

# FAMILY BUSINESS FOUNDATION

*In conversation with Founder, Anna Shpak*

## FAMILY BUSINESS

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is the backbone of the world economy, it creates a majority of the world's wealth. Yet Family Business is incredibly complex because it merges personal and professional boundaries, and for Family Business to be successful in the long term, it needs to make decisions that are not only good for the business but also for the family.



## Challenges

### **Protecting human capital - family relationships.**

Many entrepreneurial families are successful because the ownership and management have a strong and unique vision, which is a key competitive advantage for their business. But this is also a key vulnerability, because such dominant or singular vision can unintentionally generate devastating effects on family relationships, and can be a big challenge when it comes to matters like succession and contingency planning.



## Foundations

### **A strong foundation must be built on key values.**

It is important that the business leaders and management embody and nurture such values, so that they become deeply ingrained in the company culture. This applies to all businesses but especially families where personal relationships are also at stake. Company culture is ultimately a business' biggest competitive advantage, because this is the one thing that your competitors will not be able to steal or replicate easily.

**It's important that businesses take the time to closely examine their foundations and take the necessary steps to address any issues.**

**In good times you may be able to paper over cracks, but in a crisis, any weak spots will easily buckle under pressure.**

**Having strong foundations will also help you better manage any future crisis and weather future storms.**

**Businesses should take the current situation as an opportunity to invest in our key assets: our people and our relationships.**

**Many studies have found that resilience is basically the ability to recognize that it is you, not your circumstances, that determine your achievements.**

**Yes, there are negative external events that we cannot control. Like our current situation of course. But we can control how we perceive and react to these events. You can perceive the event as traumatic and allow yourself (or your company) to be traumatized by it. Or you can perceive the event as an opportunity to learn and grow. And how you perceive will determine the actions you take, and the outcome you'll end up with.**

**A resilient leader, a resilient company, a resilient family - these are the ones that take the opportunity to learn and grow.**