

FOX RISING GEN FORUM™

INSIGHTS & TAKEAWAYS

OCTOBER 27-28, 2019 | JW MARRIOTT | CHICAGO, IL



The 2019 FOX Rising Gen Forum, one of two held this year, provided an opportunity for family members in their 20s, 30s and 40s to meet and build relationships with other members of the Rising Gen community who are in similar situations. The Forum provided a place where they could have the authentic conversations they might not be able to with friends or business colleagues.

Participants learned about family dynamics as a rising generation member and best practices in navigating the unique challenges facing families with shared ownership. The Forum provided a great place to make genuine connections, learn, and bring new ideas back to the family and family office.

The FOX Rising Gen Forum offered participants an opportunity to learn from other families and:

- absorb the lessons and wisdom afforded by a 5th generation family member who built upon a strong family legacy and values to establish a new approach to managing capital and philanthropy.
- hear from members from a 7th generation family as they discussed their recent generational transition, providing a complete picture of the multi-faceted, complex nature of succession planning and transfer of power and control.
- explore how to be an effective beneficiary with a family of engaged and active Rising Gen members as they shared their secret to making the trustee-beneficiary relationship a positive experience for the father-daughter team.
- engage with FOX subject-matter experts in small, round-table discussions concerning governance, leadership roles, family dynamics, direct investing, and effective communication.

AGENDA AT A GLANCE

Crafting Impact

Justin Rockefeller Pg. 2

Generation Succession

Torri Hawley, Nate Imfeld..... Pg. 3

The Engaged Beneficiary: What You Need to Know

Robert Hammett, Stephanie Hammett, Sarah Kerr Severson..... Pg. 4

ATTENDEE FEEDBACK

"[The FOX Rising Gen Forum] is a great place to connect and talk openly about the family business with other people in similar situations!"

"It's a good opportunity to connect with other young folks figuring out how to navigate family and business."

Crafting Impact

PRESENTER



Justin Rockefeller
Global Director of Family
Offices and Foundations,
Addepar



ATTENDEE QUOTE

"Great of Justin to share his story. Great perspective to gain."

—2019 Attendee

"Justin's presentation was inspiring."

—2019 Attendee

SESSION DESCRIPTION

A 5th generation family member from a storied family shared how he learned to blend family legacy and family values to shape a new approach to managing capital and philanthropy, striving for a greater impact in the world. Justin Rockefeller discussed how he brings his expertise in technology, impact investing, and philanthropy to inform not only his role with Addepar, a technology firm, but also to the work of The ImPact, a social enterprise that aims to affect significant social change, as well as through the work of his family's foundation.

KEY INSIGHTS

- One needs a tool belt of resources to effect change. The first element in Justin Rockefeller's tool belt builds upon his family's legacy of capitalism and philanthropy.
- Justin walked the audience through a quick timeline of the Rockefeller family's history of philanthropy. This legacy, he explained, was motivated by the idea that profit and purpose are not mutually exclusive.
- While the family tradition in philanthropy felt daunting, Justin decided to use his role on the board of a family foundation to further explore the intersection of philanthropy and capital.
- Justin's family foundation embarked on an effort to align its investing with its mission, with a focus on values-aligned investing. Values-aligned investing, also known as impact investing, enables investors to generate financial returns that have a measurable social benefit. This dual goal needs the scale and efficiencies of the capital markets to impact global social change in a new way. For the foundation, this also meant looking at the other side of the coin and divesting from assets that contradict or no longer align with the organizations values or desired social impact.
- Justin's work with the foundation led to the launch of The ImPact, a network of families who commit to explore the broader impact of all of their investments and to work to create measurable social benefit. In his work with Addepar, he has created a portal to monitor the impact of a family's portfolio, to track progress, and change.

Generation Succession

PRESENTER



Nate Imfeld

Attorney,
Foley & Lardner, LLP



Torri Hawley

Windway Capital, Next Gen



ATTENDEE QUOTE

"I enjoyed listening to Nate and Torri because they were being very real and I related a lot to what they were saying."

—2019 Attendee



SESSION DESCRIPTION

The speakers explored the good, the bad, and the ugly around succession and generational transitions of power and control within families of wealth. Seventh generation family members discussed their recent generational succession, what prompted the transition, and how they navigated the practical and emotional challenges.

