



Talking about family: From left, Professor Annie Koh of SMU; James Riady of Lippo Group; Lee Oi Kum of BarterXchange Singapore; and Marc-Antoine de Dietrich of De Dietrich Process Systems

Build a strong family along with the family business: forum

Panellists also warn about complacency in succession

By JOSHUA TAN

FAMILY businesses have to adapt to the changing nature of society, while retaining the emphasis on relationships and values – this was the clear message conveyed through a public forum held at Singapore Management University (SMU) late February.

Philippe and Nan-b de Gaspe Beaubien, co-chairs of the Business Families Foundation (BFF) Board, opened the session with their joint dialogue asserting how strong families build strong businesses, but strong businesses are unable to build a strong family.

As someone who married into the twelfth generation of a family businesses that has existed for around four hundred years, Mrs de Gaspe Beaubien asserts that one should “spend the time to build a strong family, it will pay you dividends, both in the family, and in the business”.

She also emphasized the need for inclusivity, especially with regard to children in-law and grandchildren in family meetings, in order to foster the attitude of commitment and ownership for the family business.

“I’m not talking about a business board meeting or the ownership or shareholders meeting, I’m talking about family,” she said.

This notion of being receptive to all channels of communication in the family business was further echoed by Marc-Antoine de Dietrich, chairman of the supervisory board, De Dietrich Process Systems, who was part of a panel discussion held during the later half of the forum.

Responding to the age-old debate as to who qualifies as family, he stated: “Family is a definition that can be broadened.”

“To us, family is also the employees. If we survive ... it is because today we have tens of generations of employees, and sometimes these are the best advisers to us.”

Panellist James Riady, chief executive officer (CEO), the Lippo Group of Companies, further added: “Family must come first. And it’s not about balance (between family and business), because that suggests a sense of compromise. It’s about integration.”

However, Dr Riady also cautioned against complacency in the succession of a family business, drawing from the wealth of experience that he has, as CEO of a company originally founded by his father.

“Obviously parents want their children to be successful, but success means a lot of things. (Often) success means that they would eventually become custodians of the wealth. Most business families would just give it to them as a privilege... but my father’s done it differently. We do not want to romanticize the whole issue of family business. It is not automatic that they will get it, because they need to prove themselves first.”

The example set by his father, Mochtar Riady, resonates through him and has set a model that he is a firm advocate of.

“If you want to do business, you prove that you are worthy to do that. And when you are, go and build something yourself. Show us that you can do it.”

Dr Riady emphasized that for the next generation who would be eventually assuming ownership of a family business, there is a necessity to prove themselves independently.

His advice to them: “To pursue your biggest talent, go out there and prove that you are a professional. A professional means someone who doesn’t take things for granted, someone who has discipline, someone who takes more responsibility than privileged.”

“And one day when they are already more mature and if their calling and greatest talent is to go into the family business”, then they can do so with greater assurance and confidence in their ability.

But for families with members of the younger generation unable to go into or uninterested in the business, he further adds: “Each one of us has about two or three hundred talents, but to each one uniquely, God gives us one, two or three biggest talents. If your biggest talent is not in business, you cannot compete.. you will not find satisfaction.”

“What is the purpose of the family business? Shouldn’t it go beyond yourself? Beyond just your son, your family? We’ve got to instill a sense of stewardship, a sense of responsibility... to your staff, your employees, your community.”

Dr Riady further stated: “The business should have a vision. And if someone in the family wants to join, they should agree with the vision; I want to bless the company, I want to bless other people, I want to build the nation, I want to do all those things. I want to put my best talents into it and make a difference.” And that difference truly defines a successful family business with a clear purpose.