

John L. Ward Center
FOR FAMILY ENTERPRISES

Family IN Business Podcast Series

John Nelson: Family Business Or Family In Business, That Is The Question.

EPISODE #4
JOHN NELSON, SEED Beauty

September, 2020

John Nelson:
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Esther Choy:
John Nelson and his sister, Laura Nelson, have indeed performed countless high wire acts to completely transform their family business. And in the process, John discovered what it meant to have a family IN business, as opposed to being in a family business. And who's John?

John Nelson:
Hi my name is John Nelson. I am the co-founder and CEO of SEED Beauty.

Esther Choy:
And I am Esther Choy, the executive producer and host of The Ward Center for Family Enterprises' own Podcast series: Family IN Business. In addition to being the CEO of SEED Beauty, John Nelson is also one of our executives-in-residence this academic year. The following is an interview excerpt that the Center's Executive Director and Professor Jennifer Pendergast conducted with him back in October 2019 on our Evanston campus.

John Nelson:
Okay. So Spatz Laboratories, was founded in 1955 by a gentleman named Walter Spatz within the cosmetics industry. And so that business was developing products for a lot of the global brands. My father bought that business from Mr. Spatz in 1989. He came out of the aerospace industry, so it wasn't like we had this long history within cosmetics. It was a completely different business for him to come in as CEO and then, ultimately, purchase that business from Mr. Spatz. I went off to undergrad in 1991, so it was really never considered a family business for me. My sister, who's 3 ½ years younger, had more of a connection for the business. When I graduated in 1995, I then went into consulting. I did that for about three years, and then knowing that I wanted to go back to business school, wanted to round out that experience with more of an operational, entrepreneurial environment. So, I went into the business knowing that I wanted to go to business school, but not with an intention of joining the family business, so to speak.

After spending two years in the business, I realized that there's some opportunity here to be able to create some long-term value. I really looked at things more objectively against my other options as I was, I guess, five or seven years into my career at that point. And then by the time I had come to Kellogg, I said, "you know what? I do want to go back into the business." My sister had just joined in 2001 when I the Center's Executive Director and Professor Jennifer Pendergast conducted with him back in October 2019 on our Evanston campus.

John Nelson:
I think his thinking has evolved over the time-- certainly, when he bought it, it was strictly based on the financial performance. When I came into the business, it was strictly about the financial performance. It still is. It's still, for me, the primary driver. But I think for my father's perspective, as Laura and I have come into that business, his mindset has completely changed. Laura's and my perspective around the business had changed as well in which I think our thinking now is looking at this as a family in business as opposed to a "family business." And it's subtle, but I think it's kind of impactful. When Laura and I think about a family business, we kind of think about how there's some obligation that we have. There's less of a choice around that. And it's really about preserving and thinking about it more of in a defensive way as opposed to if you kind of flip that or think about it a little bit differently. A family in business means that we're making a conscious decision to come together. And the business that we're in today is very likely not necessarily going to be the same business in the future, and certainly, not going to be the same business for the next generation if we even get to that point or if they want to join that business. And so, I think that subtle change just kind of opens up the mind about how you can consider the business and that we're making a conscious decision to work together on whatever that given business looks like.

So, I guess to kind of fast forward from 2002 to 2014, Laura and I were really running Spatz Laboratories. We ultimately grew that business to be one of the largest outside partners to the global color cosmetic brands. So, our largest customers were global corporations, and under those corporations, they had multiple brands. They were relying on us to come up with the new products, meaning it was our formula, our packaging. We would present those new concepts into their product development and marketing people, and then they would launch those products, and then we would produce all of those in our facility in Southern California.

Jennifer Pendergast:
And were you doing that alongside of them also doing internal development, or is it industry, basically, outsourcing that R&D function?

John Nelson:
It shifted during that period of time where they had huge investments in R&D. So, they had their factories. They had their huge R&D facilities. But ultimately, why were they making the decision to work with outside partners like Spatz? It was because of speed. We could develop the new product so much faster than they could get through their own internal organizations. What allowed that to happen is that we had all this vertical integration that we had developed over 60 years, meaning that we had the formula R&D, the packaging R&D, and all that production, so we could move so much faster in terms of the creation of those new products. And at that point, it was taking them 18 to 24 months to launch a new product, which is mind-boggling when you're talking about color cosmetics. It's not like pharmaceuticals or something. It's consumer products. But that's how long that it was taking them. And so really a big decision came forward in 2014 where we had a decision to make despite the success at the business. At that point, really from 2002 to 2014, the business was growing, on average, probably about 20% year-over-year growth. So, when I came into the business, it was essentially break-even, and we were trying to figure out how to keep the lights on. But through this vertical integration and this system of creating new products very quickly, we were able to grow over that 12-year period.

