



**Programme for Advisors:
Working with Family Dynamics**

**Live Discussion: Voice of the Family
Cheong Wing Kiat**

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Presentation slides: www.bc.com.sg

Background of Wen Ken



- Wen Ken was founded by Fu & Chan in 1937.
- Faced cash flow problems, invited Foo to invest money as a silent partner.
- Needed sales expertise, invited Chong to join as the 4th partner.
- Fu, Chan & Foo were *Yongding Hakka, Fujian*; Chong was *Huizhou Hakka, Guangzhou*.
- Shares are now held by G2 & G3. There are about 30 shareholders.

Background of Wen Ken

- The group is helmed by three G3 – two from the Fu family & one from the Chong family, and managed by a team of professionals.
- Product range: Western OTC medicines, TCM, Traditional Medicines, Health Supplements & Functional Foods.
- Export to 20 over countries & won numerous awards, including heritage brand and regional brand awards.
- Activities: branding, R&D, manufacturing, marketing, licensing, distribution, wholesale, consultancy and lab services, investing in public and private equities, and properties.
- More information: www.wenken.com

Ten Thinking Caps in Business Family



Mentor



Leader



Adviser



Coach



Strategist



Sponsor



Exco



Consultant



Successor



Mentee

Meaning of Family Wealth



Family

家

Jiā



Wealth

富

Fù

Mastery of Founders' Families



Housing for a
community of equals

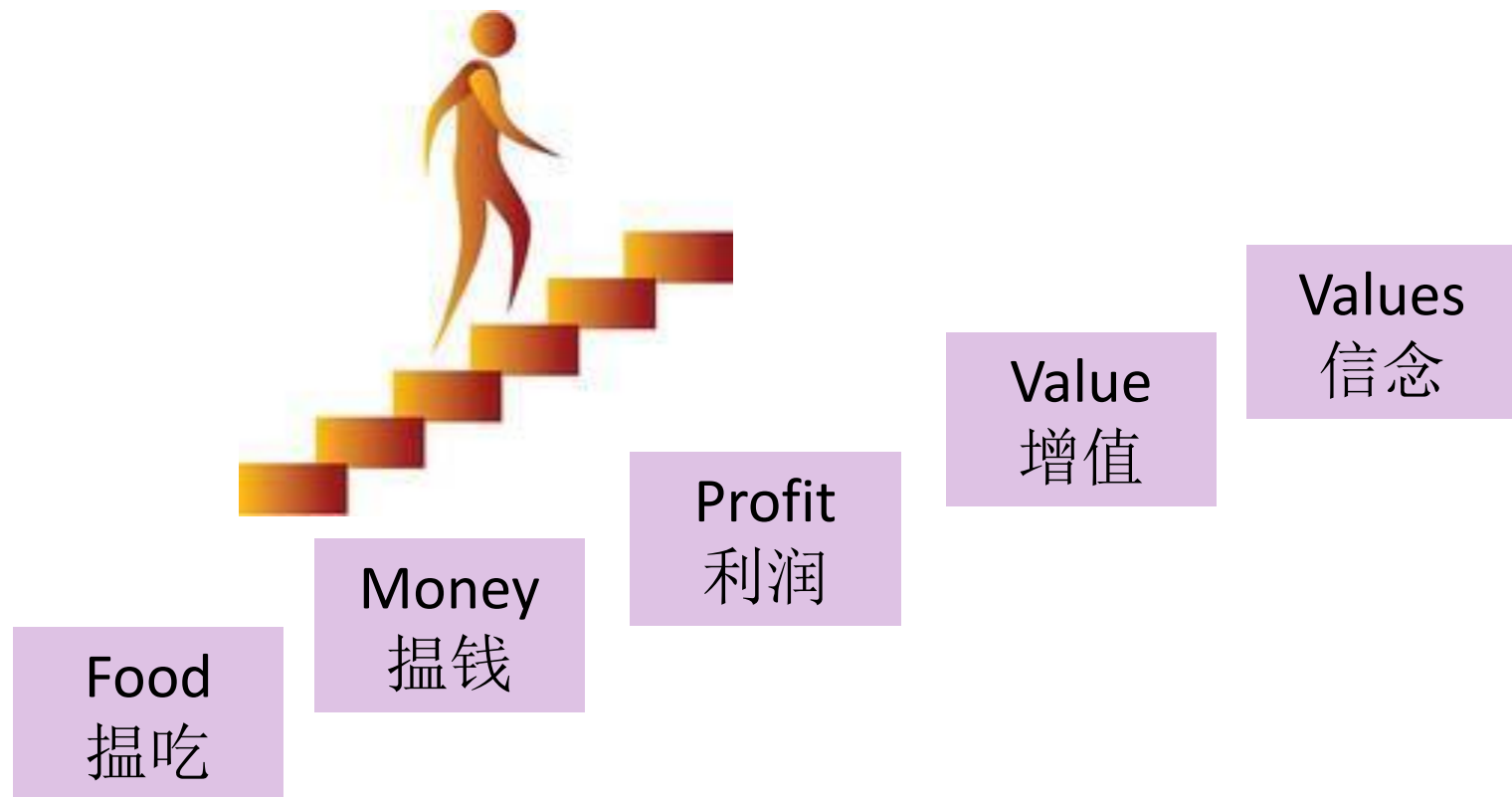


Effective stronghold
for defense

“Family harmony brings prosperity to everything”

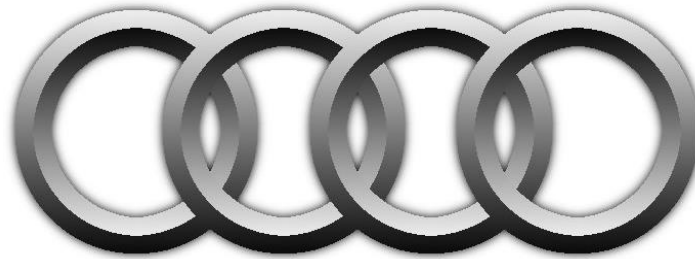
家和万事兴（Jiā Hé Wàn Shì Xīng）

Hierarchy of Wealth



Wealth Management

Control, Create, Invest & Protect



... at Different PARTs in Life

Preparation, Achievement, Realisation & Termination

Voice of a Trusteepreneur in Family Business

Trustee

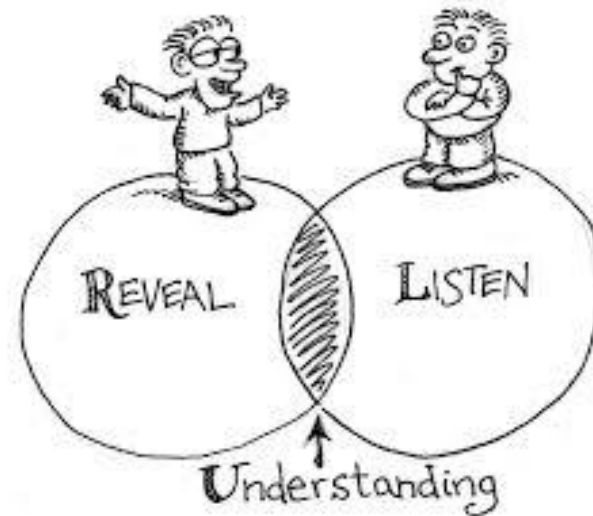
- ✓ Protects assets
- ✓ Ensures stability
- ✓ Provides dividends

Entrepreneur

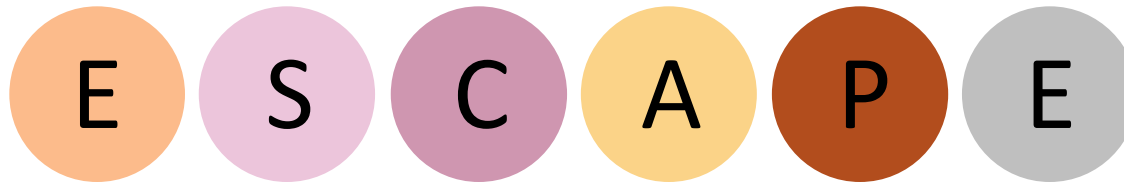
- ✓ Increases assets
- ✓ Rejuvenates business
- ✓ Invests profits

