

Connecting the world of Solvay

The Solvay family has a huge global network of family shareholders who number 2,500. **Marc Smith** met the pioneers behind an online application that is helping the family bring them all closer to the business and each other

How would you improve communication between family members and increase the emotional links between your family and the business? If your answer involves inviting a favourite nephew into your office for a chat or dusting off a pamphlet your uncle put together a few years back to explain the how, why and wherefore of your family's existence then you need to think again. You need to think Web 2.0 (see box out).

When Edouard Janssen and Edouard Thijssen met at a Belgian family business event in 2006 they could simply have exchanged business cards and left it at that. Instead, they ended up starting a business together and launching a brand new product that they hope will propel other business-owning families into the 21st century era of communication.

The Edouards' eureka moment occurred when they both realised, with some embarrassment, that there were cousins at the event who they had never met and knew nothing about. Their discussions led them to talk about how their use of the internet enabled them to keep in touch with friends from all over the world, and the pair came to the conclusion that the same tools could be used to improve the communication within their respective families.

Their big idea was a web platform that combined the best aspects of applications such as Wikipedia, Facebook and YouTube with information about family history and the family business to create a unique communication tool for large families.

The application they have developed is called Trusted Family (TF) and is designed as a multi-layered product that can be as simple or advanced as a family wishes. Essentially, it allows families the chance to transfer knowledge and information – from the family history and family meetings to google maps marking the locations of a family company's business units and a mini auction site for family members – in an interactive format that will resonate particularly with next generation members.

The Edouards created a company, Younited, in July 2007 to share the development costs and began raising funds three months later – primarily from their own two families. The Solvay family signed a formal contract to purchase TF in December 2007 and today, the revolution is well and truly under way.

EMOTIONAL LINKS

Thijssen is a fifth-generation member of the family behind Aliaxis, an international leader in plastic fittings, while Janssen is a sixth generation member of the Solvay family, owners of the €9.6 billion



international Chemical and Pharmaceutical Group of the same name.

Founded in 1863, when Ernest Solvay patented a revolutionary ammonia-soda process for producing sodium carbonate, Solvay today supports a staggering 2,500 family shareholders, who each own no more than 1% of the company. They are represented via Solvac, a listed holding company that is 80% owned by the family.

Solvac also takes care of succession issues, but there is no structure that brought all the differing branches together in a less formal setting. "Many family members did not know each other or the company very well; in fact the emotional links between the family and the business were declining," Janssen exclusively told *Campden FB*.

This is because, according to Janssen, most of the family's energy has been focused on the success of the business, rather than on the family.

"The emotional links between the family and the business were declining"

It has long been recognised that a family needs to find ways of expressing its "familiness" beyond the business setting so that the strengths that have created the business are

transferred and nurtured within the family.

Rather than viewing their lack of familiness as a threat to the survival of the family business, the Solvay family leaders saw an opportunity to improve communication between family members.

Specifically, they were looking into how a structure such as a non-profit foundation or a family office could bring the family closer together. However, the leaders soon discovered that the next generation had a different vision of how they could communicate.

Janssen admits that their timing couldn't have been better as they took their TF idea to family leaders including Denis Solvay, vice chairman of Solvay, and Jean-Marie Solvay, one of the directors of the company. Both were very interested in the idea, because it met their need of creating an instrument that enhanced family communication and, crucially, costed far less than the other structures they were looking into. However, they had one resounding reservation.

"They liked the informal structure that allowed the family to tackle the issue of involving the next generation and creating an exchange between generations. But everyone we spoke to was concerned about confidentiality and security," said Janssen.

This concern is natural given the rise in cyber crime and



the level of personal information, such as shareholder lists, that could be posted on a platform such as TF.

The duo tackled the issue head on and invited Jose Zurstrassen, the founder and chief technical officer of various web companies including successful online bank Keytrade, onto their advisory board. According to Janssen, he likened online security to a medieval castle; a combination of the modern IT equivalents of thick walls, guards and

footbridges that successfully repel potential intruders.

Consequently, TF now has world class security features such as intrusion detection systems for server security; encryption to the standard of an online bank to protect communication; and login system security that includes email, password, ID tokens and a physical key. There is also an external company specialised in hacking which tests TF on a regular basis.