Despite that growth, we saw concerns in 2014 from the industry side. You had these two or three major corporations that continued to acquire any new successful brand that launched. So, there was some diversification risk that we had with a lot of revenue only in a couple key customers. There was a lot of price pressure that was coming down on us at that point where part of their portfolio mix had shifted to outside, so their margins were not necessarily as good as if they were doing that in-house. And we were starting to see the barriers to entry drop in terms of what it took to launch a new brand at that given point in time. So, against that backdrop, Laura and I created Seed Beauty. The whole concept around Seed Beauty is that we would start incubating and launching our own direct-to-consumer brands. So, we launched that in 2014. We essentially self-funded that concept and that growth by leveraging some of the cash flow that the legacy business was throwing off at that point.

We launched ColourPop in May of 2014. It took us 12 weeks to launch that. We gave ourselves a really short time frame, and said, "look, if it doesn't work, we're just going to chalk it up to being a sacrificial brand, and we will have learned something in the process." Because for 15-plus years or even going back to when the business was founded, it was all B2B. We knew nothing about B2C, and e-commerce, and social media. Zero in terms of our baseline knowledge and know-how around that. But we were able to get ColourPop to break even within the first nine months. It continued to grow in 2015, and then the beginning of 2016 in partnership with Kylie Jenner, we launched Kylie Cosmetics.

So that brings us to, call it, February, March time frame of 2016, and we had a decision to make, which was the rate of growth of those two brands was far outstripping the rate of growth of Spatz Laboratories, the legacy business. And in order to support that rate of growth, we needed to take all the resources of this 60-year-old family business and re-divert them to be able to support our own growth at that particular point. So, we had some very heated internal conversations that said, "are we prepared to walk away from a 60-year-old family business where we had developed these relationships within the industry for 60-plus years?" Laura, at that particular point, was heading up sales, and marketing, and R&D, literally flying around the world meeting with these global brands. Every six weeks, she was with them. But it really came to a head when we had to make this decision.

Jennifer Pendergast:
And you're in the disruption story. So, she's out on the road selling to these people who are, in essence, your competition, which maybe you can fly under the radar screen for a while, but then the stuff starts to grow. How did she manage that?

John Nelson:
It was a high wire act. It was a high wire act because I know we would have conference calls where she was walking into these meetings waiting for whoever she's going to be talking to, to essentially say, "what are you guys doing? What are you doing? You created this brand and now you're competing with us."

Jennifer Pendergast:
So, you let her go have those conversations?

John Nelson:
Yes. That's why I just said, "You'll be fine. Get out there."

So, it was also a different time at that point. I think a lot of those brands, if you rewind to 2014, 2015, they didn't necessarily believe in the disruption of e-commerce. It would have been different if we were going into, at that time, Sephora, Ulta, or wherever, and we were talking about taking self space, because that's where their mindset was. So, we were able to fly underneath that radar for, call it, 18 months, and they thought, "well, maybe that's kind of cute, but it's not really having an impact." But really in this March time frame of 2016, we had to make a decision. And we ultimately came together and said, "okay. Now is the time. We're going." And essentially shut down that business in the course of three months. Took all those resources, put it over on the Seed Beauty side, and then continued to grow the platform. And we added KKW Beauty in 2017. Last year was Fourth Ray Beauty, then we added Soli Body, and then we're going to be launching a third influencer brand on Friday. So now underneath the Seed Beauty platform, you have three influencer brands. And then the three wholly-owned brands.

Jennifer Pendergast:
So, the influencer brands, define what you mean by that. That's Kylie. Someone's driving that brand?

John Nelson:
It's basically attached to a celebrity or an influencer who is disrupting the traditional marketing approach, right, especially within the beauty industry. Even going back five years, was completely top-down, right, run out of New York or Paris, and it was the high-glossy ads and, basically, "we're going to tell you what to go buy." And so, the model has completely changed.

Jennifer Pendergast:
So, when you say that you saw opportunity, did you see this coming? I mean, were you guys prescient enough to know that we see the industry headed this way, or were you kind of learning along the way as this happened? When did it dawn on you that there's going to be a different way to go to market, and we can really take advantage of this?

