



WIFU_compact_04: Digital Family Management

Government-mandated measures enacted since March 2020 to combat the COVID-19 pandemic have severely affected and to some degree even reduced family management to zero, a matter of great importance to business families. Yet one central function of family management as an essential component of every form of family governance is the steady maintenance of communication within the family circle, including the family members' personal exchanges and interactions. This exercise is of particular relevance in times of lockdowns and social distancing and, with the need to comply with restrictions that vary in content, regional application and from time to time, competence in the use of digital formats becomes crucial.

What can a "family welfare officer" or a family council do?

Those people entrusted with family management have great responsibility, as they contribute decisively to whether communications among a business family are maintained during a pandemic or grind to a halt. Approximately half the participants at digital events hosted by WIFU cited two primary reasons for disruption to or a shortfall in this core competence in family management: firstly, a lack of digital infrastructure and technological competence and, secondly, that the family members responsible were overwhelmed with new tasks and/or could not acquire the skills needed quickly enough.

What particular issues emerged from the COVID-19 pandemic?

In many cases, strong digital communication within the business family remains a desideratum (even in 2021!). WIFU has maintained contact with business families through digital events since March 2020 and, more than once, we have discussed how the level of digitalisation in business families is insufficient. Although businesses rapidly switched to collaboration systems and video conferences, the families involved still lag behind significantly today. As well as the decline of regular communication, activities and meetings are cancelled and postponed with detrimental effect. However, experience has shown that the following content-oriented formats are effective:

DIGITAL FAMILY CONVERSATIONS

These take the form of regular (!) telephone conferences or – even better – video calls. The person responsible for family management organises "online meetings" for members of the business family. Such meetings have no agenda but are central to sustaining interaction between members. Birthdays or other family events may be celebrated digitally in this way, or incidents from the family history could be told in a form of digital history lesson.

DIGITAL INFORMATION LESSON

Unlike the digital family conversation, this format has a clear agenda, for example, sharing news on current business developments, the shareholders' circle or the family community. Information will be provided in advance or afterwards in the form of minutes or a video recording. In addition, discussion sessions in small groups ("break-out sessions") could be organised, or digital surveys conducted among family members on specific topics.

DIGITAL SHAREHOLDERS' MEETINGS OR DIGITAL FAMILY ACTIVITIES

Planned events and activities on the family calendar are moved from face-to-face to online formats. It is important to define in advance the legal basis for formal decisions taken at digital shareholder meetings. Alternatively, verbal agreements reached during the online meeting must be subsequently confirmed in writing by a circular resolution. If new topics are introduced concerning the (extended) development of ownership competencies, or if corporate or family strategy issues need to be clarified, special attention must be given to didactic concepts and the use of interactive formats.

DIGITAL FAMILY PLATFORM

Tested and approved tools include collaboration programmes, cloud solutions, closed intranet webpages for the business family, family blogs or chats accessed exclusively by members of the business family. In this way, family newsletters, reports on the latest developments in the business or within the family, family photos, the written family strategy, video clips of family members, basic knowledge about the family business or the business family, and profiles and contact details of individual family members can be made available to all members online (and ideally via mobile devices).



May there not still be a lack of commitment?

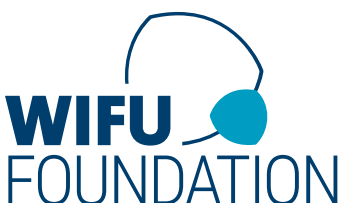
It is certainly important to organise digital family management in such a way that it will not be undermined by the constant background noise of other digital offerings. According to the experiences shared at WIFU events, five aspects are particularly relevant in this respect:

1. Every member of the business family needs to be adequately equipped with technical devices (PC, camera and microphone, stable internet connection). If necessary, family members should be visited at home and supported in setting up their equipment.
2. Intra-familial training or coaching should be offered so that everyone is confident in using the equipment and software. No one should be excluded from digital events through technology-related frustration. Incidentally, this is an ideal field for intergenerational learning, with the younger family members teaching the older ones.
3. Digital family meetings must be held at regular intervals, whether monthly or quarterly, in order to prevent people from becoming accustomed to non-communication within the family.
4. All participants should agree on the rules for their online communication – and stick to them. Talking at cross-purposes is not advisable in telephone or video meetings, and in written chats, it is important to ensure that no unintentional discord arises as this can quickly escalate, especially in the case of disputed topics.
5. Those in charge of organising digital communication should develop didactic competence and steer the digital format. This is important to prevent exhaustion (“digital fatigue”). A variety of approaches already exist, such as time limits (a maximum of 90 minutes of content work, then a 15-minute break); digital walks (with a telephone); small group work with a maximum of five people (“breakouts”) and linking hand and brain in the use of play figures (“serious play”, modelling clay, etc.).

Not all family members will trust these digital solutions

There are legitimate concerns. Companies may become victims of hacking attacks on their IT infrastructure. In the worst cases, unauthorised and criminal access to highly personal data and information about the business family can result in the risk of blackmail or kidnapping. It is not advisable for family members who “know a bit about it” to operate sensitive platforms or use tools in good faith. If the business family does not want to involve the company’s own IT specialists in developing and operating its digital family infrastructure, it makes sense to seek trustworthy external support.

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