



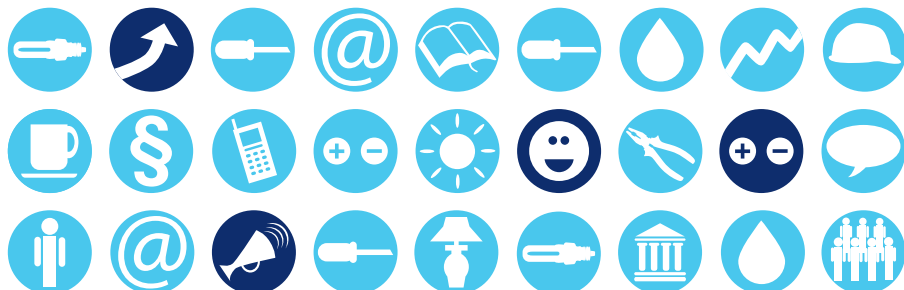
FEGIME ACADEMY NEWSLETTER

THE 2018 FAMP MODULE, SDA BOCCONI, MILAN:

"PREPARING LEADERS FOR TOMORROW"



The 2018 Module of the FEGIME Advanced Management Programme – FAMP – was a huge success. This year's FAMP took place as usual in October and was attended by 50 next generation entrepreneurs. Once again it was full, and once again it was a very international event. Participants came from 15 FEGIME countries and 15 of them took part in a FAMP for the first time.



Good to be back – After a very successful FAMP in 2015 it was not a difficult decision to return to SDA Bocconi. An excellent programme – skilfully customised to FEGIME's needs by Programme Director, Prof. Paolo Morosetti – combined with top class accreditation – in 2018 Bocconi was ranked 6th in Europe and 7th in the world by the Financial Times for such custom education programmes – made the decision even easier.



THE PRESERVATION OF FIRE

Change is unavoidable in the pursuit of longevity

Family Business

The first day confronted the 50 FEGIME next generation entrepreneurs with a lot of essential questions: What is the right strategy for my family business? What are the pitfalls to be avoided at all cost? What is the future of electrical wholesaling? These were skilfully answered and aptly illustrated by Paolo Morosetti and colleague Carlo Alberto Carnevale Maffè.

Under the heading "Framing the future of your industry" the latter provocatively

stressed the concept of "Servitization": the combination of production and services. As digitalisation progresses, there will be a switch from the buying and selling of products to the buying and selling of services, data etc. that will then become the basis of business.

Luckily for FEGIME, the conclusion was that, even in the challenging digital age, wholesalers will still have the opportunity to play a pivotal role – with the appropriate

strategic and scenario planning. At the end of the week Paolo Morosetti revisited the topic and gave FEGIME Future some good advice on creating long-lasting family businesses. One of his final tips for longevity was to embrace change. He backed it up with a quote ascribed to Gustav Mahler, but which is in fact from the French Socialist Jean Jaurès: "Tradition is not the worship of ashes, but the preservation of fire."

"Sell security, not alarm."

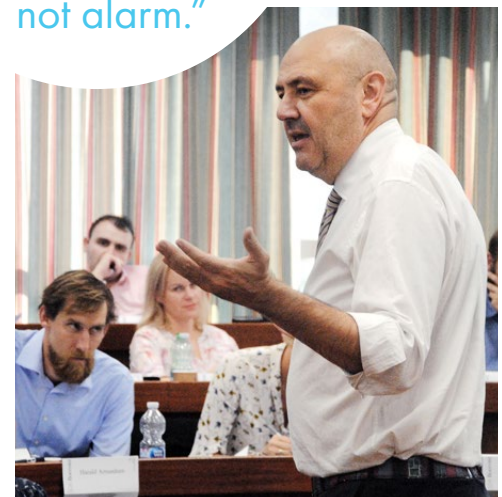


"Don't be paralysed by analysis."



Prof. Paolo Morosetti

Paolo is Director of the Strategic and Entrepreneurial Management Department and Director of the Executive MBA. He is specialized in strategic management and family business. In addition, he holds many positions as non-executive director in Italian family businesses and regularly cooperates with the Family Business Network.