John Nelson:
I think 2013, 2014, prior to launching Seed Beauty, I was really questioning the long-term viability of Spatz Laboratories at that point. I had concerns about the price pressure that we were constantly under and how the unit economics would work as that margin continued to erode. Don't forget we're manufacturing in California of all places. We would have the executives from these global brands come out and seeing how we were designing and producing our products, where they're used to, in their factories, high automation, very low mix, high volume. And what we were doing was saying, "you know what? We're going to change the way we manufacture. Better link that to our R&D so we can develop products faster and have much more flexible manufacturing systems and trade off automation for more manual labor." But we felt that that was a competitive advantage for the business.

So, against all that price pressure, their desire for us to move production off-shore when we saw the benefits of keeping all that vertically integrated here in the US. And then also recognizing that we did not necessarily want to hitch our wagons to these incumbent brands for the long-term. So it was really against that backdrop that it was like, "look, we're either going to run some of these experiments without betting the whole company on our own and try to disrupt ourselves from the inside-out as opposed to waiting for one of our customers, quite frankly, to disrupt us from the outside-in."

Jennifer Pendergast:
So, take us inside the room when you say we had to make this decision and pull the plug. Is that you, your dad, and Laura? Is it the executive? Who's in the room and what's that conversation like?

John Nelson:
Yeah. I mean, at this point, it was really my father. So, prior to this, Spatz Laboratories had been transitioned down through estate planning to my sister and I. We launched Seed Beauty in 2014. We asked if they wanted to participate as owners in that business, and said, "you know what? That's your future. You guys go ahead and do that on your own." So, it ended up being 50/50 equity partners on that new venture. So now all of a sudden we're sitting there in a conference room saying, "are we supposed to shut down the legacy business?" And it ultimately was a series of conference calls and internal conversations. The conference calls were with outside legal because there was a lot at stake at that point. And then, ultimately, making the decision to move forward with that, with legal on the phone and then Joel, Laura, and my sister, and I.

Jennifer Pendergast:
So, Joel is dad.

John Nelson:
Yeah. Joel is dad.

Jennifer Pendergast:
Yes. I was going to say, sadly, one of the lessons of the story is you would like to replicate John's dad, which you can't necessarily.

John Nelson:
Yeah. We're very fortunate. We're very, very fortunate in that way.

Jennifer Pendergast:
And you and Laura were aligned though?

John Nelson:
I think to be fair, I would say, because our personalities are a little bit different. Mine. I'm always pushing for me to get aligned, and willing to take more risk, although, calculated risk. Where she tends to be more comfortable in the current state. And so that took time. It was a big decision that was the result of a lot of conversations behind the scenes to be able to get to that point. And it had to be, because I also, although I believed that was the right decision to make at that time, I did not want to be the one who made the decision. All three of us had to be in agreement at the same time.

Jennifer Pendergast:
So, you make the decision. You pulled the plug in three months. What didn't go as you might have expected?

John Nelson:
There was definitely-- it depends. For certain customers, it went well, a very amicable transition. Once it--

Jennifer Pendergast:
So, meaning the conversation to say, "we're no longer going to be here to service you."

John Nelson:
Yeah. And how can we work with a smooth transition?

But once we made that decision, we had to stand behind it.

Jennifer Pendergast:
It's not like you can do that halfway.

No.

Jennifer Pendergast:
And I'm guessing once someone knows in the industry, everyone knows in the industry.

John Nelson:
Yeah. Yeah. Yeah. Well, and each one was under a different contract arrangement.

Jennifer Pendergast:
So that was five years ago, four years ago?

John Nelson:
Yeah. Five years ago.

Jennifer Pendergast:
And --

John Nelson:
Well, no. That was 2016, but since the launch of Seed Beauty, was 2014.

Jennifer Pendergast:
Okay. So, did you have-- you were in business school. Did you have a clear strategic business plan for what it was going to look like when you pulled the plug? How--?

John Nelson:
No. I think one of the things that we've learned and we have to continue to do that now is just the need to be running these experiments all the time on the platform. And it's through those experiments that we continue to gain learnings and then figure out, "Okay. This is working. We now need to go resource it and put more behind that." And I think that we have found that that is more effective than the traditional kind of bigger picture business plan, so to speak. I mean, even when we started to launch ColourPop, like I said, that was more of just, "Let's just run an experiment here," as opposed to putting together this whole model. I mean, if we think about it, at that point, we had Spatz Laboratories. Because, ultimately, we weren't getting the proper return on our R&D and it was taking them a day on Instagram, 3-and-a-half hours. And I'm not going to get on my feet there that because she gets good grades, she's a high self-motivator, and she gets things done. Laura checked, and then all the sudden, that went from 3-and-a-half hours, to last week, it was down to 15 minutes a day.

