

**WINGSPAN LEGACY PARTNERS**

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# **Difficult Conversations**

**Property of Prof. Christina Wing and Wingspan Legacy  
Partners**



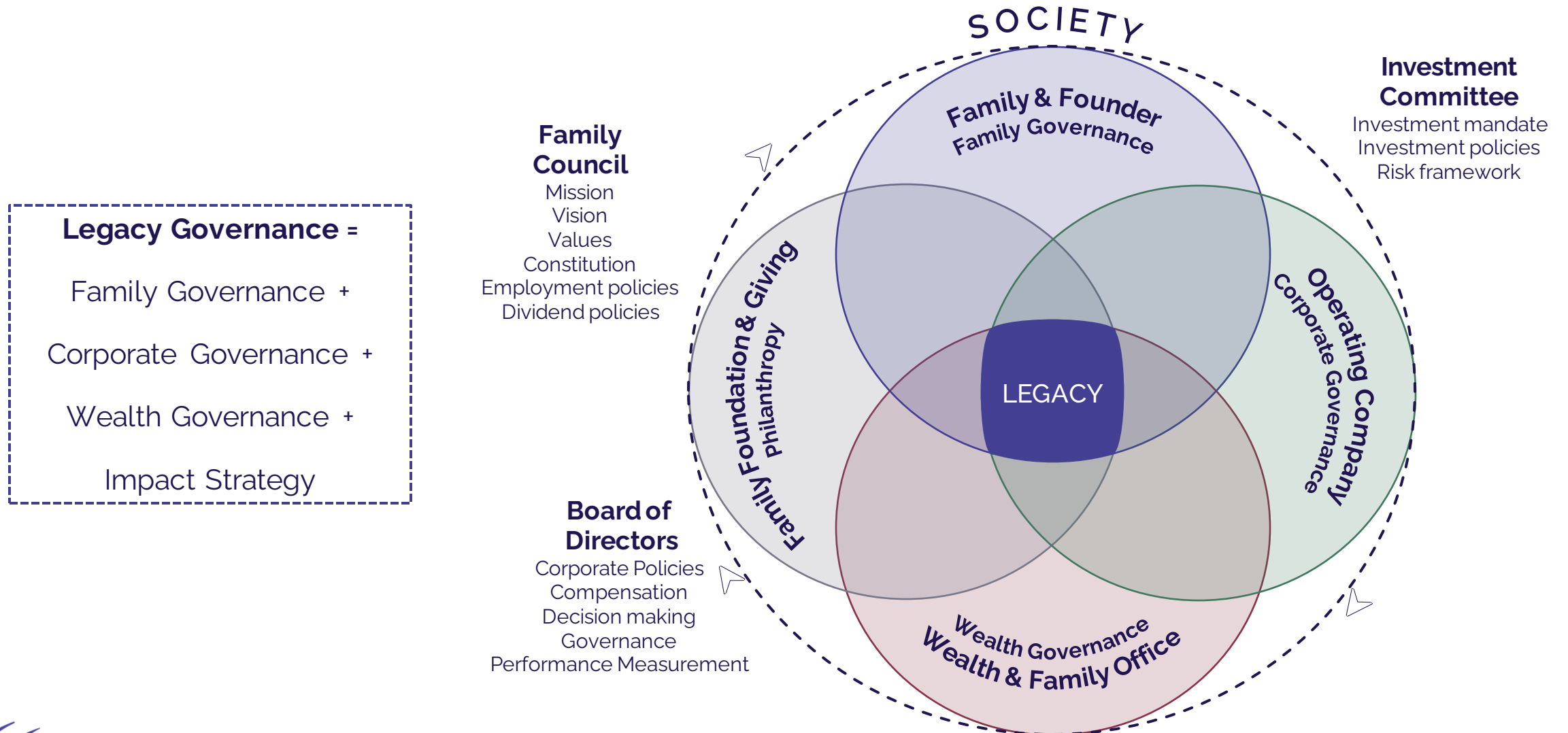
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# The legacy governance model is the scaffolding to support a forever legacy...and requires open, candid conversations

