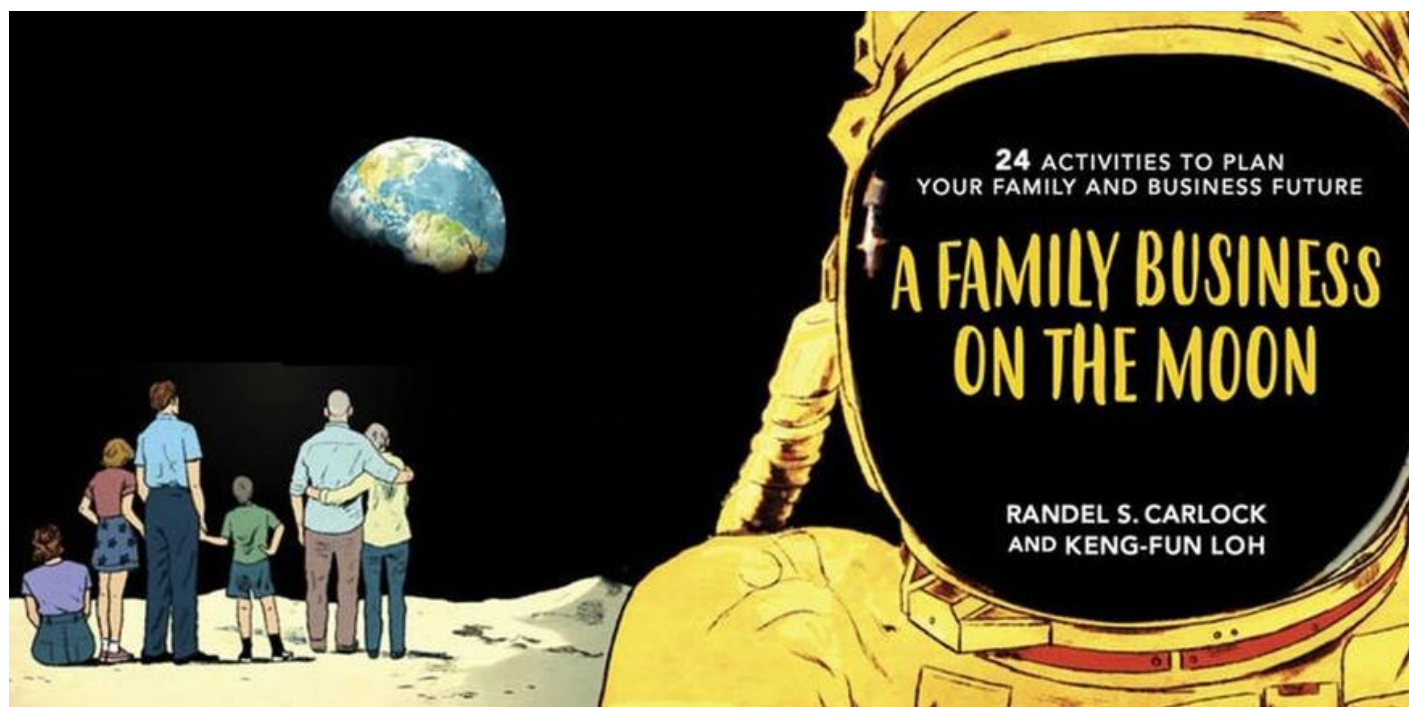




New book encourages family businesses to think like space travelers

Next generation family business planning requires a step-by-step approach not unlike planning a trip to the moon.

What does going to the moon have to do with family business? Everything, according to veteran family business advisors **Randel Carlock** and **Keng Fun Loh**, the authors of a quirky new book, **“A Family Business on the Moon”**. The “fieldbook” presents frameworks and exercises that make each family using it a live case study in family business management and best practice planning as if they were planning a space venture.