Jennifer Pendergast:
And you saw the amount of value you were creating you weren't capturing, which was the opportunity.

John Nelson:
Yeah.

Jennifer Pendergast:
So, if you think about -- it's striking me that there's a professor here who made a comment to me that really struck me once that disruption, which is this whole concept of generally the message for people to hear it has to come from a prophet from another land. So, relatively infrequently does the disruption come from the core players because they can't let go of what they already have in place. You guys were a bit of an outsider, but you were still heavily invested in the existing model and still willing to be able to see that to disrupt it, which is kind of interesting, because I don't know that that's very common. Is there something that was unusual about you guys in terms of your ability to see that? Or maybe it's this model that you created that allowed you to take-- you didn't have to bet the farm to that, maybe.

John Nelson:
Yeah. If we had the conversation that we had in 2016 back in 2014 that says, "okay. This is what we're going to do and here's what the impact could have been," there's no way that we would have done that. It was just one thing led to the next, and then through that, we gained more clarity that said, "This is clearly the path that we have to be going down." And we had demonstrated what the results were, so it became less of a theoretical and more of it's right in front of us. We have to go, and now we feel like it's our time to go to that.

Jennifer Pendergast:
So, are there things that you learned here that helped you think about this iterative approach, or was that more intuitive?

John Nelson:
I think that we had learned that just through the business itself. But my time here, and continues to be, is just different frameworks and different models that could be applied within our businesses.

Jennifer Pendergast:
So if you talk about what made you successful in the earlier contract model, speed to market, strong relationships, I'm assuming, ability to deliver effectively, have those things-- did it stay with you, or did you have to develop a whole new set of competencies to be successful in the new world?

John Nelson:
We had to develop a lot of new competencies in the world, especially from the marketing, the social media, the e-commerce, how to drive traffic. A lot of that, we've had to learn, and we continue to learn on that. But a lot of the baseline, like, "here's how we develop and here's how we produce." It's kind of like we have this startup mentality that's built on this 60-year-old foundation.

Jennifer Pendergast:
And what did that mean for the people you surrounded yourselves with on the team? So, you mentioned-- going back to you said, "I have this team that kind of was with my dad." I can imagine they were all a lot older than you when you started. They obviously would have evolved over time. But did you have to make some fundamental changes in how was around you to be effective in this new model?

John Nelson:
Well, when I came back in in 2002, I ultimately had to change some of those team members. But especially now as well, because I think one of the things that we continue to learn is the folks that got you to one level are not necessarily the same folks that can get you to the next level. And having an objective view on that. I think is really, really important. And looking at it, starting with what are the business needs, how do we design the organization, and then what is the skill set that we need for each one of those roles? So, we're spending a lot of our time right now just making sure that we're identifying what those roles need to be and that we're getting the right people in the right roles. And then in some cases, having to have difficult conversations, but in that, being able to tell the truth.

Jennifer Pendergast:
And maybe it's the secret sauce, so you can't tell us. Do you foresee another series of disruptions that you're planning for with small bets that you're taking now?

John Nelson:
Yeah. I think it's just we just have to keep doing this, and I think it becomes harder the larger that you become. But we have to just absolutely stay committed to that, because it goes back to my comment earlier. Whatever the business looks like today, it better look very different three to five years from now or we haven't done our job.

Jennifer Pendergast:
So, it's remembering what got you here and not getting too wedded to that bigger company mentality that's important?

John Nelson:
Yeah. And I think to embrace some of the things that made us successful, but not hold onto that past as much as we need to. And it's also not necessarily the most comfortable place to live, because you're living in this in-between state which is saying, "here's where we are. Here's where we need to go, and we're not where we need to be." And so, it's this constant push to evolve and not become comfortable in that.

Jennifer Pendergast:
And you'll never be where you need to be in this model, right?

John Nelson:
No. No.

Jennifer Pendergast:
So that's sort of the way it has to be.

John Nelson:
Yeah. If it is, then it's time we got to look at doing something else.

Jennifer Pendergast:
Do you have other advisers around you, truth-tellers that keep you honest on that, either a board, or friends, or mentors, that if you get too stuck, are watching?

