



**CLOCKWISE FROM ABOVE** UBS Young Successor participants visit the Crossroads Foundation. Annie Koh is the academic director at Singapore Management University's (SMU) Business Families Institute, and vice-president for business development and external relations at SMU. Money K is managing director and global head of Next Generation at Citi Private Bank.

according to Money. The same proportion wish to branch out as entrepreneurs in their own right, he adds, while the remainder hope to follow a different career, such as doctor, lawyer or banker.

Queenie Law is an example of a successor who wanted to start her own enterprise. In her late twenties and educated in both Hong Kong and the UK, she did not simply want to take over her family's property development business. "I have always been very clear that I wanted to do something on my own. I am a very creative person," Law says. She recently launched her own production company.

Still, Law found the UBS Young Successor programme to

be extremely valuable by helping her develop broad skills. "The programme was a great way to prepare myself to be a leader. I learned how to build a great team and how I can take my own vision and turn it into reality," she says.

The programme also helped Law realise that she may be able to use her talents in her family's business after all. Since completing the course, she has become involved in the marketing side of the family company.

#### LONG ROAD TO SUCCESSION

In Asia, many founder tycoons in their seventies or eighties are still actively involved in their businesses. The BFI @ SMU survey found that 62 per cent of founders

believe the current generation should only transition out of management control when they are in their seventies.

"When people talk about the next generation, they think of 20-year-olds. But actually, the next generation of ultra high net worth clients in Asia are in their forties and fifties," says Mark Smallwood, head of franchise development and strategic initiatives for Asia Pacific at Deutsche Asset & Wealth Management.

While the bank runs next-generation information and networking events in New York and Switzerland, it does not hold similar events in Asia, instead opting to meet with clients individually to bring the scope of its global banking



**"WE WANT TO EDUCATE THE NEXT GENERATION: MAKE THEM MORE FINANCIALLY SAVVY SO THAT THEY CAN MAKE MORE INFORMED DECISIONS ABOUT THEIR PERSONAL AND FAMILY WEALTH"**

– Money K, Citi Private Bank

services to their attention. "By virtue of being from entrepreneurial families, they [successors] are very proactive at learning themselves," says Smallwood.

The next generation of UHNW clients in Asia are "already very well-versed with private banking needs and they don't want to sit in a classroom with 20 to 30 other people," contends Smallwood. "They are far too busy for that and far too private."

According to Annie Koh, a professor and academic director of BFI @ SMU, it takes five to 10 years to train up the next generation, but the whole succession process can take close to 25 years.

"To many of the current generation leaders, the most important success factor is willingness to learn," Koh says. "The skills can come over the next five to 10 years of learning. When we advocate the 25 years, it is advocating a journey of transition, developing the next-gen leader while getting the incumbent leader to let go," she says.

"The whole ecosystem and family culture should come together and make sure that the successor gets the opportunities to succeed with confidence."

#### GENERATIONS OF GIVING

There is strong demand for philanthropy-related learning across different generations. "A lot of the second generation and third generation want to give something back, but they want to do this in a professional, structured way," says Citi Private Bank's Money. HSBC Private Bank's programme also includes a philanthropy component.

UBS Wealth Management launched its 20/20 Social Impact Leaders Group in Asia in 2014. The initiative aims to nurture emerging leaders in philanthropy and social

investment by providing expertise and resources, as well as helping with potential collaborations. "It is very exciting," says Lo. "Many clients have asked if they can send their children. We are looking at expanding it outside of Asia to make it a global organisation."

Philanthropy has a longer history in North America. New York-based 21/64, a nonprofit organisation that helps the next generation engage in philanthropy, was established 13 years ago. Initially funded by Canadian-American billionaire and philanthropist Charles Bronfman (an heir to the then family-owned Seagrams liquor empire) with his late wife Andrea, it provides consulting and other services to families and advisers.

It has established several initiatives, including 'Grandstreet', a network for individuals aged 18 to 28 who are, or will be, involved in their family philanthropy one day, and the #NextGenDonors retreat, based on its experience working with 21- to 40-year-olds.

The retreat is designed to enable next-generation donors to become strategic and effective in their philanthropic decision-making, expand their network and inspire them to take next steps in their own giving, says Danielle Oristian York, director at 21/64. For participants, it is "values, not valuables" which motivate them, she says.

According to York, training up the next generation should not simply be about preparing successors to take over the family's business reins. "Our goal for a family is to be able to see that 'involving the kids' does not only mean adding children to an existing system, but rather shifting the family paradigm to become multigenerational – embracing what each generation brings to the table," she says. Ⓜ