With this thorny issue addressed, the pair set about meeting as many other families as possible to discuss what type of content to build into the product. According to Janssen, every family they spoke to wanted content that would create a strong bond and felt that the business should be the building block around which the emotional attachment could be built.

Thijsen says that their biggest challenge was to create a

WHAT IS WEB 2.0?

Before defining what Web 2.0 is, it is perhaps helpful to think about a definition for Web 1.0. Essentially, Web 1.0 was about reading information on the internet. It was a passive relationship where you would read what another person, company or body had to say on a certain subject.

Web 2.0 is a term that describes the different ways in which developers and end users exploit the internet. Hence, it is about writing, not reading; conversation, not lectures; communities, not companies. Rather than one-to-one communication, it was about many-to-many communication.

Web 2.0 has been helped by the internet moving from a home computer to laptops, mobile phones and PDAs where people can upload information instantaneously, wherever they may be.

Finally, as demonstrated by applications such as wikis and blogs, and communities such as social networking sites and video-sharing sites, content on the internet has evolved from being "published" material to "user generated" material.

This is precisely what Trusted Family aims to exploit by encouraging participation from family members.



product that was both standardised enough to benefit from economies of scale and sufficiently tailor-made to answer the needs of each particular family. "Each family is so different and it was important that we started a dialogue with numerous families

early so we could incorporate their needs into a platform that we are proud of," he said.

Both felt simplicity would be key, particularly as Web 2.0 is primarily understood by the younger generation, and they wanted TF to be used by all the family – regardless of age or technological savvy.

The pair put together a prototype and the Solvay family organised a

committee of family members with different backgrounds and ages to test the product. The committee included Denis and Jean-Marie Solvay and five younger members who Janssen said knew little about the family business – they found press releases and



annual reports too boring and technical.

This was absolutely critical according to Thijssen as the family provided a lot of feedback about what worked and what didn't. "The reason why such a large family exists is the business itself. However, information about the company is not an effective family glue. It was up to us to identify the key attributes of the family's identity," he said.

This gets to the crux of the issue. Why shouldn't family members simply use existing corporate websites to learn about the history and financial side of the business, I asked Janssen.

"Families who own public

companies often provide complex, unappealing information about the business that is primarily aimed at the financial markets, while families who own private companies typically have very little information written down about the business at all," he replied.

This highlights the critical importance of taking care of the family who are not involved in the business. If those non-working members cannot relate to their relatives who do work in the business, then a dangerous vacuum can open up between the two sides that can lead to misunderstanding, mistrust and a lack of common vision that could lead to the family's ultimate disengagement from the business.

WELL RECEIVED

A new user on the Solvay TF site is met with a homepage, in the style of Facebook, that summarises all that has happened – from a family meeting in Belgium to an article written by a family member about how the current credit crisis will negatively affect the business.



From the homepage they can then navigate around the platform using the search or tag facility. The content is divided in three broad categories:

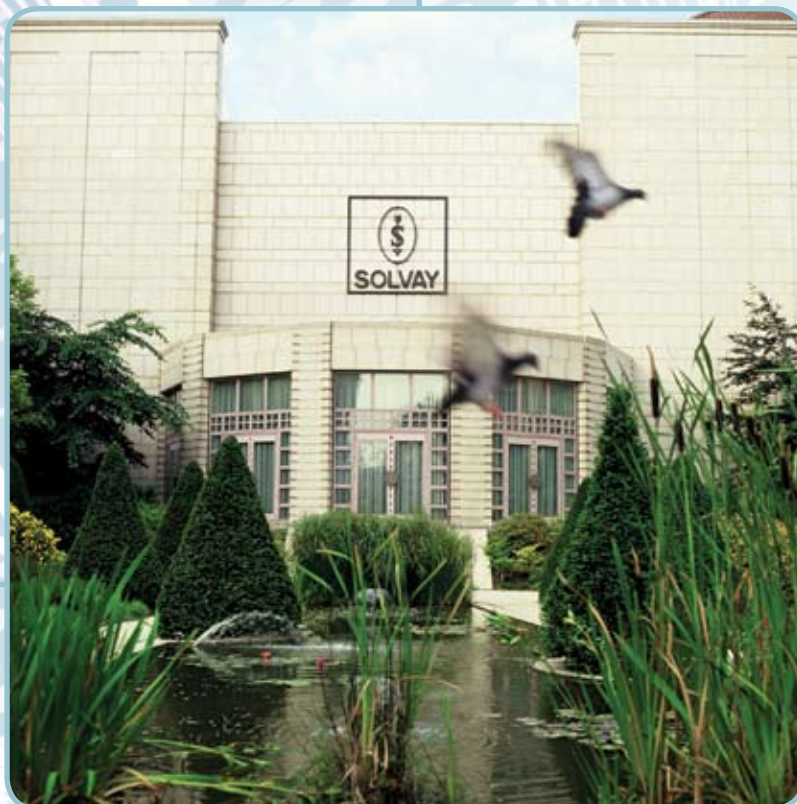
- family business information such as news, director biographies, stock quotes and internships
- family information, including a "live" family tree, the family history and upcoming events
- individual information such as contact details, interests and CVs.

