

This Year's Prestigious Beckhart Award Won by Banyan Co-Founder

Marion McCollom Hampton, Senior Partner and co-founder of Banyan Family Business Advisors, is this year's recipient of The Richard Beckhart Award, established by the Family Firm Institute to honor a founding member of FFI who has made a significant contribution to improving practice in the family business field. Banyan Director of Client Communications, Diane Coutu, sat down with Marion to talk to her about life on the cutting edge of the family business field, and about her contribution to the field.

You've been active in the family business field for almost 30 years. How has family business advisory work evolved?

That question brings us back to creation of The Beckhart Award, which is named for eminent MIT organizational psychologist Richard Beckhart who, with his wife, clinical psychologist Elaine Kepner, led a small group of pioneers who founded the field of family business. At the start, the field was defined primarily by professionals in the behavioral sciences because this is the group that really first noticed the challenging dynamics in business families. They wanted to improve the way these families functioned.

Because the legal aspects of ownership were central in family companies, the field was multi-disciplinary right from the start; "best practice" was defined as bringing legal expertise to bear on governance and succession issues. However, the practice focused primarily on family relationships and succession planning. What has changed over time is that family business advisors have moved beyond an exclusive focus on the family.

Isn't the family still the most powerful influence defining the particular challenges in family business decision-making?

Yes, absolutely. However, now there is a fruitful opportunity to bring business strategy into client projects, so that the work is truly and deeply interdisciplinary. This is where Banyan is at the cutting edge. We have behavioral sciences and legal experts, but we also have partners with serious expertise in corporate strategy. And these new team members are shedding new light on the business decisions that family business owners must make together.

Placing a greater emphasis on family business strategy is one of the new and exciting things that is happening in the field. The second big change is the shift from focusing on family *members* to focusing on family *owners*.

Why is this important, if the owners are also family members?

Because family businesses succeed or fail based on how well the family *owner* group can make decisions. Can the owners communicate effectively with one another? Are they aligned about what they want out of the business? Do they support good governance practices? Can the owners make conscious decisions about how they allocate capital among the various holdings in the family portfolio, where the business might be just one of several entities? The family is important, but the family (including spouses and children) doesn't make the shareholder decisions.

How did Banyan come to focus so much on owners?

It seems obvious now that family advisors should center their practice around the owners, but that wasn't clear to me until just a few years ago. It came about because we invited fresh sets of eyes into our practice: our new partners came steeped in their experience at Bain, at BCG, at Goldman, at CEO positions in a variety of established and start-up corporations. They asked great questions, and they noticed new things.

For example, they noticed that that the group we typically work with is the family owner group, and that this group needs to be aligned in order to make sustainable business and financial decisions. Once we started to talk about this perspective within Banyan, we committed ourselves to building new intellectual capital, which has improved our practice with our clients and which we hope will strengthen the family business field more broadly. Unlike almost any other family business advisory group, Banyan brings a deep understanding of owner and business strategy to the client, and can integrate these perspectives into our work.

If Banyan is shrewd enough to recruit partners from the large consulting firms, why shouldn't family business owners go right to the big firms for help on strategic matters?

Because those large corporate consulting groups do not want – and do not have – the capability to deal with families. It's inefficient because it is hard to design a “product” that applies well in all family business environments, which are monumentally complex and highly charged emotionally. Banyan and other family business advisors work with a high-touch model, where senior people deal directly with the clients. We can't put a team of junior analysts in to do the work.

Also, as we know, strategy questions in family companies are essentially linked to family dynamics, to the legacy that the family carries, to the different financial needs and concerns of the individual owners. What we have learned is that putting the family issues together with the business analysis piece is what produces the “aha” moments for the owners. And BCG or McKinsey cannot do that integration, which has been an essential element of the family business practice from the beginning.

You have been singled out personally for the Beckhart award. What do you consider to have been your greatest accomplishment in the field of family business?

I'm honored to be joining the group that has received this award in the past. I am certainly proud of the research and writing I have done, particularly my co-authorship of *Generation to Generation*. But I feel especially satisfied with the work I have done to help build the field: working with the Family Firm Institute in a variety of roles, mentoring newcomers to the field, developing training programs, and most recently and most important, co-founding Banyan, a firm I feel will change the character of family business advisory work.

The Beckhart Award singles out one person, but this has always been a field about collaboration. Our clients benefit from our ability to work with them and with our team members in collegial and mutually respectful ways. We learn from each other, and we learn from clients, and we pass that learning along. That is what I would like my legacy to be.

What is your hope for the field of family business, Marion?

My hope for the field is the same hope that I have for Banyan: that it grows, that it improves, that we reach more client families, and that we keep learning. I want us to grow a new generation of family business advisors who are smart and kind and competent. and who can work with the complexities of families. as well as the business

competent, and who can work with the complexities of families, as well as the business and the ownership challenges. This is my hope.

Ultimately, I want family business clients to be well served. I want these families to be able to continue their companies, if that's what they want, so they can continue to be a positive presence in their communities. I want our clients to feel proud of being able to function effectively as owners and as healthy families. And I want to reach more of these families, so that they can benefit from all that the field has to offer.