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REFRAMING HISTORY
THE NEW DIPLOMACY

FAMILY FORTITUDE

KLOPP'S GOALS SUCCESSION SUCCESS

END OF THE DYNASTY?

AUTONOMOUS ENTERPRISE

To shape your future, own your history ... however uncomfortable

After the controversy surrounding rap star Ye's anti-Semitic comments, the sportswear giant adidas found itself under the spotlight for historical links to the Nazi regime.

Lindsay Krasnoff explains how a legacy company can reframe the narrative

The anti-Semitic remarks in October by Ye, the Grammy-award winning artist once known as Kanye West, had a multidimensional ripple effect that placed the history of one of his business partners, adidas, in the spotlight. In its delayed response to Ye, the German sportswear giant, a family business, allowed space for its past links to the Nazi regime to be placed anew under public scrutiny. The predicament of adidas is not unique. According to an August 2020 study conducted by The History Factory, a brand heritage and archive company, 76% of C-suite leaders know that some of their businesses' practices of earlier eras would be considered problematic by 21st century values and principles.

Yet the adidas example provides a teachable moment, not just for family businesses but for heritage brands and companies of all shapes and sizes. It emphasizes the importance of having, and using, a business history and the benefits it can bring, as well as the caveats about not properly thinking through the complexities that such institutional knowledge presents, both internally and externally.

WHAT IS A FAMILY BUSINESS HISTORY?

A family business history, like any institutional history, serves a multitude of functions and is a vital piece of knowledge. It is constructed from

archives, including print and digital documents, internal publications, and oral histories as well as external communications assets that capture the decision-making processes, the evolution of policies, practices, and branding, periods of change, and more. Typically, business histories are compiled and written by a trained historian. Independent historians are well positioned to synthesize and analyze materials to produce a neutral, unbiased account. But some businesses employ an in-house historian to continuously archive material and add to the historical record, which brings with it the benefit of understanding the family and internal dynamics.

While family business histories produce a wide range of outputs from internal publications to externally facing books, timelines, digital histories, storytelling, and more, their importance and relevance as useful tools remains constant.

MORE THAN MEETS THE EYE

Most people recognize the allure of using family business histories in marketing, branding, and external storytelling, but their most impactful uses aren't always as immediately obvious. Jason Dressel, The History Factory's Chief Executive, notes how such organizational memory can benefit decision makers. "They use it as a resource to help inform strategic thinking, to learn from mistakes, and to use as a communications tool," he said.

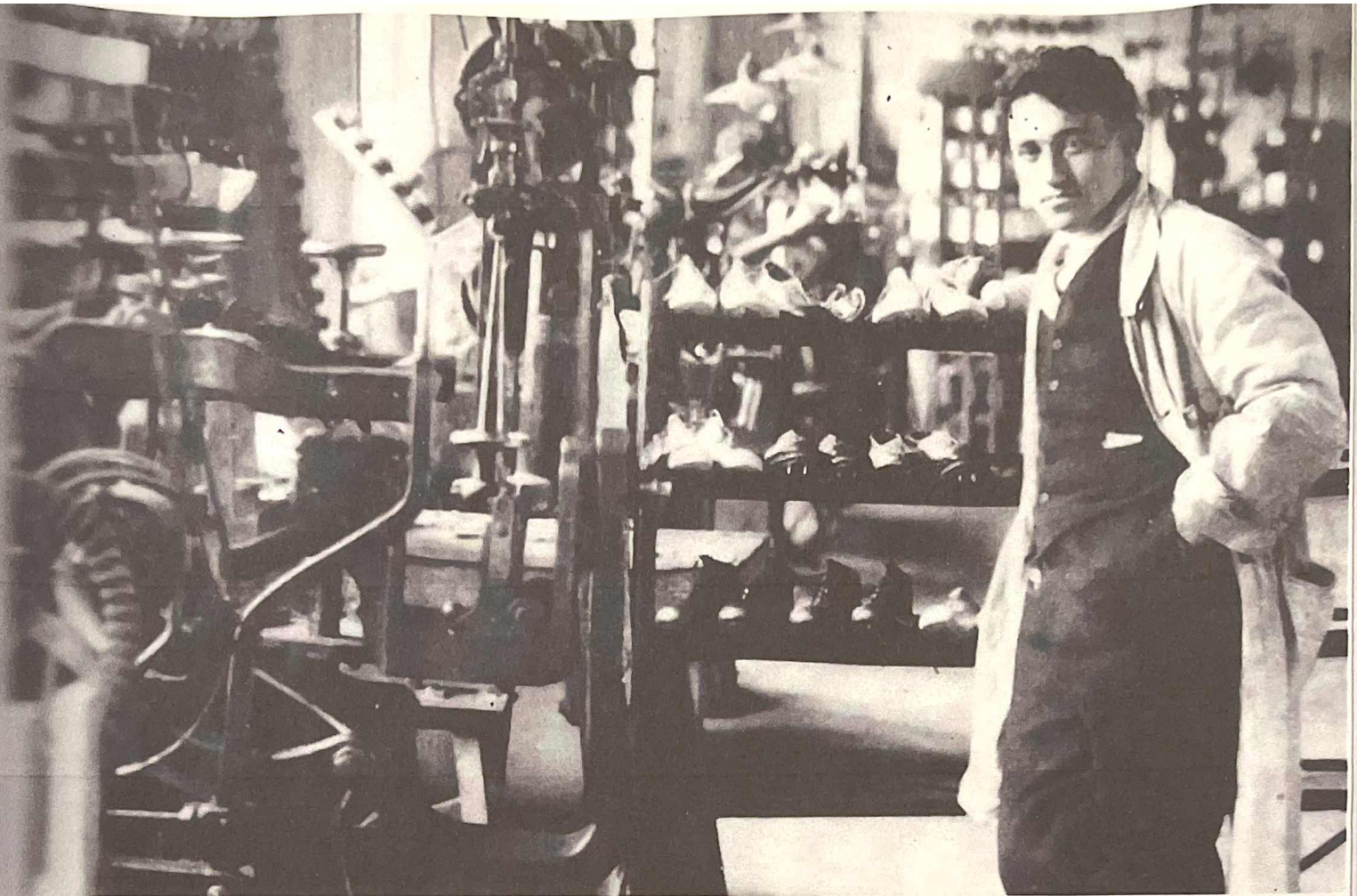
"There are lots of unique nuances for an organization that is family-run and how they think about that history and what it means to the organization." But they can also be used to help guide an organization through a period of change, too. "They come to us because they are going through periods of tremendous change and they want to use history and heritage either as a source of continuity or as a source of inspiration," Dressel explained.

