



Digital onboarding in Family Businesses

The new rules for successful integration

by Alexandra Jequier

Jonathan is a top executive with more than 30 years of professional experience. He worked in leadership positions at several multinational companies and was most recently the COO of a listed group. In the middle of the COVID pandemic, he received an offer to take over the management of a family-run company. His qualifications were beyond all doubt, his appearance in several video conferences was convincing, his vision for the organization inspired the company patriarch. The negotiations were successful, and Jonathan got the job. However, he failed miserably and after six months, he left the company due to irreconcilable differences.

The reason for his exit was an unsuccessful digital onboarding in the family business:

- Some key aspects that are unique to family businesses had been disregarded
- The processes and tools in place were adapted to a traditional in-person environment

Onboarding can make or break the incoming non-family CEO's experience. With a structured integration into the family business together with suitable tools and processes in place, the failure of Jonathan might have been prevented.

This is not an isolated case; the onboarding of non-family talent is a key challenge for family businesses. The necessity to work digitally in combination with the global instability have increased the complexity of the onboarding process.

The key dimensions of family businesses:

In addition to the "standard" company onboarding some specific characteristics need to be taken into consideration when onboarding a family business:



- The family dynamics: the incoming executive must develop a deep knowledge of the history, the patterns, and a thorough understanding of the values of the company.
- The ownership and governance structure: the incoming executive must also develop a sound awareness of the dynamics around the different owners.

The non-family executive must be aware of these circumstances and keep them in mind when making strategic decisions. Therefore, the first onboarding steps must already take place before the executive starts in his/her new role.

The objectives of the pre-onboarding phase are to:

- Ensure the unique culture, values and emotional dynamics of the enterprising family is understood by the incoming executive.
- Be crystal clear about vision, goals and expected contribution in order to succeed and create value in the new role.
- Determine a clear framework of operations: what is the degree of freedom the non-family executive has vs the degree of involvement and power of the family in the business? Which decisions can be taken without consulting the owner?
- Identify where the family business stands on its sustainability journey. Is the objective of the family business to be sustainable over generations or does it go further and embrace ESG principles in order to make the world a better place?
- Create awareness of the unique unwritten rules of the family business: if, for example, the company patriarch always drives to work in an old Volvo, it does not make a good impression if the new guy drives up on his first day in a Porsche.

The new rules of online onboarding – Harnessing the power of technology:

The global pandemic fundamentally changed the world of work, onboarding has to take place digitally in many cases. It remains to be seen how lasting the changes will be. One thing is certain, however: online onboarding has become a new reality. Family businesses must adapt accordingly to remain attractive to top talent.

It is important to understand the challenges and opportunities of digital onboarding:

- Issues: there are no more informal relationship building chats at the coffee machine, the impromptu learning opportunities in the corridors have disappeared. One cannot see the other person's body language, feel the atmosphere. It can be longer and more challenging as a newcomer to build rapport when you can only connect online with people one has never met before.
- Benefits: it is faster to bring together simultaneously people who are in different locations, it is easier to reach out and build rapport with a broader audience and maintain a continuous communication line. One can significantly save time, energy and costs all of which can be re-allocated elsewhere. One may gain quality time for deep thinking and reflection.



Online onboarding requires even more planning and proactivity than traditional onboarding, which can happen in a more “organic way”. How can the non-family executive build trust and engage the family, the owners and the employees when he cannot see them in person?

Ideally, the leader or representative of the family, or the chairperson, should formulate a welcome message for the incoming CEO in a video message for all the employees, clearly indicating that the future CEO enjoys the trust and support of the family.

The non-family CEO could:

- Segment his/her audience, identify who are the key stakeholders in the company and in the family he/she needs to connect with and answer the following questions: with whom should he/she build a one-to-one personal connection? Who can he/she address as a group?
- Customize the frequency of communication in each case: with whom should he/she have a quarterly, monthly, weekly or daily online meeting?
- Adapt the format according to the audience and the objectives: virtual townhall with all employees, frequent video conferences with the chair or whoever represents the family, online workshops for projects, e-learning programmes for specific topics, virtual morning coffee open to all direct reports.
- Strive to integrate the informal coffee chats and impromptu learning moments into the meeting agendas.
- Share a well-structured and transparent process.
- Assign a digitally savvy coordinator to setup and organize all those online interactions.

What does it mean in terms of identifying and retaining the best talent for the family business?

- Family businesses should evolve with this new reality by adapting their mindset, modernizing their leadership and business models in order to remain attractive to top talent.
- Executive search firms should identify candidates who share the same values as the enterprising family and have the agility and potential to:
 - Adapt to the unique situation of the family business.
 - Build trust virtually with all key stakeholders on a one-to-one basis and also in broader audiences.
 - Harness the full potential of online and in person interaction in order to bring the organization to the next level.

Onboarding at family businesses has its unique characteristics and online interaction does not replace personal contact, ideally one should combine the best of both worlds.

In the case of Jonathan, if the key elements of the family business had been combined to a pre-planned online integration programme taking advantage of new digital tools, Jonathan would have stood a much better chance of succeeding as the organization’s new leader.





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