

FOSTERING AN ENTREPRENEURIAL SPIRIT



Key Takeaways

- › One of the biggest challenges and benefits for preserving true family wealth, and in particular financial wealth, is having effective culture in the family that fosters a spirit of entrepreneurship
- › Having a general approach that fosters entrepreneurship is a very important general aspiration but needs to be supported by specific activities such as:
 - › Teaching children about the benefits of entrepreneurial activity from an early age
 - › Giving people the chance to learn through trial and error
 - › Rewarding effort
 - › Fostering a spirit of adventure
 - › Understanding and knowing how to assess risk
- › Encourage experimentation and external experience
- › Inculcate the notion of hard work from early on

Questions to Consider:

- › How can you teach future generations to foster within themselves a sense of value in hard work?
- › How are you rewarding and encouraging the youngest members to become more entrepreneurial?

INTRODUCTION

An effective culture of entrepreneurialism within a family will underpin a series of generations pursuing the creation of wealth and contributing to the family legacy. As important as an entrepreneurial culture is, it is not easy to establish.

Guidance

An effective culture of entrepreneurship in the family can be one of the most important elements of maintaining family wealth but can be challenging to implement. Having family members who pursue the creation of wealth and contributing to the family who also pursue their own goals will lead to a stronger family business.

Business-oriented families are keen to have the right culture and spirit of entrepreneurship in the family. In order to have this culture, an approach that fosters entrepreneurship as an aspiration must be supported by specific activities such as:

- › Teaching children the benefits of entrepreneurship
- › Creating opportunities to learn and fail
- › Reward effort
- › Cultivating a spirit of adventure
- › Being there for your children
- › Teaching them how to understand and assess

How people understand their approach to risk is often developed in adolescence, and it is important for future family business members to have intellectual and structured views of risk and understand that there is no reward without certain amounts of risk. Using examples and shared experience is part of building an entrepreneurial culture. It is also important to encourage experimentation and external experience, as broader experience outside the family translates to heightened confidence in running family business.

Being hard working is possibly the most important quality a person can have when maintaining family wealth. Without a good work ethic and appreciation of hard work for yourself and other people, you will not be an entrepreneurial success. A combination of hard work and accounting, marketing, distribution, and technology skills will allow the family member to be a successful entrepreneur.

While it is important to have specific skills and values, it is important to have a grasp on the big picture. Building the broad culture, support system, will for experimentation, and the ability to be loved in a family even in the event of a business failure as well as the ability to foster these values are hugely valuable to future generations.