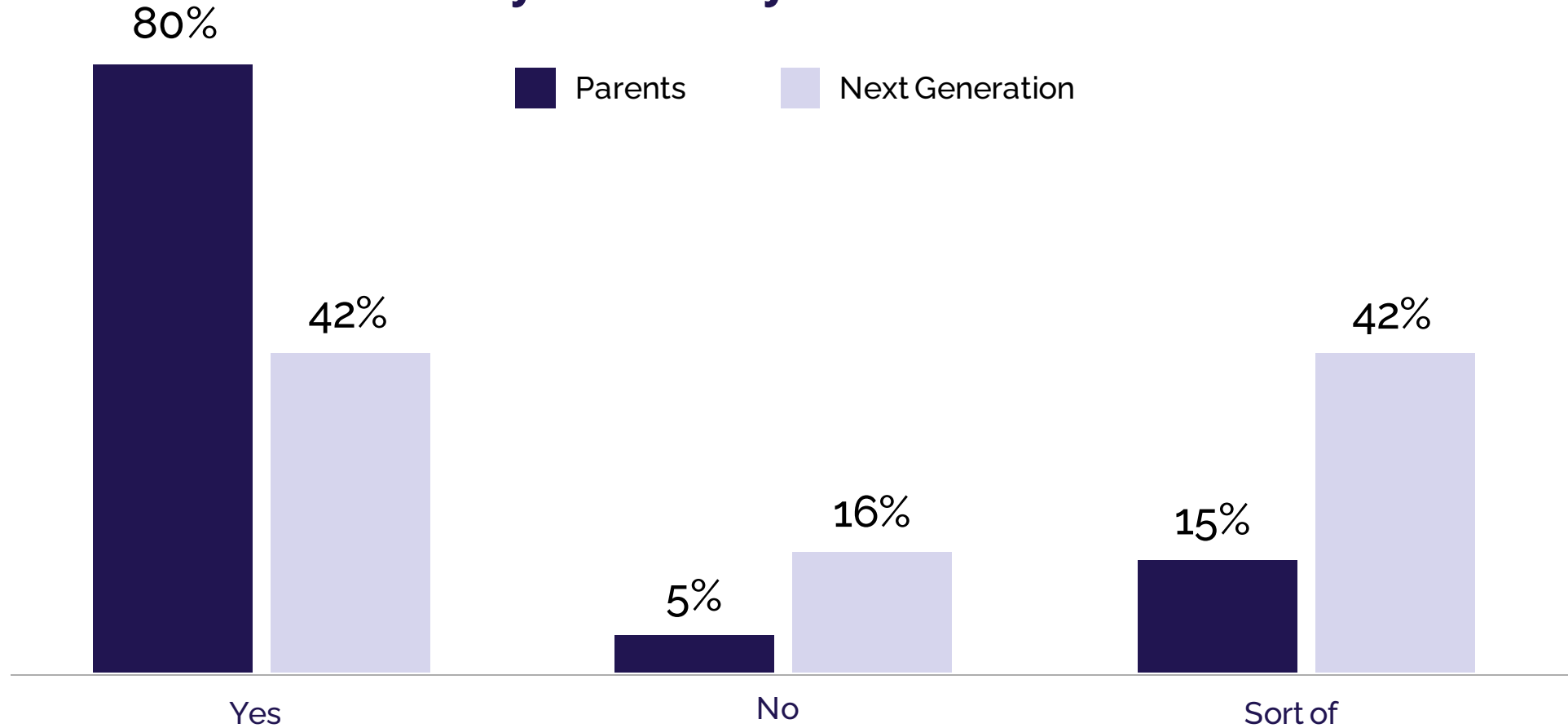


# When business talk gets awkward!



# Effective communication across generations in a family enterprise is critical

## Does your family communicate well?



Source: HSBC Private Bank Family Enterprise Forum

**Do I really have to have that conversation I've been putting off?**



# YES

**Remember, clarity is kindness.**

# Difficult Conversations: Why do we avoid them?

**Power  
Dynamics**

**Cultural  
Norms**

**Relationship  
Strain**

**Avoid Appearing  
Ungrateful or  
Greedy**

**Fear of Conflict  
or Retaliation**

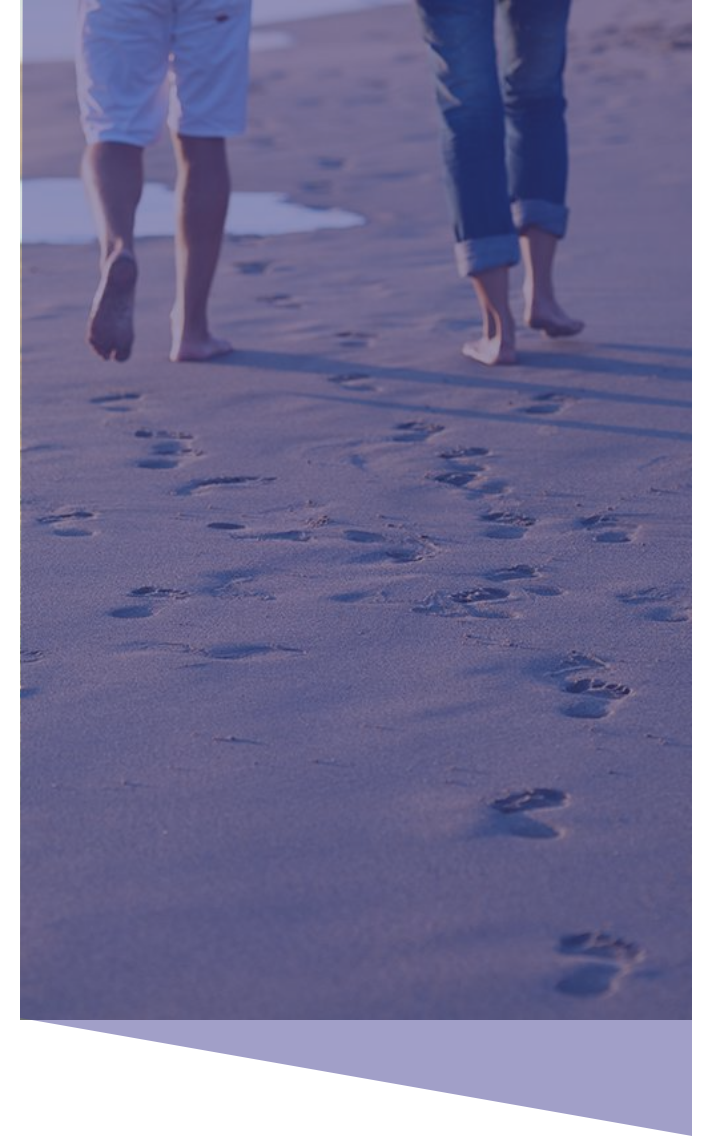


# How to approach Difficult Conversations








# Understanding context is the starting point for a difficult conversation

- Have in-depth conversations with many family members and stakeholders
- Learn the family story
- Learn individual's stories, including dreams, aspirations, frustrations, and challenges
- Identify how the family's goals and individuals' goals are met
- Appreciate the perspectives across generations



# Difficult Conversations: Best Practices

-  Give the other person/people **advance notice** about the conversation (ideally 24 hours or more).
-  Ensure **all necessary parties** are included.
-  Have the conversation in a **neutral space**.
-  **Set norms** for the discussion to enable a healthy dialogue.
-  **Be vulnerable** – expressing genuine emotions will lead to more open and honest communication.

# Difficult Conversations: Best Practices



**Define your ideal outcomes** prior to the conversation, while remaining sensitive to the ideal outcome others may have.



**Be collaborative** rather than combative.



**Compromise** where you can.



**Listen with intentionality – avoid immediate rebuttals** – instead, process the information, and respond accordingly.



**Remember the goal** – to share your perspective and be receptive to other perspectives. View these conversations as a bridge to connection.

# Common family enterprise conflicts to consider



Ownership rights  
