

MANAGEMENT

LEADERSHIP

NZ students win contest for future business leaders

University of Auckland scoops top prize at Asia Pacific Business Case Competition in Hong Kong

Staff Reporter

The University of Auckland scooped the top prize at the annual HSBC/HKU Asia Pacific Business Case Competition, after an intense three-day contest aimed at nurturing future business leaders.

The competition, organised by the University of Hong Kong and now in its eighth year, brought together undergraduate students from 24 universities in 18 countries this week. They were required to come up with solutions to real-life business cases provided by HKU's Asia Case Research Centre.

slides and a projector, presented their ideas in 20 minutes.

The winners – Alex Churchill, Kandarp Dalal, Brittany Rea and Nathan George – will take home a cash prize of US\$10,000 for their comprehensive strategy named “fix and capture”.

“This competition has taught us to approach an Asian market from a very different perspective and with a very different strategy to the way we would have done a Western one,” said team spokesman Churchill, a fourth-year student majoring in law and commerce.

Aspiring to a career in law, investment banking or consulting, Churchill said the experience in the competition had now also made him consider a stint in the retail industry.

Hong Kong Polytechnic University scored first runner-up honours with a prize of US\$5,000. University of Philippines Dili-man and Universiti Brunei Darussalam notched up second runner-up and fourth spot respectively with US\$2,000 and US\$1,000 cash awards.

“I was extremely impressed by the teams and the ideas they presented. All of them did a fantastic job. The suggestion I have for them is to look at practical aspects when they try to run through significant changes in an organisation, which is not an easy task,” said Liu Che-ning, co-head of Asia-Pacific banking at HSBC and one of the judges.

HKU president and vice-chancellor Peter Mathieson said: “University education is not just about being a bright student in the classroom. As future leaders, you need to have broad perspectives, solid understanding of governments, local businesses and interconnectivity worldwide.”

DISPUTE RESOLUTION



THE TEDDY BEAR SOLUTION TO FAMILY BUSINESS CONFLICT

\$10,000
The cash prize taken home by the winners for their 'fix and capture' strategy, in US\$

In the finale yesterday held at HSBC headquarters, four teams, each with four students, were given a case on New World Development. Cut off from internet access, the contestants had 2½ hours to design and draft marketing and growth strategies for the Hong Kong property developer.

The task was framed in the context of Hong Kong developers' souring public image, rocketing property prices and sweeping challenges facing bricks-and-mortar shopping malls in the e-commerce era. The students, armed with marker pens, plastic

WEEKEND PICK-ME-UP

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HUMAN TRAFFIC

MAGAZINE
BOUGHT & SOLD - In the first of a two-part series on modern-day slavery, Sarah Lazarus talks to some of the activists who will be speaking at the inaugural Trust Forum Asia in Hong Kong this month.
NO MORE HEROES - Swedish director Ruben Ostlund's latest film, Force Majeure, about a father who abandons his family to an avalanche, raises unsettling questions about society's expectations.
REVIEW
COVER STORY - Indian director Satyajit Ray's groundbreaking films in the Apu Trilogy rise from the ashes in a new restoration.
PICK IT UP ON SUNDAY

Control of the business and next-generation careers are two issues that need to be openly addressed or they risk becoming a source of conflict

Randel Carlock and Loh Keng Fun

We all know that maintaining social harmony is a dominant Asian value. But the reality is that many Asian family businesses struggle with conflict. Just look at the public disputes within the Ho family of Macau, the Lee family of Samsung in South Korea, the Wang family of Formosa Plastics in Taiwan, the Kwok family of Sun Hung Kai Properties in Hong Kong and the Ambani family of India. Their attempts to complete leadership and ownership transitions are more enthralling than soap operas.

So why this apparent disconnect between what the families value and what they end up doing? And how can a teddy bear help? The answer to both questions – as we shall see – has to do with communication.

Unless two critical family business issues, control of the business and next-generation careers, are openly addressed, they risk becoming the source of conflicts that destroy the business and family relationships.

Disagreements over control of decision-making are inevitable during generational transitions, so when honest communication is avoided, family members do not develop the trust that supports harmony. As a result, emotions explode and relationships are destroyed. In many cases, these dramatic conflicts destroy the family legacy with costly litigation or by diverting attention away from running the business.

