

# UNLEASHING IDEAS IS HARD WORK

## Innovation in multigenerational families will keep your business relevant

BY KATELYN HUSEREAU

In every generation, there is a need to innovate and continue to move the business forward to create the possibility for continuity. But advancing new ideas can be tricky work within family businesses. Change is hard and becomes more difficult in a multigenerational environment. Still, the risk of inaction far outweighs the risk of change. To put it bluntly, those who fail to innovate, adapt and change to meet customer needs won't be able to survive.

Sure, some businesses are able to get by with the same models of delivery, services, products or approaches. But even with a long-term orientation and the economics to float through years of decline, the business gets stale and you significantly reduce your potential for engagement of the next generation.

In a recent conversation with a NextGen member of a second- (moving toward third) generation construction business, this challenge was clear. The business, currently led by the second generation, was unable to transition into its next chapter. A conversation with a member of the third generation pointed directly at the inability to move toward innovative change.

She shared a few of the key challenges that she faced when it came to her joining the business.

"I can't see myself joining the business, to be honest. First of all, the business just isn't making an impact. I see the potential of organizations that are helping make social and economic impact, and ours just isn't even close to being able to do anything substantial.

"I think a lot of the barrier to change is tied to success," she explained. "My father and his brother are complacent because they've been successful. They feel like my ideas are too outside of the box and too risky."

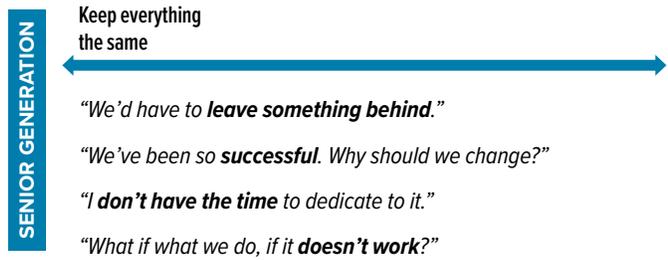
I see this all the time. Companies hold on too tightly to the past (what has made them successful) and fail to take the necessary steps to ensure continued success into the evolving future.

Engaging the next generation and innovating to move the company forward takes effort. Innovation can be the vehicle that helps align interests and taps into the strengths of the next generation. Next-generation members are uniquely equipped because they are willing to try the "new" without being fully immersed in the past.



PHOTO BY STEVE JOHNSON ON UNSPLASH

**The senior generation:**  
Pushes for keeping everything the same



**The next generation:**  
Pushes for doing something totally different



So how do they ultimately come together?  
There are rich opportunities to explore and navigate the interesting ideas that lie somewhere between these polarities — everything changes or nothing changes. Family businesses have rich histories and unique and valuable resources, which makes it important to be intentional about change.

Each family will need to consider the following questions:

- "What feels possible?"*
- "What should be maintained?"*
- "What might the family need to let go of?"*

Cross-generational collaboration can help businesses find the appropriate balance of the current and the new to get to a place somewhere in the middle, where progress and agreement are possible without diminishing potential.

**Innovation creates a pull for managing the tensions, across generations, that might otherwise be ignored**



**COLLECTIVE PULL FOR INNOVATION**



But, as previously mentioned, navigating innovation as a family is a tricky, polarizing tension that families struggle to move through. Next-generation members often express concerns like:

- "If we don't change, we'll get left behind."*
- "Our customers' needs have changed. We have to adapt to meet their needs."*
- "What's keeping us successful now won't continue to into the future."*

And often, but not always, the leading generation is pushing for things to stay the same.

- "It's too risky."*
- "We've been so successful. Why should we change?"*
- "It's what we've always done."*
- "There's only so much time in the day. I have to focus on the business."*

## STARTING THE CONVERSATION TOGETHER

It's important to remember the reason you are doing this hard work. What are your goals? What do you have in common? How do innovation and entrepreneurship support that goal? If you desire continuity, as many multi-generational families do, then that shared goal will support your case for change.

With that shared goal, start to map out where the business is today. The leading generation may be in the best position to share the current view of the business. This can be a rich and relevant opportunity to share the history and legacy of the business.

- What do we do? *Offerings*
- How are we doing it? *Business capabilities*
- Who is doing it? *Leadership and talent*
- Why are we doing it? *Family expectations*

Then think together about where the company could be tomorrow. This should be a generative conversation that doesn't require completely being tethered in the moment to the way things are today. Make it fun and push the boundaries. (Spoiler alert: You're going to land somewhere in the middle, so go big!) If it's helpful, use the same set of topics you used to think about your business today:

- What should we do? *Offerings*
- How will we do it? *Business capabilities*
- Who will do it? *Leadership and talent*
- Why should we do it? *Family expectations*

### The family enterprise's internal "system of stuff"



The real richness for your family is likely somewhere along the spectrum between the current and what's possible. Think creatively about the family's "system of stuff" or its unique set of resources, relationships, existing assets and values that can lead the company into the future. Once you've mapped these out, it's easier to see the space between and make choices about how far to push offerings, capabilities, leadership talent and family expectations.

There are a handful of qualities that can make this work more successful.

1. Allow for creative freedom (both your own and others').
2. Allow for flexible thinking (beyond structures, roles, products).
3. Be OK with and open to a degree of change.
4. Be specific about the "non-negotiables" when it comes to change, and be prepared to make the business case for these things.
5. Most importantly, remember why change is necessary — to increase the possibility of a goal of continuity.

It may sound like a big investment of time and energy to enter into these conversations, but the benefits extend far beyond the innovative and entrepreneurial ideas generated themselves. For the next generation, it provides a deeper understanding and appreciation for what exists today. Through these conversations, the history of innovation emerges and can help reconnect the business, and the people in it, to its entrepreneurial spirit while continuing to strengthen the family and business legacy.

When it works, it really works. I'll leave you with a final case of a family that's managed to navigate innovation. A fifth-generation global family business in an industrial manufacturing industry started over 100 years ago and has managed to keep innovation at its core. The business serves customers in a variety of industries, including apparel, consumer electronics and automotive. The company has continually innovated throughout its history. It's a deeply embedded part of the culture. The current leader of this company, a fourth-generation family member, takes a somewhat extreme approach to innovation and NextGen engagement. He spent a good amount of time being proactive in engagement with the next generation, having conversations about possibilities for innovation and ultimately giving them the foundational understanding of the core resources, legacy and potential. By doing so, he gave the next generation the confidence to help drive change.

He says: "The senior generation has to embrace innovation, realizing and committing to get out of the way as soon as possible so that the next generation can take their turn. If you want it to continue, you have to let the next generation learn."

From his perspective, succession planning is all about working himself out of a job. "The world around us is changing so fast, any change you can implement is for the better," he says. Embracing innovation led the way and deepened their desire to continue in the business. "We give them strategic direction — frame the goals — and they run with it. We continue to innovate collaboratively. My father treated me the same way. He gave me an opportunity to try new things. You can't be afraid of failure at the end of the day. It's about believing in them and giving them space." **FB**

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