



**CHAPTER 6**

# Developing Asia's Future Leaders

**AT A GLANCE:**

*Tanoto Foundation supports various initiatives across Asia that embody commitment to improving holistic skills, knowledge, and network of Asia's younger generation to strive as future leaders.*

The fight against poverty needs to be conducive and sustainable. We believe that future leaders must take part in uplifting those who are at the bottom of the pyramid.

However, in order to strive as a future leader, one requires a more sophisticated set of skills. The increasingly interconnected world calls for leaders who embrace a global mindset, one that transcends diverse cultural, political, and institutional backgrounds.

At Tanoto Foundation we are committed to supporting development of Asia's future leaders who are open-minded and capable of adapting to other cultures. Our strategy to advance this cause is to develop partnership that focuses on:

- Documenting Asia's business best practices through research and case studies.
- Supporting business education and initiatives that nurtures Asia's future business leaders.
- Facilitating exchange and dialogue as well as network expansion among Asia's business leaders and their global counterparts.

## Promoting Sustainability in Family Businesses: Partnership with the Business Families Foundation (BFF)

Many of the world's most successful companies started from family business. In the United States, 35% of firms listed in the Standard & Poor's 500 are family-owned. In Asia, family businesses are similarly ubiquitous. However, a BFF report shows that only 13% of business families make it to the third generation. Although family business ventures might be unique, when it comes to inter-generational sustainability, the trials and tests are incredibly similar.

Succession planning, leadership, governance, communication, and innovation are among the determinants of sustainable family business. We also believe that to achieve

inter-generational sustainability, family businesses have the responsibility to not only take care of their own business interests but also the community around them.

In an effort to support learning from best practices of business families and to disseminate the knowledge, in 2010 Tanoto Foundation formed a partnership with the Business Families Foundation (BFF), a not-for-profit charitable organization which aims to support, help, and empower business families achieve sustainability. The partnership focuses on initiatives related to: [a] development of educational materials, and [b] research on key issues in family business.

## Achievement

As of 2015, the Family Business course, which was first made available online in 2011, includes modules for a complete range of topics including succession planning, entitlement and meritocracy, engaging in philanthropy, family legacy, governance, advisory councils, entrepreneurship, innovation, and life cycles of family business. The course reaches learners from 30 countries.

## Building a More Inclusive Society: Partnership with Singapore Business Federation Foundation (SBFF)

While businesses have significant contribution to economic advancement, its role also extends to how it can build an inclusive society, where everybody benefits from the progress of the business.

To sustain growth, create better jobs, and enable all people to earn better incomes, businesses needs to extend access to those in need. It means more help for children from poorer homes to overcome early disadvantages, find their strengths and develop to their fullest potential. It also means more

help for the elderly and those with disabilities so they all play a part in the progress.

In our attempt to build an inclusive society, in 2013 Tanoto Foundation supported the formation of Singapore Business Federation Foundation that aims to encourage, enable, and enhance the contribution of the business community in Singapore to the advancement of all through three programs: [a] encouraging CSR and corporate philanthropy, [b] lending a helping hand to less privileged workers, and [c] advancing education and enhancing the employability of youth.

## Achievements

The support from Tanoto Foundation has influenced the development of various programs:

1. Together with SG Enable, a day activity center that provides care and skill training to adults with disabilities, SBFF created a program that helps 50 young adults with intellectual disabilities and autism by enhancing their employability and employment opportunities.
2. Provided scholarship to 12 high-achieving undergraduate Singaporean students from low-income families to Singapore University of Technology and Design, to nurture a new breed of technical minds for advancing innovation.
3. Together with Institute of Technical Education Singapore (ITE), SBFF established Overseas Industrial Attachment Program that seeks to create opportunities for ITE students to gain global exposure, build a global mindset, develop self-confidence and global competence. The program has sent numerous students to Frontken Corporation in Malaysia and SAM Suzhou in China.

## Bridging the Knowledge Gap in Asian Family Business: Partnership with the Hong Kong University of Science & Technology (HKUST)

Family businesses are pervasive and significant worldwide. In Hong Kong, nearly 70% of listed firms are family-owned. Many family businesses have entrepreneurial traditions. Yet the field of family business and entrepreneurship research is relatively recent and little work has immediate applicability for practitioners. There is knowledge gap in the area where the topics of family business and entrepreneurship converge.

