

**Okeili&co.**  
Pragmatic Advisors

# The Region's Leading Advisor on Family Business

**Grooming the “Next-Generation” in GCC-  
Based Family-Owned Businesses**



November 3, 2015

**FOR INFORMATION PURPOSES ONLY AND NOT FOR FURTHER DISTRIBUTION**  
These materials may not be used or relied upon for any purpose other than as specifically contemplated by a written agreement with Okeili&co.

Okeili & Co.  
Pragmatic Advisors

Preparing the Next-Generation for taking on a key role in the family business proved to be a daunting yet an inevitable challenge. It is not taught at university and many families seem to leave it to chance to pull it together. Facts and figures on global family businesses have proven the futility of this strategy.

During the Gulf Family Business Council event hosted by Hassan M. Jameel Majles in Jeddah on November 3rd 2015, Akram Okeili, Founding and Managing Partner of Okeili&co, spoke about the importance of taking on a proactive approach towards putting together a 'Next-Generation Grooming' strategy. Such approach can help regional family businesses channel attention and institutionalize family efforts around engaging, educating and developing the Next-Generation family members, in an attempt to promote readiness for an imminent handover along the family business multi-generational life-cycle.

In summary, Akram invited GCC-based family businesses to jump on the bandwagon of taking a pro-active approach towards their Next-Generation and explained briefly Okeili&co proprietary approach to inaugurating an effective 'Next-Generation Grooming Strategy'.

Below is a snippet of the Next-Generation focused dialogue delivered by Akram Okeili:

“To make a long story short, our proprietary approach towards establishing a 'Next-Generation Grooming'

Strategy revolves around addressing four key questions: 'Why', 'What', 'Who' and 'How'. As we finish our discovery efforts on the business family size and breakdown, we kick-off early in the process by answering the 'Why' question:

- Why does the family wish to prepare its Next-Generation family members? The 'Why' question focuses primarily on establishing the family mission towards Next-Generation efforts. Is the family preparing them only to become responsible shareholders? Is the family preparing them to become competent board directors? Is the family equipping them to take on senior or middle management positions? Or is it a blend of all? Are there any other key objectives?

Once the 'Why' question is addressed, the next logical question is the 'What':

- What sort of programs go in-line with such mission? The family mission established above defines the scope of programs that should be offered for the Next-Generation. Building on the findings of Okeili&co latest Next-Generation global research, which our team conducted lately, we learned to put things a little bit more into perspective and group available Next-Generation programs under a handful of themes, which we have derived from our benchmarking efforts. To shed some light on those themes and for illustration purposes, a very common theme among business families is 'Family Unity and Continuity'.

- This theme include programs that revolve around: first promoting family cohesion, unity and continuity, second creating profoundness around family legacy and history and third, communicating family core values. Sample Next-Generation programs under such theme range from family retreats and team building activities to parenting, parent-child communication and other activities focused on the core values of the family. Indeed there are other themes and each theme is focused on achieving a different Next-Generation learning and development objective.

Once the ‘Why’ and the ‘What’ are covered, the next question the family needs to address is the ‘Who’:

- First: who will drive the Next-Generation efforts in the family and second, who should receive the fruits of such efforts? On the first part, the question boils down to framing the driving body. Is it a dedicated committee? Is it handled by the Family Council or is it delegated to the Family Office? There are different models that vary from one family to another based on the size and dynamics of the family. On the second part, the question focuses on defining the target audience. Are we targeting a specific age bracket or all age brackets? We like to draw a more comprehensive picture of the Next-Generation to include all members of the coming generations inclusive of active, non-active and youth members. It is critical to note that the current generation controlling and governing the family asset, has a fiduciary role in ensuring everyone in the coming generations is engaged, because such engagement yields an emotional return that is as important as the financial return especially for non-active

members. Without an emotional return, non-active members will look at the family asset only from the social dividends angle, which will exert ‘an arm and a leg’ gravity on the family business.

Once the ‘Who’ is covered, the final question to be addressed by the family is the “How” .:

- How do we manage and deliver Next-Generation services to the target audience? In other words, what is the Modus Operandi of the driving body? When do the members meet and how do they make decisions? Are we going to remunerate the members for their efforts or not? How does the family plan to finance Next-Generation efforts? What key performance indicators should be set in place to ensure a high Next-Generation Satisfaction level?

In summary, the above ‘Why’, ‘What’, ‘Who’ and ‘How’, if properly analyzed and addressed are critical to inaugurate an effective ‘Next-Generation Grooming’ Strategy, which more likely can hit the nail on the head and prepare the family asset for a smooth multi-generational transition.”

Special thanks to the Gulf Family Business Council and Jameel family for this family business education and awareness opportunity.



For more information on Okeili&co Next-Generation advisory efforts, please write us to [engage@okeili.com](mailto:engage@okeili.com)

The Region's Leading Advisor on Family Business