This is especially the case when companies launch new purpose initiatives. According to Dressel, using a business history to look inward can validate the decision to focus on specific issues. It helps to "make sure that they're staying tethered to fundamentally who they are," he said.

Organizational memory can help leadership plan succession and legacy management to set up the next generation for success. Through inward retrospection, decision makers can build better balances between stewardship and strengthening the organization, between celebrating legacy while leaving space for the next generation to leave a mark.

Family business histories can also serve as a strategic tool to help bind the family together, Dressel says, particularly for large organizations that are several generations deep into family ownership. "Not everyone has that sort of direct connection to the first couple of generations that were building the enterprise," he explained. "The history can be a powerful tool to keep the family together."

Yet, Dressel notes, most successful family business histories do not place too much emphasis on the family itself. "Making sure that you are really



Adi Dassler, co-founder of Adidas, in the company workshop in the 1930s. His Nazi links have been highlighted in the wake of the Ye controversy

'Instead of having a printed book or a static display mounted on the wall, Next Gen leaders tend to think creatively about how to tell and retell their family business stories'

Gretchen Krueger

balancing the role of the family in that enterprise with the broader kind of context of the organization is key," he said.

Another best practice is to keep proportionality in how different characters in the family business story are portrayed. "From an internal perspective, it may be tough for employees to be able to identify with a family member, particularly a family member who may have essentially been born into a position of tremendous influence and power," he pointed out.

NEXT GEN LEADERSHIP

Family business histories are not new phenomena, nor is there a sudden spike in compiling such documentary histories. But what has changed is how they are being used and why. First, there's an evolution in the stories used to inform the larger history. According to Dr Gretchen Krueger, Senior Historian for Wells Fargo's Wealth and Culture Services, it's a gradual evolution, but one increasingly influenced and mirrored by the broader changes within societies.

"I've noticed a shift in the voices included in family business histories," she said. "This new generation of histories and historians often rely not only on executive leaders within a business but also employees across diverse roles who contribute to the story in different ways."

In her experience, this can mean integration of factory floor worker or delivery route driver stories to better acknowledge and recognize a more inclusive alternative to C-suite-centered narrative.

Moreover, Next Gen leadership is shaking up how family business histories are captured. "I'm energized by Next Gen leaders' use of multimedia to capture and share family business histories," Krueger said. "Instead of, or in addition to, having a printed book or a static display mounted on the wall at corporate headquarters, Next Gen leaders tend to think creatively about how to tell and retell their family business stories." They do so by mixing up the ways the business histories are used in different types of storytelling, making use of the flexibility that digital platforms, multimedia, and interactive tools provide to empower storytellers. According to Krueger, this allows both clients and consumers to better interact with and learn from interest-specific angles of the business.

