Why Families Working Together Need to Develop their Capacity

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Objectives

- Understanding the world today
- Why families need to develop their capacity
- A vertical leadership model
- Ways to develop vertically

The World We Live In Today

1. Innovation
2. Entrepreneurship
3. Family
4. Globalization & Interdependency
5. Technology

Are you grounded or reactive?
**Business Examples of Exponential Change**

**Losers**
1. Blockbuster (An industry created & made obsolete in just a few years.)
2. Kodak (Who buys film anymore?)
3. Airline tickets (Used to be worth the paper they were printed on.)
4. TV Guide (The entire company sold for one dollar.)

**Winners**
1. Airbnb & Uber (Disrupting the cab & hotel industry.)
2. Japanese watch industry (Digital watches aren’t really watches.)
3. Bitcoin (Currency created independent of the government.)

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**Risks To Your Organization**

Reasons for failure to sustain family wealth:
- 60% lack of trust & communication in the family (i.e. cohesion)
- 25% lack of education & development of heirs
- 3% lack of financial/tax planning & investments

Williams & Preisser, Preparing Heirs: Five Steps to Successful Transition of Family Wealth & Value

All leadership development is built on the foundation of self-awareness and empathy and all innovation is built on the foundation of empathy.

- Lyndon Rego, Director, CCL Innovation Labs
Why Being an Agile Leader Is Important Today

Family enterprise trends related to change
10.6% of the families studied controlled only 1 business.
21.3% of the families controlled 5 or more businesses.
Over the history of the families’ business activity, their main industry shifted an average of 2.1 times.

The FFI/Goodman Longevity Study

A family enterprise is all the activities a family engages in together, such as a foundation, a family office, or a business.

How This Impacts Your Family Enterprise

As a leader in your firm, how do you see your family’s enterprise?

Family Business: 1 good business idea might last 3 generations

Family Enterprise: Each generation may need 3 good ideas
A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves.

—Lao Tzu

Leadership Is Changing

• The more complex & interdependent your family, the more agile you, as a leader, need to be
• Just as families realize the soft stuff is the hard stuff, so do great leaders
• Thought leaders (e.g. Harvard) on leadership call “vertical leadership” the # 1 shift in leadership development
• Compare/Define “horizontal leadership” & “vertical leadership”
The No. 1 reason people leave a job is the relationship with their boss/leader.

Character

- **Self-Perception:** How you perceive your actions
- **Character:** Your true self
- **Reputation:** The way others perceive your actions

**Ego**

**Behavior**
Let’s Take an Example

The Four Agilities

1. **Self-Awareness** - Able to have in-depth awareness of your emotions & manage them

2. **Empathy** - Able to deeply empathize with other stakeholders’ perspectives, feelings & needs

3. **Framing** - Able to reframe an issue or problem in terms of stakeholders’ interest, timing & strategy

4. **Innovation** - Able to transform change & problems into valuable results

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Agility With Self-Awareness

*Able to have in-depth awareness of your emotions & manage them.*

- What are my current leadership development objectives?
- Where are my opportunities to use everyday initiatives to experiment with new mindsets & behaviors?
- What can I learn by reflecting on my actions & their consequences?

Example: Do you tend to rush to closure (or procrastinate)? Do you tend to thrive on change (or hold on to what has worked in the past)? Do you tend to be astute with the details & task (but miss the big picture & relationships)?

Agility With Empathy

*Able to have in-depth awareness of what your stakeholders feel, see & want.*

- Who are the key stakeholders?
- What is their perspective on my initiative?
- How can I create greater alignment?

Example: Can you actually feel what the other person is feeling & accept it as legitimate even if you don’t necessarily agree with how they want to proceed?

For example: If someone is defensive & arguing irrationally, can you sense that & move towards what is truly bothering them?
Agility with framing

Able to reframe an issue or problem in terms of stakeholders’ interest, timing & strategy.

• Why is change/improvement needed?
• What is the scope of the initiative?
• What are the intended outcomes/success criteria?

Example: How do you describe a gift between family members, as a tax driven decision or something to enhance people’s lives?

Agility With Innovation/Insight

Able to transform change & problems into valuable results.

• What are the key problems my initiative needs to address?
• What is their root causes? Can I reconcile differing perspectives?
• What solutions best meet all relevant criteria?

Example: How are you framing the next change in your life or in the family?
Concrete ways to develop the 4 agilities

Self-awareness/character:
Feedback: I will ask ___ for feedback related to what my reputation is by __.

Empathy:
I will ask a peer to have a discussion with the intent to listen & understand them. I will NOT give any advice.

Innovation/change:
How might I create “white space” to reflect on myself, challenges I am facing & how to be a better leader (at work & at home)?

Framing:
I will invest time to consider my perspective (self-awareness) & another person’s (i.e. empathy) perspective to have a conversation that I have been avoiding.