John Nelson:
Yeah. I think we've had some informal relationships where we've really been able to benefit from that outside advice. We have not set up the formal board of advisers, so that's definitely a best practice that we're lacking in. But we're starting to take some steps, because I think that Laura and I, especially, need some of that outside perspective.

Jennifer Pendergast:
So, let's go back a little bit, because we've got so many family businesspeople in the room. You come in, you talk to your dad about wanting to come in and change this. You say that he's very open to this. Was it really that easy or were there points that you and Laura had to think about, "how are we going to convince him of this story?"

John Nelson:
Yeah. It was hard. I mean, that year that I was here, I think it was Monday night conference calls, and it was just three hours of standing calls working through, "what is that role going to be, what is his expectation, what is his expectation, how do we design it, what do I feel like I have the impact that I feel like I need to have, but continuing to earn his trust as a result of that?" And those were painful, painful conversations.

Jennifer Pendergast:
Because depending on what you heard from him, you may not have gone? It could have been different?

John Nelson:
I don't know if it actually came to that, but so, it was just he had his perspective and I had mine, and then my sister was in that as well. And so, we just had to work through what everybody's expectations around that.

Jennifer Pendergast:
So, it's hard enough to gain credibility with an older team. You come in a younger a guy. "Oh, and by the way, I went to business school, so I have all this great knowledge to impart on you that my professors shared with me."

John Nelson:
It worked against me.

Jennifer Pendergast:
Yeah. I was going to say, No, I think looking older, coming back from elite business school probably is one thing. But then on top of it, you're coming in and also talking about doing things differently. So, it's one thing to come in and say, "I'm just going to kind of go with the flow here." How did you gain credibility with people there?

John Nelson:
I think it was around identifying what the key results needed to be at that time, and then making sure that we were delivering on what those key results were. I think it certainly helped having my sister and business partner involved as well, because we were aligned, so she could see that change. A big change at that point was when I came back in, the business-- Spatz Laboratories at that point was just starting to do formula R&D. Primarily, at that point, it was packaging and packaging R&D. So, it was very much a male-dominated environment.

Jennifer Pendergast:
Well, it's your dad the scientist guy, right, making cool packaging.

John Nelson:
Yeah. With his team, right? And so, with my sister coming in saying, "we can't have this going in and selling formulas into the global brands." And so that really, it was through her leadership that she really started to change what the culture was and what the team looked like. To now, it's literally the reverse. It looks completely different than what it did back then. But there was a big change, and it took time.

Jennifer Pendergast:
Did you have sort of proactive conversations with her and then execution around, "how are we going to manage this culture and how do we want it to be like?" Was it you guys out being in front of the people? Was it messaging? How do you make that shift?

John Nelson:
I don't think we spent enough time on what did we want it to be. We just knew that it wasn't right. So, it was more, I think, just more tactically changing it.

Jennifer Pendergast:
It's tweaking along the way.

John Nelson:
Yeah. And saying, "Okay. This role opened up. I think we need to think about this one differently."

Jennifer Pendergast:
And then it's a critical mass as you make those little changes that pushes you forward -- it's stuff in action. So that's what it was.

John Nelson:
Yeah. And it's still changing. I mean, we've talked with our team and said that the culture that we have today is not the culture that we can have in the future. And so, there's been a lot of conversations about the need to change that starting this year. And then transitioning, we're talking about having conversations about transitioning from more of this familial culture to more of a results-oriented, how do we drive accountability in the organization culture. And that's not easy for a lot of people to hear when we're saying, "this is not a family. We don't exist as a family." We all have families at home. We're raising families at home. We're not looking to raise a family at work.

Jennifer Pendergast:
How many employees?

John Nelson:
I'd say we're about 2,000 now.

Jennifer Pendergast:
And how many of those are production versus--?

John Nelson:
I'd say half.

Jennifer Pendergast:
Okay. And what's the non-production half? What's the average age, do you think?

John Nelson:
Oh, gosh. It's early 20, mid-20s. But that's part of where we've got to continue to make sure our minds are open. Laura was so interesting. She was reading out to the management team recently, and she used my daughter as the data point here. So not the perfect data point.

Jennifer Pendergast:
Who's how old?

John Nelson:
13, 13-year-old, right? So, she had recently met with my daughter, Mia, and she was going through and looking at the app to understand how she's spending her time on social. And six months ago, it was 3-and-a-half hours a day on Instagram, 3-and-a-half hours. And I'm not going to get on my feet there that because she gets good grades, she's a high self-motivator, and she gets things done. Laura checked, and then all the sudden, that went from 3-and-a-half hours, to last week, it was down to 15 minutes a day.