versus best  
practices for  
operational  
control



Diversification/  
focus paradox



Family  
employment  
policies



Succession;  
Depth of  
management  
bench

# Key Lessons for Family Enterprises

- Have difficult conversations early.
- Balance the needs of the family and the business.
- Understand what each family member contributes to the enterprise and what the enterprise will return to the family.
- Understand company risk and family members' tolerance for risk.
- Evaluate if the family should continue to keep the family enterprise. If so, are there capable people to run and own it?

# Given the power and importance of family firms, it is imperative to have difficult conversations

## Globally, families in business:

- ✓ Constitute 2/3 of all businesses around the world
- ✓ Generate 70-90% of annual global GDP
- ✓ Create 50-80% of jobs in most countries

## In the US, families in business:

- ✓ Make up 35% of Fortune 500 companies
- ✓ Generate 64% of GDP
- ✓ Account for 65% of employment, 78% of new job creation

# These conversations foster a culture of improvement



**Encourages  
root-cause  
problem  
solving**



**Encourages  
testing new  
approaches**  
**Expects some  
failures**  
**Learns from  
mistakes**



**Truly listens  
(even to  
criticism)**



**Learns from  
experience  
and best  
practices**



**Transfers  
knowledge  
throughout  
the  
organization**



**Invests in  
education  
and people**

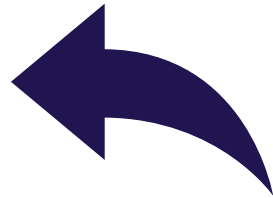


# Key takeaways

- Family enterprises are inherently meaningful, filled with emotion, excitement, and potential.
- Embracing difficult conversations is essential for transforming challenges into growth opportunities, thereby strengthening relationships.
- Let's recognize the value in these dialogues as they pave the way for a brighter and more cohesive future for current and future generations.
- **SO PLEASE, DON'T PUT OFF DIFFICULT CONVERSATIONS!**



**Thank you.**



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