In an effort to bridge the knowledge gap between academics and practitioners as well as policymakers in the areas of family business and entrepreneurship, in 2012 we formed a partnership with the Hong Kong University of Science and Technology (HKUST) which hosts the Tanoto Center for Asian Family Business and Entrepreneurship Studies.

The Center collaborates with various departments at HKUST and institutions around the world to organize academic and industry symposiums and roundtable events, conduct and publish top-quality academic research and articles in leading journals and newspapers, provide both tailor-made and open-enrollment training programs, write and teach cases on Asian family businesses and entrepreneurship.

## Achievements

Recent publication of academic research by the Center's faculty include the following:

1. Chen, T.Y., Dasgupta, S., & Yu, Y. (2014). Transparency and financing choices of family firms. *Journal of Financial and Quantitative Analysis*.
2. King, R., & Peng, W.Q. (2013). The effect of industry characteristics on the control longevity of founding family firms. *Journal of Family Business Strategy*.

Recent case studies include the following:

- Lee Kum Kee Company Limited: Female Succession in a Family Business (2014)
- Sun Hing Holdings Limited: Keeping the Family together through Philanthropy (2014)

## Enforcing positive Sino-US relationship: Partnership with China United States Exchange Foundation (CUSEF)

China and the United States are two of the world's largest economies. As such, global economy will benefit from positive Sino-US relationship. However, differing priorities and idiosyncratic nature of both countries leave some gaps in the relationship.

In our effort to promote growth of Asian future leaders, Tanoto Foundation formed a partnership with the China-United States Exchange Foundation (CUSEF), which focuses on advancing the Sino-US relationship, through four initiatives: [a] high level dialogue among business and policy

makers, [b] policy-oriented research, [c] exchange programs to promote exposure and understanding, and [d] educational programs to nurture trust and understanding between the future leaders of both nations.

## Achievements

Support from Tanoto Foundation has contributed to the publication of recent CUSEF research reports:

1. U.S.-China Relations: Toward a New Model of Major Power Relationship, 2014
2. U.S.-China Security Perceptions Survey: Findings and Implications, 2014
3. US-China 2022: US-China Economic Relations In the Next Ten Years, 2014

## Nurturing future champions of environmental sustainability: China's National Environmental Protection Drawing Competition for Primary and Secondary School Students

Due to rapid economic growth and industrialization in China, environment issue has become one of the most important subjects for the nation. Inclusive actions from all members of the society must be in place to create awareness for the public.

Tanoto Foundation believes that future leaders and younger generations need to be aware of environmental sustainability. In 2014 and 2015, Tanoto Foundation and Asia Symbol, a member company of the RGE Group, together with the Center for Environmental Education and Communications (CEEC) of Ministry of

Environmental Protection hosted the National Environmental Protection Drawing Competition for Primary and Secondary School Students.

The goal of the annual drawing competition is to raise the environmental protection awareness among the Chinese students in primary and secondary schools. To expand the reach of the program, a dedicated website was established ([www.drawinginchina.com](http://www.drawinginchina.com)) and on-line voting mechanism adopted. Award ceremonies were held at both provincial and national levels, and are fully supported by China's Ministry of Environmental Protection and environmental protection bureaus at all levels.

## Achievements

1. As of December 31, 2015, the competition has received more than 20,000 entries from 31 of the 34 provincial-level regions and yielded over 300 winners.
2. Through massive campaign and online vote system, the competition has successfully generated publicity and awareness through more than 400 news releases.

## Supporting National Initiative to Improve Learning Community: Qiaoxin Primary School Project

The need to develop future leaders extends to those in early age and living in the most rural areas. However, infrastructure difficulties remain a challenge from building a conducive learning community.

In early 2000, many schools in remote areas of China were facing the problems of dilapidating building and teaching equipments. In 2004 - 2008 Sukanto Tanoto took part in the Qiaoxin Primary School Project which supports the development of basic education in remote areas of China, especially through construction of facilities and training of school principals.

A match-fund policy by the local government has enabled the initiatives supported by Sukanto Tanoto to reach more schools and provide benefits to more students.

### Achievements

1. As of today, the initiative has provided support to 23 Primary Schools in 16 provinces and autonomous regions in China.
2. Supported at least five schools in Tibet (Nyingchi and Northern Tibet area) through construction of drinking water well and improving hygiene conditions.
3. The project resulted in the significant increase of education fund from the government. Now the Qiaoxin Primary School Project is able to shift focus to improving the quality of the education in the rural areas through school principal training and scholarships.