Leadership Agility stages – we tend to have a home base

Catalyst (about 5%)
- Mindset: post-heroic & developing a highly participative culture
- Deep reflection (in the moment) empathy, high self-awareness & framing

Achiever (about 35%)
- Mindset: outcome focused, strategist & hero
- More willing to engage & listen to people, growing reflection, empathy, self-awareness, framing & vision/strategy

Expert (about 45%)
- Mindset: problem solver, hero, smartest guy in the room
- Sees people as tools to achieve a solution, shows beginnings of reflection, empathy, self-awareness, framing & vision

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Leadership Agility Stages

Each stage includes the abilities of the stages below

Synergist (about 1%)
- Mindset: Aligns their purpose that benefits others while serving as a vehicle for personal transformation
- Able to access synergistic intuitions that transform seemingly intractable conflicts into solutions beneficial for all parties involved

Co-creator (about 4%)
- Mindset: Leaders collaborate with other leaders to develop a shared vision that each experiences as deeply purposeful
- May create companies of organizational units where corporate responsibility and deep collaboration are integral practices

Three Stages & The Important Applications

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<tr>
<th>Catalyst</th>
<th>Mindset</th>
<th>1. Pivotal Conversations</th>
<th>2. Teamwork</th>
<th>3. Organizational Change</th>
<th>Other</th>
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<tbody>
<tr>
<td>Visionary: “It’s not about me” Leading not doing</td>
<td>Assertive &amp; accommodative, genuinely care about input</td>
<td>Facilitator, open exchange in conversations</td>
<td>Creates participative culture, empowers direct reports</td>
<td>Post heroic Leader</td>
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<tr>
<td>Strategic outcome, leading more</td>
<td>Assertive, accept &amp; initiate feedback</td>
<td>Gain buy in from team &amp; think strategically</td>
<td>Strategies to gain stakeholder gains, analysis of industry</td>
<td>Strategic thinking, innovation Leader/Manager</td>
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<tr>
<td>Always busy doing but exhausted</td>
<td>Lead when absolutely needed &amp; one way</td>
<td>Individual contributor</td>
<td>Company focused &amp; tactical</td>
<td>Manager, NOT leader, avoids feedback</td>
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Real Life Examples

Should we hire a member of the G4?

- Expert – Solves the problem immediately - Efficient
- Achiever – Creates strategy/G2 & G3 crafts a Family Employment Policy (FEP) - Effective
- Catalyst – Shifts culture by having the G4 craft a recommended FEP – More Effective
- Co-Creator – Might redefine an FEP into a Family Engagement Policy into a continuum of opportunities– Effective/Transformative
- Synergist – Might create ways to transform G4, the family & the enterprises - Transformative

Sample FEP

- Must work outside the family businesses for at least 5 years before applying to work at one of the family’s businesses, must be equally or better qualified than other candidates, etc.

Research Shows…

- You don’t skip stages/levels
- You retain capacities you develop at previous levels
- Your agility level can vary throughout the day but we tend to have a “home base”
- “Downshifting” to previous levels can be intentional or unintentional
- It’s about increasing your agility!

Agile leaders are able to shift gears.
Greg’s Advice

Through the Leadership Agility model we use, some avenues include:
- Getting a coach
- Seeking more feedback
- Putting yourself in new environments
- Creating stretch goals
- Meditation
- Creating white space or a time to reflect, process & create

The Top 5% of Leaders

Self-management – the top 5% of leaders tend to have:
- Daily reflective practice
- Daily workout practice
- Creative practice

*Leadership Agility: Five Levels of Mastery for Anticipating & Initiating Change*  
by Bill Joiner, Stephen Josephs
How To Cultivate Highly Conscious Leadership

- Consistently immerse yourself in complex environments (interpersonal, work, educational)
- Consciously engage in life’s problems (e.g., inquiry, deep dialogue)
- Become increasingly aware of and consistently explore your inner states
- Consistently engage in (over a long period) practices that enhance inner awareness (i.e., meditation)
- Hold a strong desire and commitment to grow
- Be open and willing to construct a new frame of reference when difficulties arise
- Cultivate a personality which is open and agreeable (interpersonally warm)
- Use a map of psychological development to better understand the trajectory of your growth (e.g. integral theory; take an assessment to identify your current action logic)
- Consistently engage in dialogue and interaction with others committed to self-development
- Regularly self-reflect in a structured way (e.g., using the specific technique of action inquiry)
- Engage in a transformative practice in which you develop your body, mind, and spirit, and work to clean up psychological shadow issues
- Engage in cross-cultural experiences
- Cultivate an open-minded personality that seeks novelty, is experimental, questions the status quo, and explores the unconventional

MetaIntegral Associates / The Future of Leadership for Conscious Capitalism

Questions? Thank you!

Up Next:
11:45 am - Lunch in Ballroom Lawn

1:00-3:00 pm – Plenary Session, Sekou Andrews D.I.Y. Innovation in Grand Ballroom 7 & 8

8:00-10:00 pm – Closing Reception, Neon Lights + Electric Nights in Sunset Lawn

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