



Mark Haynes Daniell
 Founder and Chairman
 Raffles Family Wealth Trust

THE concept of family purpose is becoming increasingly important in defining a family's identity and charting the best possible course for its future.

Without a clear and cohering statement of collective purpose, individual family members may become disengaged or remote from a social unit of which they lack understanding, or to which they ascribe little real or relevant value. This is especially true in families which have become geographically, culturally and religiously more separate over time.

By defining, agreeing and using a single family purpose as the guiding star towards which decisions (both collective and individual) and actions are aligned, families may well improve their odds of beating the historic curse of "riches to rags in three generations" – and may also stay more united and harmonious on their own unique journeys.

What is family purpose?

Family purpose is the reason we are pursuing the visions, strategies and actions we select for our collective family enterprise. It answers the question "Why" we are doing what we are doing, while vision answers the question "What" we are trying to accomplish.

People are often seen to be purposeful beings, with most families believing their members have a moral, individual and collective purpose; a well-organised family will share an understanding of the dimensions of that purpose, and define the broader purpose of the family – both nuclear and greater family – in order to increase clarity and improve engagement of all members of the family in the greater family enterprise.

Statements of family purpose include the highest order of understanding – psychological, spiritual, commercial and others – which justify the effort undertaken by the family in creating something special.

Each family that has undertaken the task of defining its family purpose has arrived at a different end point. Some examples of statements would include:

- To strike the right balance between
 - i) preserving our commercial culture and economic prosperity,
 - ii) developing our greater family and supporting its individual members, and
 - iii) living up to our obligations in the area of social responsibility.
- Our purpose is to provide for all housing, educational, healthcare and career needs for the descendants of XX, indefinitely.
- ... to maximise our family's financial, intellectual and emotional capital.
- ... to live and work as "capitalists with a conscience" contributing to our family members and the communities in which we live and work in equal measure.
- ... to maximise our true family wealth to the extent possible across generations for as long as possible.



The guiding star

Family purpose is gaining importance in defining a family's identity and charting the best possible course for its future

- Life is a game, whoever has the most money when he dies, wins.
- I just want me and my kids to have as much of everything as possible; we happen to measure that in dollars today, but if it were jelly beans I would want my family to have more jelly beans than anyone else...
- It is a sin to live poor or die rich.
- ... we shall live according to Christian principles and make the most of what God has bestowed upon us.
- ... we shall live up to the example of our founder XX in our own lives, and each generation and family member shall pursue this goal in his or her own way.

Why is family purpose important?

Defining and sharing a common view of family purpose is important for a number of reasons: emotional, practical and in the influence it can have on individual and group attitudes and behaviours.

Emotional engagement: At an emotional level, family purpose can engage family members in a manner which provides both a shared sense of the family and an inspiration to contribute to a purpose which is greater than any one person. One

of the salient characteristics of the Aboitz family in the past has been a sense of shared identity and meaningful role played by values in the family's business and personal dealings.

By clarifying and reinforcing that laudable sense of belief and accomplishment, current and future members of the family may be able to find inspiration and contribute extra effort when they are most needed.

Practical value: By defining family purpose together, less valuable – and even contradictory – alternatives may be avoided. Without a cohering sense of belief, values and identity, a family is less likely to receive the benefits that a more thoughtful approach might take.

Clear and common family purpose also provides a guide to all visions, strategies, derivative governance and commercial entities and institutions, relevant documents and guiding principles for the family.

Influence on attitudes and behaviours: Psychologists will tell us that there is a hierarchy of elements that drive behaviour – beliefs, attitudes and behaviours. Beliefs (of which family purpose is one) influence attitudes which in turn drive behaviours

(decisions and actions). Beliefs are the greatest influence on our behaviours, and therefore clarification or change in those beliefs is thus one of the most powerful sources of reinforcing and preserving that which we value most in our own greater families – and which we can teach to our own, smaller, nuclear families.

In the short term, behaviours can be influenced by incentives and other inputs, but this often does not lead to enduring long-term change, or change in a number of people in a number of different situations. Long-term change in behaviour, for both groups and individuals, is far more profound if basic beliefs can be changed or shaped, as those beliefs are the most powerful influence on both attitudes and behaviours.

How does family purpose relate to true family wealth?

The concept of true family wealth is drawn from a number of sources around the world and across millennia, which provide insight into the real meaning and value of wealth. Interestingly, the roots of the English word "wealth" are derived from older words (*weal* and *wela*) which carry a definition more like well-being or welfare than pure money.

The list of elements of true family wealth may provide some stimulus to your thinking about family purpose (as in the examples above). That list includes the following elements:

- Financial wealth
- Integrity
- Accomplishment
- Physical security, health and fitness
- Knowledge, wisdom and spiritual growth
- Family harmony
- Individual happiness

Defining your own family purpose and vision

The process of setting out an agreed purpose, defining the vision of what the family wants to do and to be, and putting in place action plans to fulfil the defined purpose will require much thought (about the family's past as well as its future), discussion and patience to ensure all voices are heard and all relevant issues surfaced.

It will require an open and honest discussion, or actually many discussions, in order to explore, assess and adopt the right ideas and the right words that can provide both direction and inspiration for the family members.

The best way to start? Assemble all relevant family members and ask them to bring to the discussion their own views on what the family purpose has been – and what it should be.

This will no doubt lead to a fascinating discussion – and may well be one of the most important steps forward in a long journey towards a better future for your own family. **W**

Mark Haynes Daniell is the founder and chairman of the Raffles Family Wealth Trust. He also chairs the Cuscaden Group, his family's own private office. He has authored eight books on family wealth management, strategy and legacy planning