Broadly speaking, there are two kinds of human behaviour: espoused (what we say we do) and enacted (what we actually do). Asian business families strongly espouse harmony but most of them do not communicate, which means that trust and authentic harmony are not developed. In addition, emotional barriers are built between family members and, since no one wants to upset the system, tough issues are not addressed. Critical decisions are neither discussed nor debated, so compromise or consensus cannot be reached.

The trust that supports enacted harmony requires open communication: saying what you mean and listening actively to encourage sharing new options and empowering the next generation to work together. This needn't change the family's power structure. Communication is about engaging others and sharing information: how we plan and make decisions, not who makes decisions.

Based on the experience of families we have worked with, here are some benefits you can expect from using open communication to create authentic harmony:

- More cohesion – grown-up conversations foster adult relationships based on mutual respect that builds cohesion;
- More action – the family becomes more willing to take risks and be proactive in dealing with issues;
- More acceptance – differences are seen as opportunities to learn about and negotiate roles and authority; and
- Better results – the family can discuss and act on its core values, such as continued family control and ownership.

It is easy to suggest that business families use communication to strengthen their feelings of family harmony but how do you do it in the real world? Our team at INSEAD has developed a family meeting process that works in every continent and culture.

A well-planned family meeting offers business families an opportunity to practice more productive communications based on sharing information and listening to each other. When a meeting is well run – with guidelines on how to behave during it – business families can learn to work together to support more effective decision-making and problem-solving.

Another happy outcome is that the meeting becomes more interesting and enjoyable, encouraging all family members to

become engaged. Here is how you can achieve it:

- Start the family meeting with social time. The natural tendency is to focus on getting down to tasks, instead of connecting with each other. Families are about relationships, so make this the priority. Check in with each family member and allow the time required for reconnecting;
- Develop a statement of shared values and a code of conduct – and post them in the meeting room. Review your shared values and code of conduct at every

In many cases, these dramatic conflicts destroy the family legacy with costly litigation

meeting. Displaying the code of conduct in the meeting room also helps ensure that the agreed behaviours become a part of the meeting;

- Bring a teddy bear. We use teddy bears in our family business executive programme at INSEAD to help teach communication and encourage group members to speak one at a time. Only the person holding the bear gets to talk. We like teddy bears because they add a human touch that encourages playfulness;

● Practice deep listening with the goal of understanding – not refuting – each other. A simple guideline is to demonstrate caring and acceptance of different opinions, rather than criticising or challenging by interrupting, correcting or arguing with one another;

- Rotate the meeting chairperson – and it doesn't have to be a senior family member. Businesses have clear hierarchies but a family of adults needs to learn to share control, with the senior generation focusing on empowerment and transmitting values and the next generation focusing on organisation, leadership and consensus building. Letting the younger generation lead meetings with the seniors speaking last (or at least less) creates a very different family dynamic; and
- Distribute a written agenda before the meeting. Discuss the agenda and agree on timing for discussing each point. Allocate 50 per cent of the meeting time to dialogue (talking and listening) and 50 per cent for decision-making and planning action. Unfinished business or new topics should get “parked” for the next meeting agenda and not hurriedly discussed without preparation or thought.

Our work clearly demonstrates that meetings where the entire family gathers together can be difficult to orchestrate, especially when important family business topics are addressed. But they are also powerful tools to facilitate authentic harmony and build commitment. Most people want to contribute to their family's shared success, so creating an appropriate platform for them to do so is an important step.

Ensuring time to talk and listen in a personal and heartfelt way can greatly enrich these meetings. We offer complete explanations of family business planning and governance in our book *When Family Businesses are Best*, in English and Chinese.

The 21st century is a new era of global opportunities for Asian family businesses. Family-owned businesses have a competitive advantage – provided they are aligned by authentic harmony. All family businesses face tough problems and big decisions that have the potential to create explosive conflicts. The good news is that families who learn to communicate effectively can address these conflicts with agreements and plans, not power and politics.

Professor Randel Carlock is Berghmans Lhoist chaired professor of entrepreneurial leadership and the founding director of the Wendel Interpraise Centre for Family Enterprise at INSEAD. Loh Keng Fun is a family wealth adviser



Hong Kong's Kwok brothers (above) and Macau tycoon Stanley Ho's family (below) have struggled with conflict. Photos: Dustin Shum, EPA

