

Fourth Next Gen Conference 2018

March 1-4 | Seville, Spain

Report

The European Historic Houses Association's Next Generation group was privileged to start the 2018 programme with a visit and aperitivo at the Real Maestranza de Caballería in Seville.

Excmo. Sr. D. Santiago de León y Domecq officially welcomed the group to Seville as "Teniente" - Deputy of the King of Spain Felipe VI. He explained the rich history of



the Club while participants enjoyed a guided visit to the 'backstage' of the Plaza de Toros and arena – and its wonderful collection of Goya's prints 'La Tauromaquia'.

The fourth Next Gen Conference was held at the Castillo de la Monclova in the beautiful countryside surrounding Seville. This was the perfect location to discuss "Change Management", being the heart of an Estate with a significantly diversified portfolio of business and heritage interests.

Rodolphe de Looz-Corswarem, Executive President of the European Historic Houses Association, welcomed the 115 participants from 13 countries, with a political message on the importance to capitalize on the 2018 European Year of Cultural Heritage to change the narrative surrounding family-owned heritage houses. He invited the Next Gen members to participate in the European Private Heritage Week (24-27 May) to show that private houses and gardens matter, and how fragile they are. He encouraged the younger generation to remain strong in the face of their responsibilities by accepting the challenges, being brave and curious, and by being innovative. He stressed the potential of developing local, sustainable tourism by cultivating the uniqueness of each house. He concluded by stressing the importance of maintaining family values and relying on the people who can support them.

Lauri Oinaala, Global Next Generation Leader of Ernst & Young – our main partners for this year's Conference – presented the global program and service portfolio for the next generation of family-business leaders set up by EY, mainly through their NextGen Academy. He addressed the challenges of adapting to a changing environment, creating value for a family-business and learning sustainable ownership.

Iván Azinovic Gamo, Head of Real Estate Practice at EY, Madrid, delivered the keynote speech on the situation of real estate in Spain, on the 'Transition from a global crisis to future trends'. He outlined that the 2007 economic and financial crisis had brought new players into the Spanish real estate market (e.g. financial institutions and foreign funds), as well as new regulations. He explained how EY had capitalized

on the new trends and on the economic recovery started in 2014 to build concrete success cases based on proper acquisition policies and business plans; notably with the conceptualization of “connected buildings” – the introduction of IT and Artificial Intelligence into the user-experience and management of buildings. His conclusion focused on the necessity to look forward and think in the future.

‘Managing business succession: challenges and solutions’ was the theme of the first panel discussion chaired by Alfonso Pallavicini, President-elect of the European Historic Houses Association. The first speaker, Thibault le Marié tackled the challenge of shifting from owner to entrepreneur, with the example of his parents who set up a language classes business in the 1980s to maintain the castle. He addressed the issues linked to transmission of the business and of the house, and outlined that the key was to give to each person a role and function within the project and its values. Almuned de la Maza, in turn presented how her family developed a brand for their house when they shifted from a traditional bull-breeding activity to more diversified activities, including receiving group visits. She gave an emotional testimony of the challenges of transmitting a family house and business, especially since the family disputes led to the sale of the company.

Paul Rous presented how he and his wife got involved in the family house and farm, and how to cope with the different mindset among generations regarding the management of the house. He discussed the diversified activities of the farm and concluded that the key was to find a balance between the corporate approach and the family feel and to make the changes when the time is right. Finally, Luna Medina presented how she and her sister are in the process of taking over the family trust, which manages 14 monuments in Spain, welcoming over 500.000 visitors per year. Luna’s key philosophy was to remain flexible but commercial, as the family’s needs change as does the market.

After the panel, the conference went into the detail with some practical cases. Marianne Cartwright-Hignett presented, in the first case study, how she and William Cartwright-Hignett took over Iford Manor in 2016. She reflected on how to stay relevant by adapting to the visitors’ growing expectations, and by using the new communication tools such as Instagram. She also explored some of the more personal challenges which can arise when working closely with family and the unique issues around taking over not only a business but a family home.

Aleksis Karlsons gave an overview of the particular situation of Latvia where many historic houses have only been returned to their pre-communism owners since 1991. In the last decade, a dozen manor houses have been returned and restored which has prompted reflections on their future use, and on the potential created through high-quality tourism; this has resulted in a change in perception of private heritage properties, and notably how they belong to a wider European heritage.

Finally, Robin Hereford from Bonhams – our second sponsor for the Conference – gave advice on how to manage a family collection, notably by documenting it properly with records and photographs for valuations and tracking, based on his experience of his own family’s collection and historic house. He encouraged the young group to free themselves from convention and to think outside of the box; in

particular for those passionate about art, to collect the artwork *they* appreciate, rather than remaining stuck only with the objects collected the passion of *previous* generations.

William Cartwright-Hignett, Conference Chairman, concluded the exchanges by outlining how the Next Gen group could contribute to the activities of the European Historic Houses Association, first by participating to the European Private Heritage Week and to the International Photographic Contest. He also plans to set up working groups on specific themes to support the lobbying activities of the Association. He encouraged the group to continue to be passionate, put their family first and love what they do to ensure a sustainable future for their houses.

A classic Spanish Paella and a visit to the Castillo de la Monclova, its chapel and Olive Oil Factory followed the Conference guided by Ivan de Arteaga, the present owner and inhabitant.

The day was closed by the Heritage Ball, which took place in the Casa de Pilatos, one of the finest Andalusian palaces, predominantly constructed in the XVI and XVII century. A presentation was made to the family, in the presence of around 200 revellers, who enjoyed the opportunity to celebrate private heritage and wander the palace before dancing into the night after dinner.

Brunch was served in the hotel, which is itself representative of innovative reuse and restoration having been converted by the Duke of Segorbe from 27 historic houses in the Jewish Quarter. A visit on foot was made to Casa de Salinas, where Bruno Salinas, the present generation to live there, generously gave up his Sunday to explain about the restoration and management of the property.

Many participants took the opportunity to spend a little longer together exploring the city, sharing stories and experiences of their own situations, before their flights back home.

This report would not be complete without thanking our sponsors for the year, Ernst and Young, Bonhams, but most especially the incredibly welcoming people of Seville who helped in organizing this weekend – particularly D. Enrique Moreno de la Cova – as well as the European Historic Houses Association’s team.