Prof. Carlo Alberto Carnevale Maffè

Carlo Alberto is specialised in four key topics: competitive intelligence, non-competitive strategies, international strategies and strategies of technological innovation. His major fields of research are innovation in financial services and "Industry 4.0".



LEADERSHIP & MOTIVATION

“Leadership is the art and craft of achieving great results with and through people.”

Bringing out the best in people

On Tuesday Beatrice Bauer offered inspirational tips on the topic of leadership. “Leading People: Inspiring, Motivating, Encouraging People” was her heading and she posed the vital question:

“How do I engage and empower co-workers and get people to permanently change their behaviour?” No easy task

On Wednesday, Beatrice was back to examine with the group the question of a hypothetical employee: Why should I be led by you? The pitfalls are numerous: starting at the wrong point with too much leadership (micromanagement as it is sometimes called) or not enough team. A good leader starts by picking up the people where they are and moves them as fast as possible to the highest level of autonomy possible, giving everybody a chance. This needs a lot of patience which is certainly not easy nowadays. At the end of the day Positive Leadership was the recommendation. This should be based on positive ethical values and the assumption that people will do amazing things if a leader can intentionally bring out their best capabilities.

“When giving feedback, touch the negative but underline the positive.”



ROUNDTABLE

“For their businesses to succeed into the future, family members must accept ownership as a responsibility - even if they don't work in the business.”

For a special evening midweek Paolo Morosetti had used his extensive connections to arrange a “Family Business Roundtable”. This gave FEGIME Future the unique opportunity to meet, hear from – and then also discuss with – next generation entrepreneurs from totally different sectors. The guests had been chosen by Paolo to represent different family business answers to the typical questions of handing over to the next generation, or – as Paolo put it – the “Succession Dance”, that family internal repositioning to slowly lower the founder's/senior's involvement in the business and increase that of the next generation.

Prof. Beatrice Bauer

Associate Professor of Practice - Leadership, Organization & Human Resources

Beatrice has thirty years' experience in the design and coordination of business courses for the development of leadership skills. She is the author of numerous publications on the topics of assertiveness, leadership and management of people in times of corporate crisis or personal difficulty and has amongst other topics researched health and stress issues in people who have to produce high performance in times of high stress, such as athletes before the Olympics.



FROM PLAN TO BUDGET

Decision making through economic-financial indicators

Business Intelligence requires intelligence

Next up was Giovanni Tomasi with the topic “From Strategy to Goal Setting” or – in other words – decision making through economic-financial indicators. Few were prepared for the enthralling sessions that followed. Planning and control processes, financial criteria for long term sustainability, the difference between a business plan and a budget, performance targets – all were explained succinctly and illustrated with clarity.

The final day saw another bravura performance from Tomasi, this time electrifying his audience on the topic of “Aligning performance goals and incentives”. He provided a very interesting case study from a wholesaler with several branches that were all performing differently and illustrated the complex considerations necessary to allocate central costs – and thus influence personal incentives – as fairly as possible. In short, all the different levels of performance should be considered: the overall financial performance of the business, the segment performance of the business unit and individual non-financial indicators.



He used the following formula to define an employee's personal performance: “Performance = capabilities x motivation.” Tomasi also provide more tangible proposals. Taking the example of salesmen, he suggested looking at the skills they require. These could include – for example - communication, knowledge, problem solving, organisa-

tion and negotiation. A manager can then rank these himself to create his own vision of the “perfect salesman”. Then it is very easy to produce a customised balanced scorecard: a simple spreadsheet is all that is required to calculate the gap to the actual employee.



Prof. Giovanni Tomasi

SDA Professor of Accounting and Control

Giovanni is Executive MBA Director and Senior Lecturer of Planning & Control. His research activities focus on measurement systems and performance management, planning and control systems in multinational groups and accounting and cost management systems. Currently, he is analysing two key topics: performance management and cost management.



“Control activities to improve results – don’t concentrate on results alone.”





REDESIGNING STRUCTURES

When the rate of change in the external environment is higher than the rate of change in the internal organisation, then the end is near.

On Thursday Ferdinando Pennarola, also a veteran of the FAMP in 2015, took the floor. His topic was “Designing the organisation of the future”. He agreed with his colleague Maffè from day one that “Servitization is a trend in most industries”.