Businesses are no longer relying solely on internal employees to help relay the story. "Some also invite a variety of storytellers, authors and editors into the process to help create and curate their stories," she said. This has the value-added benefit of collaboration and teamwork, cultivating new perspectives on the family business and its history while fostering »

The Baltimore Sun says sorry

A front-page apology issued in February by the board of the 185-year-old Baltimore Sun newspaper read in part: "Instead of using its platforms, which at times included both a morning and evening newspaper, to question and strike down racism, The Baltimore Sun frequently employed prejudice as a tool of the times.

"It fed the fear and anxiety of white readers with stereotypes and caricatures that reinforced their erroneous beliefs about Black Americans.

"Through its news coverage and editorial opinions, The Sun sharpened, preserved and furthered the structural racism that still subjugates Black Marylanders in our communities today. African Americans systematically have been denied equal opportunity and access in every sector of life – including healthcare, employment, education, housing, personal wealth, the justice system and civic participation. They have been refused the freedom to simply be, without the weight of oppression on their backs. For this, we are deeply ashamed and profoundly sorry."



new networks. But, in Krueger's experience, Next Gen leaders are further shaking up how family business histories are used and thought about. "[They] also tend to challenge the idea that history is only about the more distant past, from founding to the naming of the current leader or last significant product launch," she said.

"Specifically, they see history being made today and recognize the story as an asset – as one that needs to be continued to be told. It is an ongoing opportunity and one with evergreen purpose, rather than a task done to mark a milestone anniversary."

SURMOUNTING THE CHALLENGES OF PAST PRACTICES

But what happens if, as the news recently reminded the world about adidas, the family business engaged in practices that would be considered unethical or problematic by 21st century standards? Of the 76% of C-suite executives who understood their company had to confront this challenge, as per The History Factory study, just over a quarter of responders indicated that they felt well prepared to tackle and navigate those issues.

It's an understandable concern, and one that Dr Sarah Federman, an expert on corporate atonement for historical transgressions, and an Associate Professor at the University of San Diego's Kroc School of Peace Studies, encounters regularly.

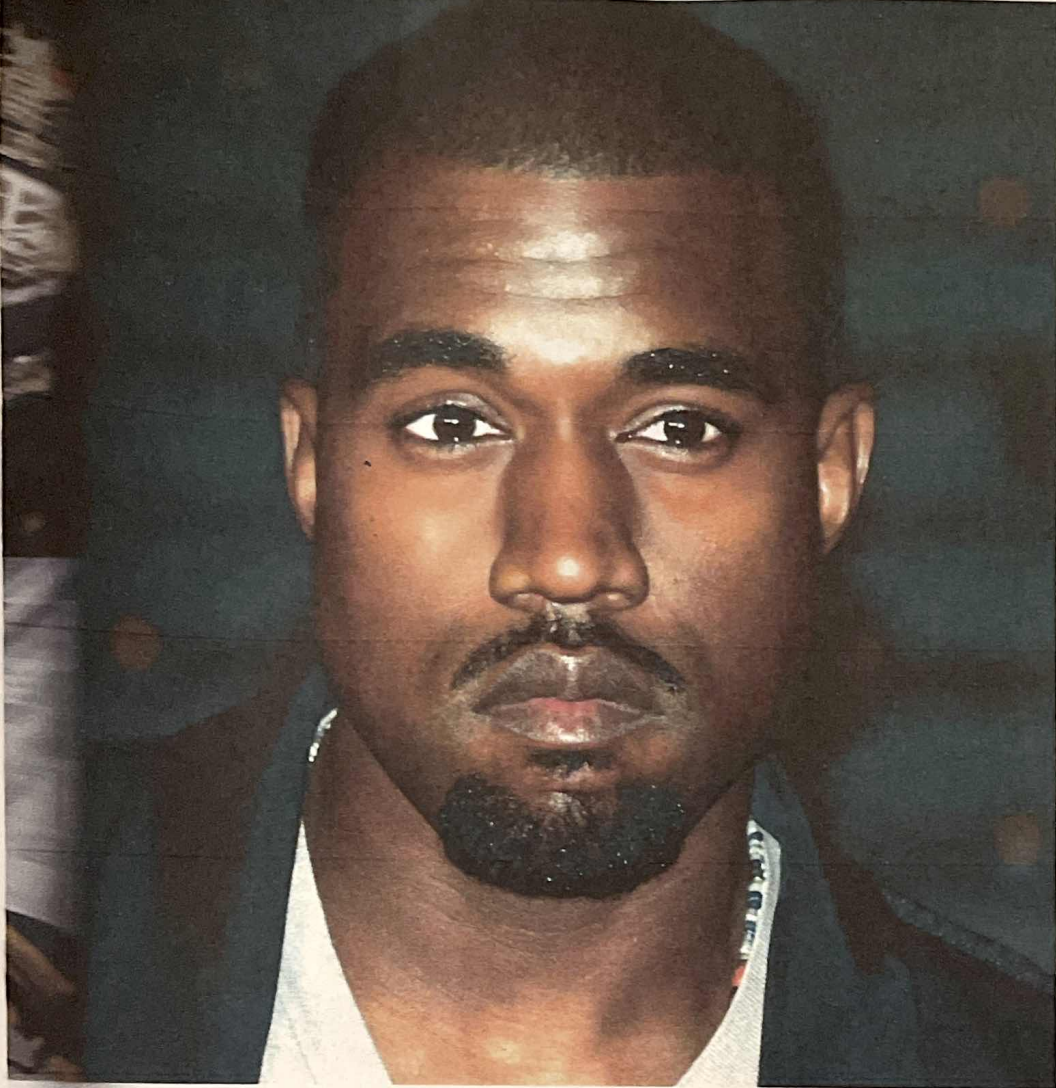
"The older you are, the more skeletons you have, in part because the tenor of the times has shifted and what people expect has changed," she said of family businesses and heritage brands alike.

