

GOOD MANAGEMENT, FAMILY-STYLE

Managing a family business goes beyond analysing numbers to take into account the relationship between members, according to the recent HSBC Private Bank Family Enterprise Forum held in Singapore.

There's a received wisdom that business schools can teach the tenets of how to manage a business, but they can't teach the stewardship of a business.

For family businesses, the makeup of relationships that transcend corporate and blood ties makes the process of business ownership - or stewardship - unique to each one. There are, however, some common truths that are revealed through the stories of those who have arrived at a particularly good recipe for a sustainable legacy across several generations.

Rob Ioannou, co-head of Global Private Banking for South-east Asia at HSBC Private Bank, feels though that, too often, the focus is on business rather than family. "A lot of the families we work with focus on their business and making it successful, which they do well," he says.

"They don't necessarily spend a lot of time thinking about the

dynamics and business circumstances, family (members) can still have dinner together and meet on weekends."

Prof Koh also asserts that businesses demonstrating a high degree of harmony show increased signs of entrepreneurialism and success in new markets or products. But, at the coalface of family businesses, how does the picture look and what are those families getting right?

To be one of Asia's leading hotel and resort chains with four strong-minded family members at the helm would present a challenge at the best of times - though it is clear that the relationships among father, mother, son and daughter are mature, far-sighted and loving.

Father and owner of Banyan Tree Holdings, Ho Kwon Ping, takes a pragmatic approach to family dynamics, and is careful to distinguish between "owning" and "managing" the business. This, he



HSBC Private Bank's Michelle Lau (above, extreme left) with the family behind Banyan Tree Holdings - (from left) founders Ho Kwon Ping and Claire Chiang and their children, Ho Ren Hua and Ho Ren Yung. (Opposite page) HSBC Private Bank's Rob Ioannou emphasises the importance of family dynamics.

management." Neither son, nor daughter, had the conscious desire to join the Banyan Tree business when they were younger, but both recognised the value inherent in ensuring that the next generation is exposed to the workings of the company and their place in the family business.

"Whether they become stewards of, or managers in, the business, they would have grown up within it, so it is truly part of the family," says son Ren Hua, executive director and country head for China, at Banyan Tree China Corporate Office.

Mother Claire Chiang, who is senior vice-president of Banyan Tree Holdings, understood the need for her children to step away, but admits it was a struggle initially.

"We asked, why would you want to turn away? But it's because in entrepreneurial families, children are independent and tolerant, due to the way they were raised. They want to step away to prove themselves - to show they can excel in their field and come back."

And come back they did. Ren Hua