For businesses that are not already taking this path, it is extremely important to find the right moment to review and change their business model. Sadly, the experts agree that there is no sure-fire recipe. Being first doesn't always pay off as sometimes it is the second mouse that eats the cheese.....

The No. 1 obstacle to successful growth has however been identified as organisation responsiveness, or – as Pennarola put it – execution. Execution is the key capability that will transform good strategies into results. He went on to prove that context/presentation can influence turnover by up to 25% positively or negatively. So, his recommendation was to become a “choice architect” or someone who takes on the responsibility for organising the context in which people take decisions - and then behave. As a rule of thumb, everything matters.



“As a rule of thumb, everything matters!”



Prof. Ferdinando Pennarola

SDA Professor of Change Management, Leadership and Organization Design

Ferdinando is Programme Director of important customised initiatives for top executives and senior leaders. His research activities focus on change management, organizational design, responsible leadership and management consulting. Currently, he is investigating the management of change processes combined with the adoption of information technologies.

TREND-BASED SCENARIO PLANNING

“If you are entirely comfortable with your strategy, there’s a strong chance it isn’t very good.”

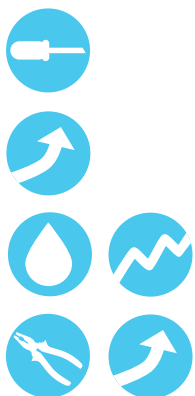
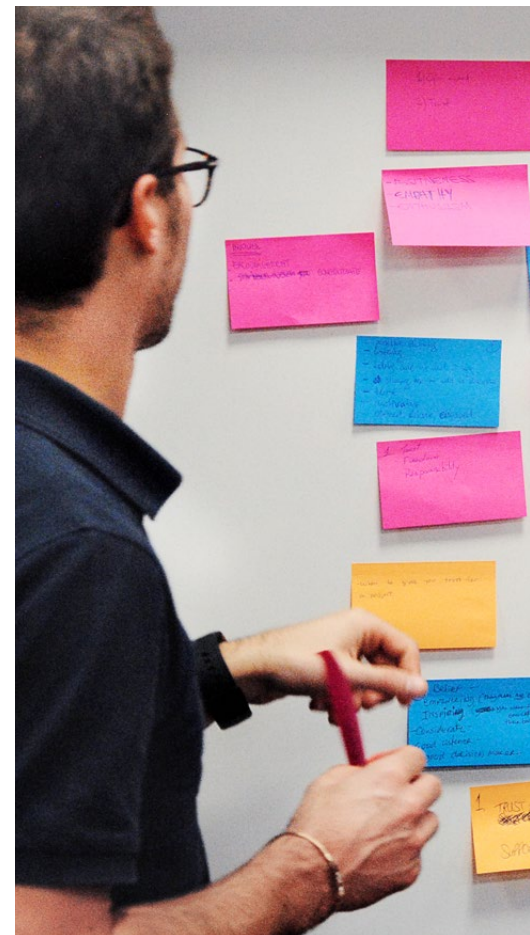
Thinking the unthinkable

Each FAMP should have a practical side – something that participants create together in groups and can use from day one back in the company. We call it the “Tool to Take Home” and in Milan it was Olga Annushkina’s role to introduce this year’s topic - “From Scenario Planning to an Action Plan” - and prepare FEGIME Future for the group work. In other words she was to provide them with a guide to scenario planning.

She began by explaining that planning & budgets are not strategy as they do not question assumptions. They are based on feasibility & affordability and not explicit about what a company should not do and why. A good strategy should take the company out of employees’ comfort zones: “If you are entirely comfortable with your strategy, there’s a strong chance it isn’t very good.”

It is no easy business to predict the future – and the list of major companies that have heroically failed is already long. One good exercise to avoid their fate is to determine “driving factors” i.e. influential, external factors that will be of considerable importance in your market in the future. These are above all key uncertainties and predetermined outcomes (social, legal, issues that are already in the pipeline).

