

## INTRODUCTION

### ► Disruptions and disruptors.

Families Summit of Minds 2023 tackled six urgent themes: the environment, immigration, demography and geo-economic inequalities, healthcare and family. This is a summary with highlights.

## ENVIRONMENT

### ► A healthy planet is fundamental to how Canadian families will live, flourish and do business.

Canada sits in a precarious spot in terms of environmental degradation. As a nation, we release **14.2 million tonnes of CO<sub>2</sub>** per year, far above stated targets upon which there is little consensus on how to hit. This year, “*climate reality caught up to climate fiction.*” Our floods, fires and droughts made headlines. Yet **climate change** could be an “**opportunity of the century**” for families, with **AI** in the mix. With its ability to analyze vast amounts of data, experts see AI as a **positive development**, with the UN lauding it as a tool that could improve our understanding of climate change, and to **conserve water**, fight wildfires and beyond. Some are looking at the **carbon footprint of AI itself**, so enterprises hoping to deploy it should be transparent about its impact.

Beyond new technology, here’s what we know: In the natural world, **resources** are under threat and families should expect **the unpredictable**. In the business sphere, **disruptors are the rule**, no longer the exception. Economic **diversification is essential**. Yet the carbon economy, oil and gas, accounts for 20% of Canada’s GDP. So, enterprising families will need support as they transition to a green economy. Notwithstanding, **sustainability of the family unit is as important as the environment**. Part of that means the **5.8 million** additional homes needed to support Canada’s immigration strategy could wreak havoc with the country’s carbon reductions goals. There will be trade-offs. Sustainability, in both the environmental and enterprise-longevity sense, should not be a defensive tactic – it’s more about swords than shields. Young people want a clean planet, and by some accounts there exists **\$12 trillion worth of opportunities** in the green economy. If your family business is in a “dirty industry”, do you divest or do you transform? The answer may be difficult, but the **sustainability mountain** is worth climbing.

## IMMIGRATION

### ► Canada’s future depends on skilled newcomers to help sustain our economy and compete.

Canada’s aging population and low birthrate add up to **a need for immigrants to offset labour shortages** and shore up tax revenues that fund healthcare, education and other key areas to the nation’s high living standards, which in and of themselves attract highly skilled immigrants. Three in four immigrants in Canada for a decade or less are gainfully employed, yet there are persistent shortages in key sectors, **healthcare** among them.

A tacit acknowledgement of the **merits of enterprising families’ long-term approaches** to business may be taking hold among **policymakers** seeking a Canada that generates opportunities, creates jobs and maintains a high quality of life. Said one Summit thought-leader: “*We want our children to stay in Canada. We need an economy that pays for expensive medical treatment.*” Problematically, “minority governments” have been “short-term and transactional” with partisanship “crowding out pragmatism.” There are parallels within the family enterprise dynamic, especially those which favour the “me” over the “we,” or those reluctant to find ways to **redirect capital towards a common good**. Does it matter if you have **donated millions** “*but have not paid your employees properly?*”

**Family business boards are the conscience**, backbone and heart of their enterprises. They are the stewards of the future. Build them as such and **envision the composition of the future boardroom**, its values and strategic priorities, with greater clarity. Should “nature” have seat at the table? What should boards discuss? Social unrest? Population displacement? Biodiversity impact? Supply chain threats? All of the above, and more. Boards need to understand risk (cyber, climate and so on) to better mitigate. They need to look inward, too, at skillsets and their companies’ capacity to retain talent, as today’s **employees prefer companies that have a positive impact** on the world. Despite Canada’s record immigration targets, newcomers are underperforming economically. Families must play a role in stopping the talent drain.

