

**Working With the Ones You Love Column  
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**Dutiful Sons:  
How to Succeed as Heir to a Great Entrepreneur**

**By Dennis T. Jaffe**

What an act to follow! Your father is Tom Watson, Henry Ford, John D. Rockefeller or George Bush. You may even share his name, but the life ahead of you seems fraught with peril. How can you possibly succeed? Everyone is waiting for you to fall down. Your father, while a great man, has not exactly been easy to live with. He has been absent for long periods in your life, he tends to be overly critical of you, and when he is around it is hard to get airtime or attention. You love and revere him, sure, but you are also a bit angry at him. You often wish you had a normal human-sized father.

Sam Bronfman was such a larger-than-life father, developing Seagams into a powerhouse that included many global brands of spirits. His son Edgar was a worthy heir, taking over the family empire and modernizing enlarging and diversifying it manifold, while maintaining a vast charitable empire, and acting as a family leader. But his tenure began with a minefield that bounced between tact and daring, independent action and subservience, as he struggled to come after the powerful, mercurial and willful Sam.

Like many successful heirs, Edgar's first life task was to gain some modicum of separation from his family. Growing up in splendor in Montreal, with lavish attention and a fair degree of isolation from worldly reality is not a good training ground for achievement. Everything is taken care of and risk is non-existent. This is good training for being a crown Prince, and developing a monstrous case of entitlement. So, how does a scion develop the desire to excel, the skill to accomplish that, and the prudence to balance the many cross-currents in a business family?

Edgar made several moves that seemed to help him develop his natural skills. Attending college in the US, he developed an identity as a rebel, coming close to getting expelled. Going to work in the family business, he

established himself in New York, somewhat far away from Sam, who shuttled between Montreal and New York. He developed his own style of management, more informal and team-oriented than his autocratic father, and brought in his own team. While Sam was around a lot of the time, and made sure to overrule many of his decisions, Edgar was able to disagree and take his own counsel, though in the end if pressed he knew he had to defer to Sam. It may have been that the blend of the two produced a better mix than either of them alone. And any succession rivalry between he and his brother Charles was cut short in the first days of their careers, when the two mutually agreed that Edgar would be the visible heir, and Charles would be the silent partner.

While he played the role of mogul with relish, enjoying his wealth and the social position that comes with it, there seem to be elements of balance, dedication and self-awareness in his nature that figure into his success. He was a diplomat, balancing his desire to achieve with the needs of his father, his brother and the rest of the family, and key employees. Unlike the entrepreneur who listens to nobody, Edgar was a good listener, and collaborator. These seem to be the character traits of the successful family business heir.

Contrast Edgar to another heir—Gene Pressman, whose father Fred developed Barney's into a leading clothing store in New York. Gene was a poster child for entitlement, living lavishly and spending without limit until he finally bankrupted the company. He seems to have inherited his position from his father without a thought as to what skills or help he would need to run things. His father allowed him to take over, impressed by his confidence and showmanship, but did not oversee or challenge him. Raised in privilege, he seemed to rely on his own fantasies for counsel, rather than any sense of limitation or risk. He listened to no one, in the family or outside. Rather than feel a sense of responsibility and stewardship for the business and to his family, Gene instead seemed only to want to overshadow his father. It was competition out of control, and it cost the whole family its future.

The challenges facing a second generation business heir seem to lie in several areas—coming to terms with dad, gaining real competence in a world that tends to defer to you, developing legitimacy in your own right, and developing a sense of stewardship over the family's assets. The second generation heir is a leader, but not of the entrepreneurial sort that most founders are. Heirs come from a different world—they did not have to make

it on their own, and they have to navigate an internal family and business world that is already populated with a diverse and colorful cast. They fail if they don't develop skills, sensitivity and identity to balance the existing demands with their own contribution.

The most overwhelming challenge is to come to terms with dad. While he may say that he wants you to succeed, you have to wonder at his behavior. Some dads create pliant, uninformed heirs who will do anything to please them. Tom Watson Jr. of IBM, wrote in his biography of the brutal and demanding treatment he received from his father, and presents his work as a lifelong quest to prove himself worthy. The fact is that many entrepreneurial dads do not know how to create successors, and are somewhat ambivalent about them. For every heir that worshipped his dad there is one John D. Rockefeller Jr., who moved his family from infamy and focus on oil, to an investment and philanthropic orientation that continues three generations later, and one Edsel Ford, who was ground down and degraded by his father, and finally met an early death from illness.

The key seems to be taking a tactical and strategic stance toward dad. He has the power, until he dies or relinquishes it. The heir must find domains where he can grow, develop and exercise authority that are somewhat removed from dad's influence. You cannot impress dad with your day-to-day achievements; you need some distance and separation. Effective heirs don't try to stage palace coups either—they learn to adapt to dad as the strongest element in the environment. That said, they also have to develop the ability to confront, argue, assert and even sometimes manipulate to make sure that their voice is heard.

Developing competence and self-awareness in a world of privilege is the second task. An heir has to escape the nest. In the past, this was done by going to war. Today, an experience in another business, developing skill at competition of any sort, or overcoming a self-created personal crisis through exercise of will (e.g. overcoming drugs, or poor relationship choices) can get things started. One must conquer several demons. The demon of privilege and entitlement must be overcome by developing a desire to achieve on one's own. Getting a small paycheck on one's own or building a small business can be as meaningful as creating an empire for a young heir. Second, one must learn to filter reality from deference and fantasy. Learning how to trust other people, who often will tell you only what they think you

want to hear, comes about by developing the self-awareness and interpersonal skills that are known as emotional intelligence.

The third task is to develop legitimacy in your own right. When a young heir enters the business it is a public event. Their reputation follows them (“he is a fool, he is a rebel, he is thoughtful”) to their detriment. It helps to come with a reputation for having done something (“he was a star at this investment bank,” or “I hear he was a fine lawyer”). The key is not to start too high, and to take a role which allows you to do real work. Don’t be dad’s personal assistant, go to a division. Two fifth-generation Ford cousins—Bill and Edsel--worked for years in mid-level executive roles, until Bill was plucked from the ranks in his early 40s, and made Chairman. While being a Ford was key, he did not get the job on name alone. He had an independent reputation as a reformer, prudent, sensible, thoughtful, and environmentally sensitive.

Finally, heirs must develop the attitude and behavior of a family steward. They should never feel that the inheritance is being given to them alone. They are being asked to take on a responsibility for the family, and this means that, perhaps unlike their father, their role includes family leadership and respect for all family members. They must not let the business overwhelm all other considerations, but must remain close to the rest of the family, who, as the “owners”, give them legitimacy. The good heir is steward to the family, using the skills of emotional intelligence to solicit opinions and remain alert to different needs, helping family members find good paths in life and helping them get support, and making sure that the family develops a way to help everyone make their way. Heirs that neglect this, find themselves isolated, rejected or resented and never develop full leadership.

Being a successful third or fourth generation heir may demand a broader mix of leadership skills than were demanded of the founding entrepreneur. But there is no doubt that succeeding as a dutiful son (or daughter, but that is another story) demands a vastly different sort of leadership. It is not easy to preserve the family business or fortune as an heir. Whatever one is given demands careful nurture and development, because a family fortune can be lost as quickly as it was gained. Sadly, Edgar’s Bronfman’s heir Edgar Jr., who had many of the positive qualities of his father, but perhaps not all of them, was able to lose much of the families fortune through a series of bad

business moves, that also severely alienated his uncle Charles' side of the family. Being a second generation heir can be hell.