

Reflections

By Sarah Hopper, Sound Philanthropy

November, 2013

Dear Friends,

I recently heard a quote from Jim Morris, producer of the film WALL-E and General Manager of Pixar Animation Studios: ***“The real art of leadership is creating a place where people want to belong.”*** It was said in the context of the success of Pixar, a relatively small, yet nimble and innovative company that continues to produce box office hit after box office hit, but its meaning made me think about my work with families. As we approach the holidays, the season of giving and receiving, I want to share some tools and resources that can help you practice the art of leadership as described in the above quote.

I have the pleasure of working with incredible families to help them develop their long-range plans for giving and engaging younger generations in the process. The first and second generation leadership of these families is extraordinary. Their success in keeping the family together, inspired, and happy to be in each other’s company can be attributed to their intentionality, and their investment in the individual development and human capital of their families. Despite their good efforts, there are often challenges in how to effectively bring the third generation into the conversation about plans for succession and legacy.

Engaging the third generation (Gen 3) for the purpose of involvement, family cohesion and succession of business and philanthropy is often complicated by two common obstacles:

- 1. *Gen 3 comes from many branches of the family tree:*** The third generation is made up of siblings AND cousins who come from different households and perhaps even different communities. Not only is this group typically larger in number, but the age span can be considerable and the nuclear family dynamics are diverse – all of which influences and complicates the communication, governance and decision-making structures of the group.
- 2. *Gen 3 is focused on independence and self-identity:*** Given their age and stage in life, they are working to make their own way and establish careers, financial stability and relationships/families. The demands and responsibilities associated with family giving and family business matters can compete with their own priorities. Further, the scale of the family’s entities and resources may seem foreign to their own living situations of trying to make ends meet.

Families reach out to me as an advisor to help bridge these generational divides. A big part of my role is to help the young people discover philanthropy through hands-on grantmaking and learning experiences, and this often becomes a platform for working together in the future in family business and governance.

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But my work with Gen 3 is not only about the process and technicalities of giving. The most difficult and yet most rewarding work is exploring the bigger questions around what it means to be a member of the important families they were born into. One of my goals is to help them start to develop their individual and collective identities ***within the context of the family***. By exploring what makes them unique, they become open to the commonalities they share with others in their generation – developing their collective identity. Their confidence in and ownership of this identity helps them understand and advocate for the positive contributions they can make to their families.

It isn't enough to talk about "passing down" family values and legacy because these are not static. Family values and legacy are living, breathing forces that need to be absorbed and redefined by the next generation as part of their own vision and identity, in order to create that sense of belonging and ownership. The greatest challenges, it turns out, are the greatest opportunities for a family to sustain strength and momentum into the next generation and the future: the diversity of backgrounds and values have potential to enhance the experience of the family as a whole. The need for a separate collective Gen 3 identity – when honored – helps Gen 3 members develop their human capital and gain confidence in who they are as individuals. This happens through a process of intentional investment, and families that embrace this practice this are on a path to successfully creating a place where their members ***want*** to belong. This is true leadership.

Working toward mastering this "art of leadership" is an ongoing process, a way of life, sustained by questions, critical thought and education. To help fuel this process, I am happy to unveil a new portion of my website – a compilation of resources devoted to helping families achieve those critical elements of leadership, as they continue on their own individual journeys of growth, understanding, education and philanthropy. Please click the "resources" button on my website (www.soundphilanthropy.com/resources.htm).

With the holidays ahead and all the family giving opportunities that come this time of year, I hope you will find the resources I've compiled helpful, and even inspiring. The new page offers wonderful information from books, studies, articles, pod casts, etc. Please feel free to share it with others who might benefit also.

Above all, I wish you a happy fall and a wonderful holiday season.

All the best to you and yours,

Sarah

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