Carlock, the Berghmans Lhoist Chaired Professor in Entrepreneurial Leadership at INSEAD and Loh, Managing Partner at Family and Business Learning have constructed the book around the parallel planning process, a tried and tested formula they’ve used in their interactions with hundreds of family enterprises. The process helps families

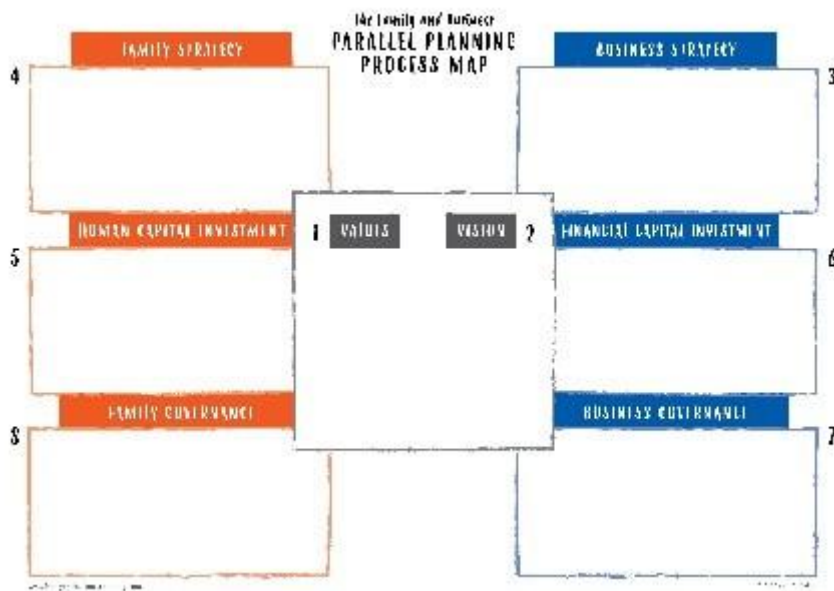
map out a plan to get to their destination that fits with their own family’s ambitions. It starts with determining the family’s values and vision, coming up with a business and a family strategy, determining human capital and financial capital investment and instituting family and business governance.

“Planning for the future of a family business is a topic that’s difficult for families to deal with. Many believe that they should protect family harmony by avoiding difficult topics like succession, ownership or governance. The reality is just the opposite,” said Carlock.

“We’ve seen many families with well-thought-out business plans and strategy end up in turmoil because the family side of family business has not been adequately planned for,” added Loh.

Carlock and Loh hope families will be able to break down these difficult barriers to start the parallel planning process with stimulating visuals and interactive activities. “This book is designed so families can start the process of learning together on their own. Then they can reach out for additional help and we think that's fundamental,” added Carlock.

For example, they can warm up by cutting out, folding and flying a paper aeroplane to start their journey, then unfold the poster-sized parallel planning process map, where families can start posting their values and vision, as well as other big picture ideas for their strategy and governance structure.



The book provides other crucial aids, such as a deck of “values cards” which can be purchased separately through www.familyandbusinesslearning.com. “We distilled 200 value words into 51 value cards and we have simple instructions inside to help the family members at first individually rank their family values and then as the family group come together and identify the family's values and that drives the rest of the

activities in the book,” said Loh.



To help share “airtime” during family conversations and disarm potentially explosive issues, families can also get the “listening bear”, a cuddly teddy bear that eases communication and provides a sense of fun. The idea, borrowed from Carlock’s work with family enterprises at INSEAD, helps to teach fair communication. Whoever has the bear gets to talk without being interrupted and then it gets passed to the next person. “Teddy bears add a human touch that encourages playfulness”, said Carlock.



The authors add that there is a serious side to the playful approach of the book and its aids. They are designed to facilitate the crucial conversations that many families try to avoid. They form the foundation for discussions, also included later in the book, on assessing the family's readiness for its moon shot. These include what sort of exit vehicle they should provide for those who want to get off during the trip (buy-sell agreement for example). The family will also have to face big questions about who's going to navigate (lead and support) the business. They will also have to determine how much rocket fuel (investment capital) to put into the shuttle, a much bigger decision than a non-family business with many knock-on effects to family wealth. The family will also have to come to agreement on policies and procedures around employment and careers to reduce the chance of conflict on board.

"The only tool we have is communication. The only difference between a family that functions effectively and one that struggles is the ability to talk about difficult topics. It's the basis of the book," Carlock added.

"A Family Business on the Moon" is available at all leading bookstores in Singapore and Malaysia and on www.familyandbusinesslearning.com. It is also available at bookstores on the Asia and Europe campuses of INSEAD in Singapore and Fontainebleau.

Watch a video interview with the authors below:

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<https://www.insead.edu/news/new-book-encourages-family-businesses-think-space-travelers>