Family Conflicts

- ✓ Husband & Wife
- ✓ Parents & Children
- ✓ Siblings & Cousins
- ✓ Peers & Partners

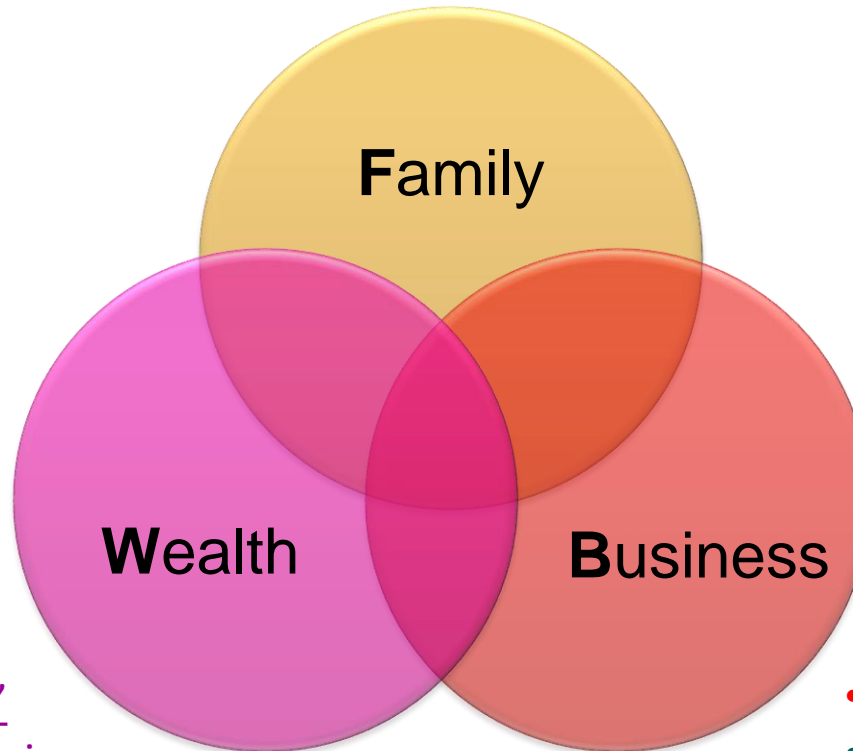


How to ESCAPE Conflicts



- ✓ **E**ducation
- ✓ **S**tructure
- ✓ **C**ommunication
- ✓ **A**llocation
- ✓ **P**arenting
- ✓ **E**ndurance

Challenges in Structures



"RIGS"

- Retain
- Invest
- Give
- Spend

- Nuclear
- Extended
- Single
- Transnational
- Multi-racial
- Blended
- Adoptive
- Co-custody
- Gay or Lesbian

- Legal
- Corporate
- Assets
- Capital
- Financial

Shareholder Tree Pruning



“Family business is like a tree. It outlives the planters who planted it and continues to grow, providing fruits and shade for the planters’ descendants and passersby.

At times, the tree must be pruned, to be able to grow bigger and stronger, so it can provide even more fruits and shade for generations to come.”

Qualified Persons

- Founders, and any wife or widow of founders
- Any son, daughter, adopted son or daughter (adopted according to Chinese custom or otherwise) of founders
- Lineal descendants (through males) of founders and any wife or widow of such descendants

Case Discussion: Family Shareholding in Different Eras

<u>Era</u>	<u>S1</u>	<u>S2</u>	<u>S3</u>	<u>S4</u>
1 st	23%	23%	31%	23%
2 nd	< 50%	~10%	~20%	~10%
3 rd	> 50%	~10%	~20%	~10%