There is also an email newsletter that pulls together all the latest news and information and which each member can choose to receive as often as they wish.

Every piece of information posted on TF aims to be much more accessible and, whisper it quietly, fun. The Web 2.0 aspect is what enables content to be more interactive. "It is the tools – photo, video, discussion groups – that are so vitally important as it makes the content more lively and interesting to those family members who have had little contact with the business previously," emphasises Janssen.

The Solvay TF site





Edouard Janssen, Edouard Thijssen and Jean-Marie Solvay, overleaf, hope their new application will bring the family closer to the business, whose HQ is above.

officially launched in September 2008 and its early use has been warmly received with the numbers of registered family users rapidly approaching 1,000. "We haven't had to convince people to try it because they like the idea and seem to enjoy using it," says Janssen.

Jean-Marie Solvay agrees, and to prove the point he admits that he has the site as his homepage. "I try to get onto it everyday although, as I am usually very busy, that's not always possible," he says. When he does get the chance he likes to see who is logged on, who has sent him messages, and who is doing what. "I try to be as active as possible," he says.

He is keen to point out that TF is in constant evolution; new features based on users' feedback are added every month so the platform responds to their needs. For example, he admits they were unprepared for the amount of personal information that family members wanted to share and have been making adjustments to ensure members have the usability they require.

Looking to the future, Jean-Marie says he wants TF to reflect the things that are most important to him – the family and the business. "Having contact with loved ones is vital but so is information about the company's stock and news about the business and our competitors. TF will be able to provide all this in the future and be the first port of call for the family on a daily basis," he says.

But this is not just a family vanity project – as a stand-

alone business Younited must attain certain benchmarks. Younited is aiming to keep costs low as possible but the price ultimately depends on the number of members and the number of applications that a family wants. There is an annual fee, which includes free updates and after sales support, starting from €5,000 per annum.

Janssen says TF's success will, in some respects, be hard to judge as the optimum outcome is the reinforcement of the emotional attachment of family members to the family business.

However, as with most web-based products, increased communication between family members and high traffic and content levels will give an indication of how frequently and in depth the family is using it.

Given that he has worked in the business, Janssen also hopes TF could help the family to add value by making it easier for family members to suggest new ways to innovate and facilitate networking with the ultimate aim of creating valuable feedback to the business.

TF is already proving its value in other ways. The current difficult economic climate means that the management is spending less time with family shareholders as they are travelling around the world talking to investors and analysts. Thanks to TF, the management are able to communicate information about strategy and the

long-term business vision more easily and effectively with family members during this critical period.

Ultimately, only time will tell whether TF will bring the family closer together but given Solvay's inspirational history and the fact that its next generation have taken it upon themselves to ensure that this history continues, the future looks bright. The future looks Web 2.0. ●

EXECUTIVE SUMMARY

COMPANY: Solvay

HQ: Brussels, Belgium

TURNOVER: €9.6 billion

CHAIRMAN: Aloïs Michielsens

FAMILY OWNERSHIP: 30%

POTTED HISTORY: Ernest Solvay, born in 1838, was a man with a passionate interest in science, research and innovation, and a defender of progressive social ideals. Together with his brother, Alfred, he founded the company Solvay & Cie on 24 December 1863 to implement the new process for the industrial production of sodium carbonate. The first Solvay soda factory started operating in Couillet, Belgium in 1865. Today, the company has revenues in excess of €9.6 billion.