But it is vital that organizations fully come to terms with and figure out how to address their pasts. Those that do not may have difficulty convincing the world, both internally and externally, that their ethos has shifted to better reflect current business standards and practices. "If you had kind of nefarious origins and you want to be something else, the leadership really needs to say that and then take actions and create that

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Sarah Federman

atmosphere in the organization," Federman explained. Family businesses in some parts of the world have greater experience navigating coming to terms with past practices. Those based in Europe, for example, have a longer history with corporate reckonings for transgressions and roles in



Adidas ends Ye deal

Adidas issued the following statement in October ending its deal with the controversial rap artist and businessman Ye (better known as Kanye West, pictured).

"Adidas does not tolerate antisemitism and any other sort of hate speech. Ye's recent comments and actions have been unacceptable, hateful and dangerous, and they violate the company's values of diversity and inclusion, mutual respect and fairness.

"After a thorough review, the company has taken the decision to terminate the partnership with Ye immediately, end production of Yeezy branded products and stop all payments to Ye and his companies.

"Adidas will stop the adidas Yeezy business with immediate effect. This is expected to have a short-term negative impact of up to €250 million on the company's net income in 2022 given the high seasonality of the fourth quarter."

the Second World War than entities based in North America. "Having to deal with slavery in the United States is new," Federman pointed out. It's a more recent coming to terms with history, whereas in Europe societies and businesses have had to come to terms with the Holocaust and their roles therein. "In Europe, there's more experience culturally with these processes," she observed.

That's why companies must first address their more complex pasts internally. Doing so can model that the business ethos has changed to better align with present day values and mores. It can also help foster stronger internal culture. Then, once the internal decisions have been made as to how to reckon with such history, an organization can begin to do so externally, to own their decision and to design a means to acknowledge their pasts in ways in which they are not perceived as a perpetrator.

One good example of how to do so, according to Federman, is the Baltimore Sun. The newspaper of record in Baltimore since its 1837 founding addressed its past complicity in slavery, Jim Crow segregation, and redlining in a written apology.

"You could see they did the work to say, 'here are all the places, and this is what we're doing today,'" she said of the full-page apology. "It was so powerful and so detailed, I thought it modeled really well how it can be

done with integrity. Now, as a newspaper, they are expected to expose the truth and investigate, so they have certain commitments that not all businesses share."

The challenge, Federman points out, is for family businesses to be transparent about their pasts but also to follow such recognition with actions that are congruent with their mission. Doing so demonstrates intergenerational resilience as well as contributes to developing trust, both B2B and B2C. "The idea that [a company] has lasted so long suggests that they have good business principles, that they've weathered different economic storms, that they haven't followed trends to their destructive end," Federman noted. "It shows a certain amount of business wisdom and temperance." ■

Lindsay Sarah Krasnoff is a historian, writer, speaker, and consultant working at the intersection of global sports, communications, and diplomacy. She is author of *The Making of Les Bleus: Sport in France, 1958-2010* (Lexington, 2013), *Basketball Empire: France and the Making of a Global NBA and WNBA* (Bloomsbury, forthcoming Sept 2023). She lectures on sports diplomacy at New York University's Tisch Institute for Global Sport.

Photo: Wikipedia