Jennifer Pendergast:
Well, what is it now?

John Nelson:
TikTok.

Jennifer Pendergast:
Yeah. And it will be something else-- yeah.

John Nelson:
So, if you think about how we've got all these resources in this channel because we're digital. This is how we're marketing, right? And it completely shifts.

Jennifer Pendergast:
In three months.

John Nelson:
In three months. And you don't know that what's next -- back then, she wouldn't have even been able to tell you what TikTok was or that that was going to be important. So, then it's just how quickly you can sit there and apply it while the incumbents are still trying to figure how to build out their Instagram strategy.

Jennifer Pendergast:
Yeah. Yeah. I will tell you the coolest that I've ever been is when I came home to my 17-year-olds with some swag that John had laid. And they were like, "We thought your job was boring."

John Nelson:
Well, 20 years ago, that was just packaging, so there was no formula in there, so it was even less cool.

Jennifer Pendergast:
Yeah. Yeah. So, anything else, words of wisdom to the group before we open it up to questions?

John Nelson:
I just say, I think from my perspective, one of the things that we kind of have talked about it is-- I know it's a big decision. Do you enter the business or you don't enter the business? And that just comes at different times in anybody's life, in their career. But I think it is worth making that role that you're spending that time around those expectations and clearly defining what that role is regardless of how much time that takes. Because I think it's time well-spent to set you up for success and make sure that there is alignment starting at the ownership all the way through the management side.

Esther Choy:
Industry incumbents are rarely willing to take the risk of giving up their core business in pursuit of a new model. The Nelson Family demonstrated courage and strategic insight when they set a new direction with SEED Beauty. Their disruptive ideas are matched tightly by their execution of these ideas.

That wraps up our interview with John Nelson, Kellogg Class of 2003, CEO and co-founder of SEED Beauty. It's worth noting that after this interview with Jennifer, John stayed for another 30 minutes to answer questions from MBA students on our Evanston campus. It's just one of countless examples of live, valuable and timely learnings that the Center for Family Enterprises offers.

Don't miss out on more of these opportunities to learn from our world class faculty and leading researchers on family owned enterprises. Check out our suite of executive education programs at WARDCENTER.NET.

That's WARDCENTER.NET.

I'm Esther Choy, Kellogg class of 2009, and a faculty with the Center, AND now your host and executive producer of our own podcast, Family IN Business.

Thank you for listening, see you next time!

Established in 1999, the John L. Ward Center for Family Enterprises (CFE) pioneered much of what is known about the collective challenges family businesses and their leaders and owners face, making CFE synonymous with new ways of thinking about the ownership and leadership of family enterprises. Professor John Ward, along with founder Lloyd Shelsky and numerous faculty and staff aligned with CFE, developed CFE into a world-class teaching and research center that provides cutting-edge thinking and guidance for family-business purpose, vision and strategy, governance, leadership, succession, entrepreneurship in family business, family engagement and cohesion and family business culture.

CFE has built a collaborative family business "community" among Kellogg students, faculty, alumni and family business scholars, and has developed a global network of successful business families who can learn from - and connect with - each other to generate innovative solutions to current and emerging challenges faced by family enterprises. CFE also creates unparalleled executive programs and conferences to drive strategic conversations about innovations and best practices in the field of family enterprise.

Renamed the John L. Ward Center for Family Enterprises in 2020, CFE today is in a unique position to transform the decision-making and strategic thinking of future generations of family enterprise leaders. CFE is dedicated to producing rigorous and relevant research into the unique demands, strengths and evolutionary paths of family enterprises. Results of this research are delivered in the classrooms to all ages of family business leaders.

In addition to our focus on the complexities of family enterprise leadership, governance and strategy, we integrate Northwestern University's and the Kellogg School of Management's authoritative expertise into our curriculum to create a world-class, comprehensive, cross-discipline family enterprise resource. Our fusion of this deep academic capability with knowledge gleaned from our global community of high-impact business-owning families helps create CFE's unique theory-driven, evidence-based frameworks.

CFE has a three-pronged approach:

- Providing MBA curriculum and programming for students who are part of a family business, as well as students interested in the fields of private equity and venture capital;

- Offering executive education courses such as *Leading Family Enterprises, Governing Family Enterprises, and Family Enterprise Boards: A Program for Current and Prospective Directors*;

- Conducting groundbreaking research to better understand the challenges facing business families.