## DEMOGRAPHY AND GEO-ECONOMIC INEQUALITY

### ► More wealth in the hands of more Canadians is a competitive advantage.

Ranked 16<sup>th</sup> globally, Canada has a relatively strong Human Development Index ranking, yet progress has stalled. Inequality is growing: Nearly **68% of Canada's wealth lies in the hands of the top 20%**. How can we expect the bottom 80% of the population to make any difference when faced with less purchasing power? Summit guests had no shortage of ideas. For one, families can begin by **redirecting more capital** – human, social, financial and otherwise – towards “common good” causes. A shift as such, conventional thinking may suggest, could come at the expense of **economic prosperity**, yet “more equity could drive more efficiency.” The received wisdom is that Canada has fewer inequalities than the U.S. That may be, but Canada is far less productive. Greater equity – propelled by cultures of **innovation** designed to increase **social mobility** – can help drive efficiency. Climate change and the race towards a net-zero economy lie at the core of this concatenation of factors insofar as “emissions reduction is now **a competitive issue** to win in net-zero world.” Carbon-reduction agreements have broadly failed. The threat? By 2050, climate change **could result in 1.2 billion people not being able to live where they currently live**. The opportunity? Enterprise **innovation and entrepreneurship can play a major role** toward rebalancing socioeconomic disparities.

Strategy can bubble up, from bottom up, so young NextGens must have a seat at the **innovation and strategy** table. Families must also accept a **reasonable amount of failure** to offset inertia and sustain entrepreneurial motivation. It is an **iteration process**, where leaders are willing to hit brick walls, get up and “fail better next time” to learn from their mistakes. Fresh thinking is essential.

If mismanaged, demographic shifts, labour markets and healthcare sectors will undermine Canada's ability to compete, attract investment and reverse economic inequalities. Throughout the Summit, we learned that **AI holds vast potential and unknowns, yet it is no panacea**. Post-modern millennials – NextGens – want a just society, but relieving inequality implies a fully-functioning planet. The world has dedicated **\$125 trillion** to retool toward a carbon-neutral economy. Today, \$1.70 of clean energy is now spent for every \$1 in “dirty” energy. It is a good start, but as one Summit guest states: “If we continue to live in a winner-takes-all society, we will have a difficulty embedding social impact into organizations.”

## HEALTHCARE

### ► A healthier society is more productive, more innovative and more competitive.

There are more than 600,000 people with **dementia in Canada**, a figure projected to rise to 955,900 by 2030. The **annual cost** to the Canadian economy and healthcare system tops **\$10.7 billion**. Globally, population growth and population aging are at play in the global crisis. Yet a movement towards “**assistive technologies**” may one day offer dementia sufferers and their families avenues toward slowing, treating or stopping symptoms of the disease's onset. **AI tools**, a recurring Summit theme, are already being trialled in some countries to assess early signs of dementia and Alzheimer's more quickly and efficiently. For example, AI speech technology to analyse language patterns could help detect the illness. Dementia is only one example of a disease to tame inside a woefully **inefficient healthcare system**. New solutions will be needed over the next 10 to 15 years. “*Technology must play a major role,*” say Summit participants. That and private sector **family enterprises must play a far greater role** in terms of consultation, diagnosis and especially delivery of treatment.

## FAMILY

### ► Families are at the core of their enterprise.

**In their quest for sustainability, they have an obligation to disrupt with purpose and compassion.**

**Disruption** will always be with us. More specifically, “disruptive innovation” will continue to transform markets and displace long-standing, established competitors. No enterprise is immune. As both the volume and pace of industrial change accelerates, families will need **at least three “big ideas” per generation** to compete, if not survive. The good news? Disruption and **innovation** are the domain of younger people – our NextGens. It could be argued that **disruption is the essence of succession**, which is also good news for families willing to modernize their frameworks around succession. This is where **digital-native millennials can shine** as they influence – and mentor – older family members to not just accept what is, but to nimbly adapt to the realities of marketplaces in constant and accelerating flux.

On that path, each individual needs to know they are cared for. Collectively, families must frequently revisit their fundamental questions of **values and vision**; namely, **why are we doing this and for who?** This brings clarity of purpose.

**Disruption** in its many forms may be alarming, but it is inevitable. Families must address it through the **lens of opportunity**. Planning can begin with simple questions: Are we **cohesive**? Do we have a purpose? Do we have a plan to **advance our human capital, social capital and financial capital**?

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