

Lesson 20: Legacy

By  Alon Raiz

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I think legacy is a very egocentric concept. I often hear entrepreneurs saying in their pitches, "I want to leave a legacy."



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What does that mean exactly? Does it mean they want to amass a fortune and hand it down to generations to come in their families? Does it mean having a hospital cancer wing named after them so their name is uttered by thousands of people who never knew them? What do they mean?

To be clear, I have no issue at all with the concept of creating generational wealth, but then just call it generational wealth, not legacy.

Like so many other writers do when faced with topics, off I go to try to understand the definition of the word "legacy". According to the Merriam-Webster dictionary, legacy is "something transmitted by or received from an ancestor or predecessor or from the past."

It is a "gift of will, especially of money or other personal property." Darn it! Merriam-Webster is saying that generational wealth is legacy. That messes with my plan for this lesson. But, thank goodness for Chinese proverbs, one of which says, "Family wealth does not last for three generations. The first generation makes the money, the second spends it, and the

third sees none of the wealth.” Although this is just a proverb, I have witnessed this happens in so many families in my own lifetime.



#20Lessons20Years: Lesson 19: Succession; it's hiding in your business

Alon Raiz 31 May 2021



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According to Williams Group Wealth Consultancy, 70% of wealthy families in America lose their wealth by the second generation and 90% by the third. It takes the average recipient of an inheritance 19 days before they buy themselves a new vehicle. So, according to both the Chinese proverb and the Williams Group, if I am trying to create a so-called legacy for my two boys, it will most likely end with them, the second generation. Not much of a legacy.

The proverb bothers me a lot and has kept me up at night from the time I became a father. What is the legacy I want to leave my boys? It's a hard question, and I am continuously sculpting the answer.

At its essence, the question is whether I want to make their life easy or not intervene at all. What father would want their kids to struggle? On the other hand, what father would want to see their kids struggle with self-esteem and all the associated manifestations and pain? How does one balance this? It's a near-impossible balancing act and different for every family.

I am someone who has been through the entrepreneurial struggle, and who has owed millions without knowing how it was going to be paid back. I am someone who has faced uncountable month ends not knowing where to find the money to pay salaries and rent but who has always found a way. I am someone who has lost my biggest clients and my best staff and who has clawed their way back to profitability.

I am someone who knows the deep, deep satisfaction that comes with knowing that all I have achieved is a result of my hard work, my savvy and my creativity. But, I also know that I have had many, many lucky moments, that I was surrounded by incredible mentors, that I was supported by an unflinching wife and an incredible team at work, and that I had the privilege of a tertiary education.

So really, the legacy I wish to leave my boys is a set of values, a set of life tools, a good education, and the knowledge that someone believes in them. With this legacy, I hope they find their own successful journeys and, when the time comes and if there is indeed an inheritance, I hope they fall within the 30% of second-generation wealth families who not only use the capital wisely but, more importantly, who hand down this legacy of values, life tools, education and the knowledge that

someone believes in them to their own children.

Here are a few of the legacies I wish to leave my boys...

Work first, play later

From a young age, my wife and I have drummed this into our boys. Get your work done first, then you can go chill with your mates. Oh, and work hard. I'm not convinced by the work-smart-not-hard mantra. If anything, it's work hard and smart.

Exposure to business

From a young age, both my boys were deliberately dragged to meetings, business functions and dinners. I would make them tell me what they learned from each interaction. They would ask questions about what this meant and what that meant. They have been marinating in business concepts.

Exposure to all cultures

My dining room table is often filled with the most interesting people from all cultures from across South Africa and abroad. My boys are required to engage with the guests before dinner and, in many instances, are required to do some Google research on the countries or traditions of the guests and prepare questions based on their research.

Get up again

Whether in sport or academics, my children are going to have some terrible disappointments. These are just metaphors for life. My wife and I have been working with our boys to give them a framework for processing failure in a way to learn from it and quickly get up again. Recovering from failure is a skill that can be learned.

Be kind and respectful

Nowadays, this seems such an old-fashioned value, but it is one I want my boys to take on board. In a context in which everyone at school seems to be dissing one another and showing off, there is a great opportunity to be protective about and kind towards those who are being bullied. The boys are required to respect and engage all people, no matter their age or position in society. Everyone has a great story and everyone can teach you.

There is another Chinese proverb, "Give a man a fish, and he will eat for a day. Teach a man to fish, and he will eat for a lifetime." I would like to add a little twist...Give your child money, and he will eat for a day. Teach your child how to make and respect money and the importance of passing this on, and he will teach his child who will teach his child and so on. Now that is legacy.

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ABOUT ALLON RAIZ

Allon Raiz is the CEO of Raizcorp. In 2008, Raiz was selected as a Young Global Leader by the World Economic Forum, and in 2011 he was appointed for the first time as a member of the Global Agenda Council on Fostering Entrepreneurship. Following a series of entrepreneurship master classes delivered at Oxford University in 2014, 2015 and 2016, Raiz has been recognised as the Entrepreneur-in-Residence at the University of Oxford's Saïd Business School.

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