

A FORMULA FOR SUCCESS AND
SUCCESSION:

THE FOUNDER'S MENTALITY

中国离岸
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THE WEALTH DILEMMA

Creating wealth is difficult. Maintaining that wealth through the generations is even more challenging.

Your formula for success is unique, based on your vision, values, and instincts.

How do you ensure that your children, and their children, are equipped to capably carry on your legacy?

THE ANSWER: THE FOUNDER'S MENTALITY

The value system that connects the family, business and wealth in a way that enables stronger family governance and smoother succession.

A framework to help the next generation understand the vital elements behind the family business's success, and position them to understand and appreciate the Founder's values and vision.

Businesses that are founder-owned and -led:

- have alignment between stakeholder and shareholder interests;
- are proven to outperform competitors;
- tend to be more innovative and customer-focused; and
- are better generators of shareholder value over the long term.



Owner-investors
'on the pool deck', with no involvement on a weekly or even monthly basis.

Owner-strategists
'on the bridge', making strategic decisions about direction.

Owner-operators
'in the engine room', intimately involved in the day-to-day running of the business.

Teach our children about framework

**Don't just invest...
co-invest!**

WHY DO WE NEED TO DIFFERENTIATE OURSELVES TO BE SUCCESSFUL?



“From an early age my mother told me that there were so many of us that if I was to get anything in life I would have to get it myself. So I did.”

“There are three things that as a businessperson you have to do to get it right. First, you have to differentiate yourself in the market place. Second, build the best reputation possible. Third, really and surely address customers' needs. That's what you need if you want sustainable success.”

- Michael Lee-Chin

If we don't differentiate ourselves, we're just a commodity, and we cannot become successful professionals by being a commodity.

THE FIVE LAWS THAT GUIDE THE FOUNDER'S MENTALITY

1. Own a few high quality businesses
2. Thoroughly understand these businesses
3. Invest in strong long-term growth industries
4. Use capital prudently
5. Hold these businesses for the long run

THE TEN CHARACTERISTICS OF WEALTH-CREATING BUSINESSES

1. Owner of the business is also the Operator of the business;
2. Ownership is heavily concentrated;
3. Key stakeholders are personified in the company and vice versa;
4. Autocratic management style;
5. Entrepreneurial management style;
6. Low turnover in management positions;
7. Symmetrical risk and reward for management;
8. Business set goals for the long term;
9. Board focus on growth; and
10. Value of the business is based on fundamentals: sales, market share and margins

Founders innovate

Founders are committed

Founders create lasting value

Founders care about a sustainable future

THANK YOU

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