



ELI Group



FABASA

LEGACY is not only about what we leave FOR our children but especially also about what we leave IN our children.

Family Business - ELI GROUP, is a collective of agricultural-related people and enterprise development companies established by Leon & Elsabe Diederichs.

The business has its roots in the development of leaders for the agricultural sector, the development of supply opportunities for new farming entrants and the provision of support services for them to be profitable and sustainable.

The focus on unlocking value for entrants also lead to the establishment of agri-processing and distribution units.

SUCCESSION through the eyes of a SUCCESSOR

André Diederichs & Leonard Diederichs

FAMILY BUSINESS TIPS

In the previous newsletter, we announced the Afrikaans book NALATENSKAP (LEGACY). The Diederichs family business plays a role in the book. In this article, we interview Leonard Diederichs, from the ELI Group (family business), about the path of Succession that he had to walk.

Succession planning is a challenging issue for family businesses throughout the world. A smooth and successful generational transfer of power is key to ensuring the sustainability of a family business.

LET US LEARN FROM LEONARD

QUESTION

Leonard, you succeeded your parents as the leader of your family business. Please explain to us what roles you had to play in your family business from the time you got involved until now.

ANSWER

In the beginning, everyone was always “all hands on deck.” No tasks were too small or inferior. You did what it took to build the business. As the business grew and we gained more stability, our roles moved closer to each other’s strengths. Mine is more “frontline” work, such as marketing, research and business

development. Other family members again had more talents for administrative work and building relationships. When one day my children are ready to get involved too, they will also start at the bottom to get to know all the aspects of the business and its people. Work ethic and adaptability are important and must be learned from the leaders and colleagues in the family business.

QUESTION

Leonard, when do you think children are ready to take over leadership? How do the parents/family and yourself know that you are now ready?

ANSWER

Children must work for some time among people who understand and apply the culture and systems of the business. The Business is successful if the systems allow you to produce a profitable and sustainable product or service of good quality.

Once the business culture is instilled in the children, and their approach to the systems is in line with what the existing leadership requires, then they are ready to take over.



Fishing is Leonard's way of relaxing

QUESTION

Leonard, you now play a leadership role in your family business. How is it managed between you and your parents so that they can feel they have less responsibility but not feel excluded?

ANSWER

Communication! We try to drink coffee together for about 20 minutes every morning to create a platform where I can give feedback on what we are doing and ask for their advice on decisions that I am not sure about. I also think that it is important that they remain on the Board, even if it is in a non-executive capacity.

QUESTION

Leonard, what are the most important lessons you have learned over the years that you would like to share with the incoming generation?

ANSWER

Do business in such a way that it is nice to work together by respecting each other. Calm down and think before you speak. Take care of the goose that lays the golden eggs and don't take on so many new things

when there is a good year that you lose focus on the goose.

QUESTION

Leonard, what do you see as the key challenge for the future of your family business and what are you doing to address it?

ANSWER

My parents support our children to live out our strengths and interests. The business already acquired a few unusual branches, but with the necessary passion, and if the will is there, anything can work.

I think the world is changing much faster today. The children should be able to examine the trends and come up with suggestions where they see the "cheese moves." However, they must also come up with detailed and concrete plans before we spent resources on new projects or ideas.

For a list of English & Afrikaans books written by André Diederichs visit :

<https://andrediederichs.co.za/books-dvds-cd/>

