Sustainable Family Wealth Strategies Series

Stewardship of Family Business:
A Lasting Gift Across Generations

Confiance Family Office @ Q4 2025

Family businesses form the backbone of many economies, contributing not only to wealth creation but also to social impact and employment. Yet statistics show that most family businesses struggle to survive past the third generation. This is not because of weak business models but often due to internal conflicts, lack of governance or failure to adapt to changing business environments. The **concept of stewardship**—consciously guiding both the business and the family legacy—is what separates businesses that fade away from those that flourish for generations.

UNITY AND COHESION

The first building block of stewardship is unity. Families that stay together win together. Disputes over power, wealth and vision can quickly destabilize even the strongest companies. To counter this, many families set up councils, constitutions and regular forums to strengthen relationships and make space for open dialogue.

An ASEAN example comes from the Ayala family in the Philippines. The Ayala Group, founded in the 1800s has successfully transitioned leadership across multiple generations. Key to their longevity is a strong family council and a culture of inclusivity ensuring that decisions reflect unity both for business needs and family requirements.

PURPOSE BEYOND PROFIT

Businesses that endure across generations are those that tie their identity to a mission larger than money. Profit is important but a clear purpose extends continuity.

Consider LEGO. In the early 2000s, LEGO faced severe financial trouble. The Kristiansen family made a bold decision i.e. to return to its roots. They refocused on the simple LEGO brick and recommitted to the company's core value of encouraging creativity through play. Today, under its fourth-generation leadership, LEGO is one of the most admired family businesses in the world.

GOVERNANCE AND DISCIPLINE

Stewardship cannot thrive without governance. As families grow, informal decision-making should decrease. Governance provides stability, clarity and transparency.

A strong example is Cargill, the American agribusiness giant. Owned by the Cargill and MacMillan families, it has remained privately held for over 140 years. Disciplined governance—family members limited in number on the board, external CEOs appointments and clear boundaries between ownership and management—has contributed to its success.

WHEN THE NEXT GENERATION LEADS CHANGE

True stewardship allows the next generation to bring in fresh perspectives without abandoning legacy.

In Australia, Hayley Purbrick led her family's winery Tahbilk to become carbon-neutral, modernizing a 160-year-old legacy. In Asia, the Chirathivat family of Thailand expanded Central Group beyond retail into luxury, e-commerce and international markets showing how younger leaders can responsibly transform long held business models.

FAMILY OFFICES AND WEALTH STEWARDSHIP

Many families turn to family offices to manage wealth and legacy. The Walton family and its heirs provide a notable example. Through Walton Enterprises the family's wealth and business interests are centralized under one structure. This ensures consistent investment strategies, preserves voting power in Walmart and keeps family interests aligned. By separating ownership from day-to-day retail operations, the Waltons maintain influence without undermining professional management.

In Asia, Singapore's Tsao family, founders of IMC Group, built a shipping empire and also established the Tsao Foundation to focus on aging and community well-being. Their family office integrates business success with philanthropy, exemplifying modern Asian stewardship that balances wealth and social benefaction.

RISKS OF IGNORING STEWARDSHIP

Families' businesses that fail to prioritize stewardship often shrink. The Dassler brothers—founders of Adidas and Puma—let rivalry destroy their unity. Although both brands succeeded, the family legacy was permanently fractured. This remains one of the most famous cautionary tales of lost stewardship.

HOW FAMILIES CAN ACT NOW

For Current Leaders

i. Define and codify family values
ii. Create governance systems (councils, constitutions, family offices)
iii. Support the next generation with mentoring
iv. Balance tradition with innovation

For Next-Gen Leaders

i. Build credibility through outside experience
ii. Drive transformation in sustainability and digitalization
iii. Respect legacy while adapting to modern relevance
iv. Strengthen governance to suit growing family needs

CONCLUSION

Family business stewardship is about creating a bridge between past and future. The stories of LEGO, Cargill, Tahbilk, the Ayalas, the Chirathivats, the Tsao family, and Walmart show that unity, purpose and sound governance can build lasting legacies. Meanwhile, the Dassler feud warns of the dangers of neglect. Stewardship is the greatest gift one generation can give to the next as it aims to build a legacy that thrives across decades.

Reference Annex

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