After Olga’s introduction, work on the Tool began. Participants were requested to select a business unit and formulate an appropriate strategic question. Having listed the external factors, they then created four different scenarios and an action plan for each. In this way participants learned to apply practical tools to not only identify new business opportunities for their companies but also to implement them – and thus future-proof their businesses back home.



Prof. Olga Annushkina

SDA Professor of Strategy and Entrepreneurship

Olga’s collaboration with SDA Bocconi began in 2003. Since then, she has run numerous courses on strategic management, internationalization strategy and scenario planning. Her research focuses on four main topics: international business, emerging markets, differentiation strategy and strategy execution.



MANAGING UNCERTAINTY

“Tool to Take Home”: From Scenario Planning to an Action Plan

Graduation Ceremony

On Friday afternoon the groups had a little more time to work with Olga and Paolo to finalise their presentations before taking the floor themselves. Inspired by their teachers, all ten working groups made excellent presentations created in the traditional long, hard evening sessions at the FAMP. Looking at one specific question from our sector, they illustrated the various possible scenarios and the appropriate action plan to each. The appreciative audience included FEGIME Italia Managing Director, Claudio Albertini,

David Garratt, Managing Director of FEGIME, Prof. Paolo Morosetti and FEGIME Past President, John Powell (FEGIME United Kingdom) who had come to Milan specially to present the certificates to the participants. “Once again I was very impressed by the standard of presentation,” said John. “The FAMP is an excellent way of getting more next generation members up to speed with global business developments and truly networked with their colleagues throughout FEGIME.”



WHAT IS THE FEGIME ACADEMY?

Mission

When this European initiative was presented for the first time at the FEGIME Congress in Budapest in 2013 the Academy's mission was clearly defined:

"To create and promote a rich environment of continuous high quality training for FEGIME's next generations of entrepreneurs, their employees and clients, in close cooperation with Strategic Preferred Suppliers and National Organisations thus adding value to the relationship between FEGIME's wholesalers, clients and suppliers."

For the three target groups – FEGIME Future, FEGIME employees and FEGIME clients – four training areas were also defined: Products and Technology, Management and Business, Sales and Marketing and Soft Skills. The focus and implementation is different for each target group.

For the FEGIME Future group the emphasis is on the FEGIME Advanced Management Programme (FAMP) or in other words a "Pocket Master in Business Administration". Coordinated by top European Business Schools this tailor-made management training programme comprises "Modules" with a time span of 5 full working days.

eLearning

For employees and clients eLearning via the FEGIME platform fegimeacademy.com is the major medium at European level. The platform is moodle-based and provides users with general and specific information, webinars, courses and tuition on technologies and products as well as a discussion forum and web conference facilities.

So why not log on to the platform at fegimeacademy.com and check out some of the courses? The platform is open to all FEGIME members – and their clients – but a login is necessary. If you need information or assistance please contact your FEGIME National Organisation or Head Office in Nuremberg.

FAMP 2019

The FAMP 2019 will take place 13th – 19th October in Barcelona. For the first time a business school will not be directly involved. To ensure an even higher level of customisation, FEGIME has enrolled the help of Prof. Patrick Reinmoeller as Academic Director. Patrick is Professor of Strategic Management at Cranfield University, UK, and Visiting Professor at Erasmus University, the Netherlands. Experienced in working with

family owned, small and medium size firms Patrick has enjoyed working with FEGIME Future over many years. He specializes in knowledge creation, organizational resilience, management innovation and international business. The first topic - as ever – will be Family Business. The Core Subjects will be Transformation and Implementation; the Soft Skills will include Awareness of Self, Interpersonal and Negotiation Skills.

If you are interested, just get in touch with FEGIME Head Office in Nuremberg. Please contact Denisa Vosahlik: d.vosahlik@fegime.com + 49 911 64 18 99 13

A huge thank you

to our sponsors for their support for the Academy Project:



NEXT MEETINGS:

FEGIME FUTURE MEETING WITH PHOENIX CONTACT:
BAD PYRMONT, 20.02. – 22.02.19

FEGIME FUTURE MEETING WITH WEIDMÜLLER:
BUDAPEST, 10.04. – 12.04.19

FAMP MODULE 2019:
BARCELONA, 13.10. – 19.10.2019



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