

Virtual Conference

New Ideas in Family Firms: An Academic-Practitioner Conference

13 May 2022

2 pm – 6 pm CEST / 8 am – 12 pm EDT



Introduction: *The New Ideas in Family Firms Conference is a thought leadership platform organised to bring together a small group of the world's leading academic researchers and practitioners to discuss the latest ideas in family enterprise research and advisory work. The conference was founded jointly by INSEAD's Wendel Centre for Family Enterprise and Columbia Business School's Global Family Enterprise Program in the spirit of collaboration – between the institutions and across disciplines – to bridge theory and practice in the area of family firms.*

The fourth edition of the annual **New Ideas in Family Firms Conference** was held virtually on **13th May 2022** with 30 selected scholars and advisors from around the world who were warmly welcomed by the host, **Sonia Tatar**, Executive Director, INSEAD Wendel International Centre for Family Enterprise and INSEAD Corporate Governance Centre together with co-chairs **Patricia Angus**, Managing Director, Global Family Enterprise Program, Adjunct Professor of Business, Columbia Business School, CEO, Angus Advisory Group LLC, **Morten Bennedsen**, Professor of Economics, The André and Rosalie Hoffmann Chaired Professor of Family Enterprise, Academic Director, INSEAD Wendel International Centre for Family Enterprise, Co-Director of the Hoffmann Research Fund at INSEAD and **Daniel Wolfenzon**, Stefan H. Robock Professor of Finance and Economics; Chair of Finance Division, Columbia Business School.

Kicking off the academic presentation was the latest research paper titled "**The Long Reach of Family Disruptions: Parental Divorce in Early Life and its Impact on Entrepreneurship in Adulthood**" by **Thomas Zellweger**, Professor of Business Administration and Chair in Family Business, University of St. Gallen, Switzerland and **Mateja Andric**, Research Associate and PhD Candidate, University of St. Gallen, Switzerland. The research studies how parental divorce during childhood affects individuals' likelihood to enter entrepreneurship and their entrepreneurial performance in adulthood. The presentation sparked a stimulating discussion which highlighted the relevance as well as the importance of this subject in times where marital breakdown is

becoming a rising trend in many developed societies today. It is interesting to discover how this phenomenon influences members of younger family generations in their career pathways.

Next on the agenda was a research presentation titled “*Clash of the Titans: Shareholder Activism in Family Firms*” by **Raphael (“Raffi”) Amit**, The Marie and Joseph Melone Professor and Professor of Management, The Wharton School of the University of Pennsylvania and Academic Director and Chairman of the Executive Committee, The Wharton Global Family Alliance. The research delves into the likelihood of activist campaigns against family versus non-family owned and controlled firms and the respective returns to the shareholder activist. This intriguing topic outlined the power wrestle between two critical actors - activist investors versus family owners with substantial control rights that exceed their cash flow rights. The ensuing discussion and exchange underscored the significance of this topic in the wake of rising activism activities today driven by both shareholders and stakeholders, internal and external.

Following the insightful academic presentations, the spotlight was switched on the practice and advisory work by practitioners who specialise in the field of family firms. Led by **Christine Blondel**, INSEAD Lecturer in Family Business and Advisor to many family firms, the panel discussion consisting **Alexandra Jequier**, Consultant at AvS - International Trusted Advisors, **Bob Kohli**, Director and Senior Advisor at Soul Family Business Advisors, and **Kathryn McCarthy**, Independent Family Wealth and Family Office Advisor, discussed the trending topics which encompass perennial family enterprise challenges such as creation of governance structures, integral role of keeping the cohesiveness, and alignment amongst family members, the development of next gen talents as well as the role of family office in perpetuating the firms’ values and mission. In this session, the panellists shared (anonymous) client anecdotes and experiences dealing with different scenarios faced by family firms globally.

Building on the momentum and to engage the participants in further dialogues, small groups were dispatched into breakout rooms to reflect on the topics addressed during the Conference and to inspire new ideas for discussion. Led by group facilitators, **Sonia Tatar**, **Gaia Marchisio**, Founder and Managing Partner of CARE For Family Enterprise, Adjunct Associate Professor of Business, Columbia Business School, **Martin Roll**, Distinguished Fellow, INSEAD Wendel International Centre for Family Enterprise, Entrepreneur-in-Residence, INSEAD Centre for Entrepreneurship, Business & Brand Strategist, Senior Advisor, Martin Roll Company, and **Jiawei (Kevin) Ye**, Lead, Direct Funding and Philanthropic Organizations, World Economic Forum, Senior Research Fellow, Global Family Business Research Center, Tsinghua University National Institute of Financial Research, Visiting Senior Researcher (PhD/Master) at INSEAD Wendel International Centre for Family Enterprise, the participants interacted with each other to share and exchange their thoughts and perspectives on different matters such as the imperative of setting a process in professionalisation of family business and change management, the challenge of initiating governance structure for strong and dominant family enterprise leader, developing and retaining talents, dealing with the growing phenomenon where activism arose from the younger generation within the family firm, and also the impact of the global pandemic on philanthropy and how philanthropy itself may be a way to bring together different with family generations around the table to work



together in stewarding the family enterprise towards greater good.

In closing, **Patricia Angus** rounded up the discussion for the day with **key takeaways** which included the common theme of both research papers: the role of “agency” in family enterprise. In the first research presentation, the focus was on how the next gen whose parents are divorced managed their emotional agency to become agents of their own lives and hence shape their career pathways whereas the second presentation highlighted shareholder activists as agents that could potentially impact family enterprise and their governance structure. While next gen is a topic of high interest, more attention should be given to the “now gen” who are in the eye of the storm needing to navigate and lead in an increasingly challenging and uncertain business landscape. Given the heterogeneous nature of family enterprise as a topic, the only way for both researchers and practitioners to keep themselves updated and grow is to stay engaged in learning.

Taking a step further, the group was invited to take a quick a poll to consolidate their reflection with key words which participants suggested “collective learning”, “engagement”, “cross discipline insights”, “reading up more about activism”, “divorce matters to entrepreneurship”, “governance and alignment” etc. The diversity of input illuminated the multiplicity of thoughts from each participant which created a unique tapestry and cross-fertilisation of ideas. The conference concluded with thanks and gratitude to all contributing speakers and attendees.



The **INSEAD Wendel International Centre for Family Enterprise (WICFE)** is a leading international resource for family enterprise. Through its research, events and programmes, the Centre is committed to improving long term performance and sustainability of family enterprises.

Find out more:
<https://www.insead.edu/centres/family-enterprise>

Columbia’s Global Family Enterprise Program (GFEP) is a global leader in research, teaching and convening around all aspects of family enterprise – the heart of the world’s economy and society.

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