SPEAKER QUOTES

- *"The topic of succession can be a loaded and complex conversation. All succession events involve change and conflict because of the source, and the kinds of conversations that need to be had can create conflict." – Nate Imfeld*
- *"Since the family members do not work in the business, it has transformed from a "business first family" to a "family first business." The purpose of the business is now to support the family, and focus is shifting to how to carry on the business to future generations." – Torri Hawley*

KEY INSIGHTS

- Family members shared the history of their 145-year-old family business which has seen its share of succession, transition, buy-outs, and acquisitions, now jointly owned by five sisters.
- Succession in the family business/family enterprise world is the transitioning of ownership from one generation to another, including the shifting of control and reapportioning of financial benefits between stakeholders. These shifts and changes require families and businesses to prepare for and respond to change.
- Changes brought on by succession can be difficult for a family or family-owned business to deal with while facing death or incapacity, control and power issues, or challenges with their identity and purpose. All of which are navigated through the divergent values and personalities inherent in families.
- The Kohler family's 2016 succession (triggered by the death of the patriarch) transitioned leadership to G6, five sisters leading at the board level and included a buyout of a family branch.
- Throughout the process, there were several major "lessons learned." First, transparency is crucial. Open communication about business matters can surface potential conflict before decisions are made, and can build trust and openness, providing room for compromise.
- Second, respect is essential. It is not the same thing as agreement, but failure to show respect can fuel resentment and bitterness.
- Finally, planning is key. It is never too early to start a conversation about what comes next. The process and discussions are valuable even if the plan isn't immediately forthcoming.

The Engaged Beneficiary: What You Need to Know

PRESENTERS



Bob Hammett
Vice President, Chifam LLC



Stephanie Hammett
Chifam LLC, Next Gen



Sarah Kerr Severson
Partner, Schiff Hardin, LLC

SPEAKER QUOTE

“What do Betty Crocker and Grantors have in common? They both have a recipe to follow for an end result – one in baking, the other in trusts. When you are the trustee you don’t get to rearrange, add, or subtract the ingredients, you get what you get in the box.”

—Sarah Kerr Severson



SESSION DESCRIPTION

Participants learned what it means to be an engaged and responsible beneficiary, and explored the roles and responsibilities of a trustee. They also learned from a father-daughter team about how they make the trustee-beneficiary relationship work, the roles each party plays and how to effectively approach trust-related communications.

KEY INSIGHTS

- A trust is a relationship, not just a legal document and has three key participants/roles in the relationship: Grantor, Trustee, and Beneficiary. The grantor has the resources, intention, and instructions for the trust. The trustee provides the resources to the beneficiary based on the instructions of the grantor.
- With your own assets, you have unilateral control over management, investments, and distributions, and have no “fiduciary” responsibilities to others, as well as little protection from tax, creditors, or spousal claims. With a Beneficial Interest in a fully discretionary trust, you have no unilateral demand rights or control over distributions, but enhanced creditor and spousal protections as well as greater tax benefits/efficiency.
- “Care and Feeding” of Trust Relationships: have clear rules of engagement, including consistent processes, transparent communication, and ongoing dialogue; clear expectations around the “must do” and the “may do” fiduciary duties and powers; accountability for carrying out grantor’s instructions as well as being responsive to current and future beneficiaries.
- Trusts tend to be a sterilized and transactional event, but they are, at their core, relationships where both the beneficiary and trustee need to feel heard and respected. Successful relationships have rules of engagement, and can be friendly, amicable, and transparent.
- The beneficiary also owes the trustee an equal level of transparency. If the beneficiary has concerns, is struggling, or unsure of what the trust is supposed to provide they need to communicate that to the trustee. It is most beneficial to create a predictable process of communication and a stable environment to communicate for both.
- Beneficiary can expect trustees to: invest the trust assets, make distributions to beneficiaries, keep beneficiaries informed, hire/supervise advisors, manage and protect trust assets as well as perform administrative compliance.
- Trustee expectation of beneficiary includes ownership: identify trusts of which you are a named beneficiary, seek understanding of how trusts integrate into your personal lifestyle, seek to align your use of the trusts with your personal goals and have accountability.

Photo Gallery



2020 FOX Rising Gen Programs

To be notified when registration opens for a specific event, please click the city image or title below to receive email notifications.

FOX Rising Gen Dinners

Please join us for a dinner with the FOX Rising Gen community. Open to emerging leaders looking for opportunities to build relationships, have authentic conversations, and to gain action-oriented new ideas.



New York, NY

January 15, 2020



Atlanta, GA

March 12, 2020

FOX Rising Gen Forums

Interactive experiences designed to bring together rising generation family members for learning, peer exchange, and discussion of relevant topics.



**FOX Rising Gen Forum
Spring**

April 3 - 4, 2020

TBA



**FOX Rising Gen Forum
Fall**

October 25 - 26, 2020

Chicago

FOX Rising Gen Leadership Programs

This learning series is focused on educating future family leaders so they are armed with the quantitative and qualitative skills needed to thrive in life, business, and wealth stewardship.



**FOX Rising Gen
Leadership Program**

February 28 - 29, 2020

Arizona



**FOX Rising Gen
Leadership Program**

June 26 - 27, 2020

Chicago

Program topics, dates, and locations are subject to change. For the most up-to-date information, please visit our website at www.familyoffice.com or contact your relationship manager.



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