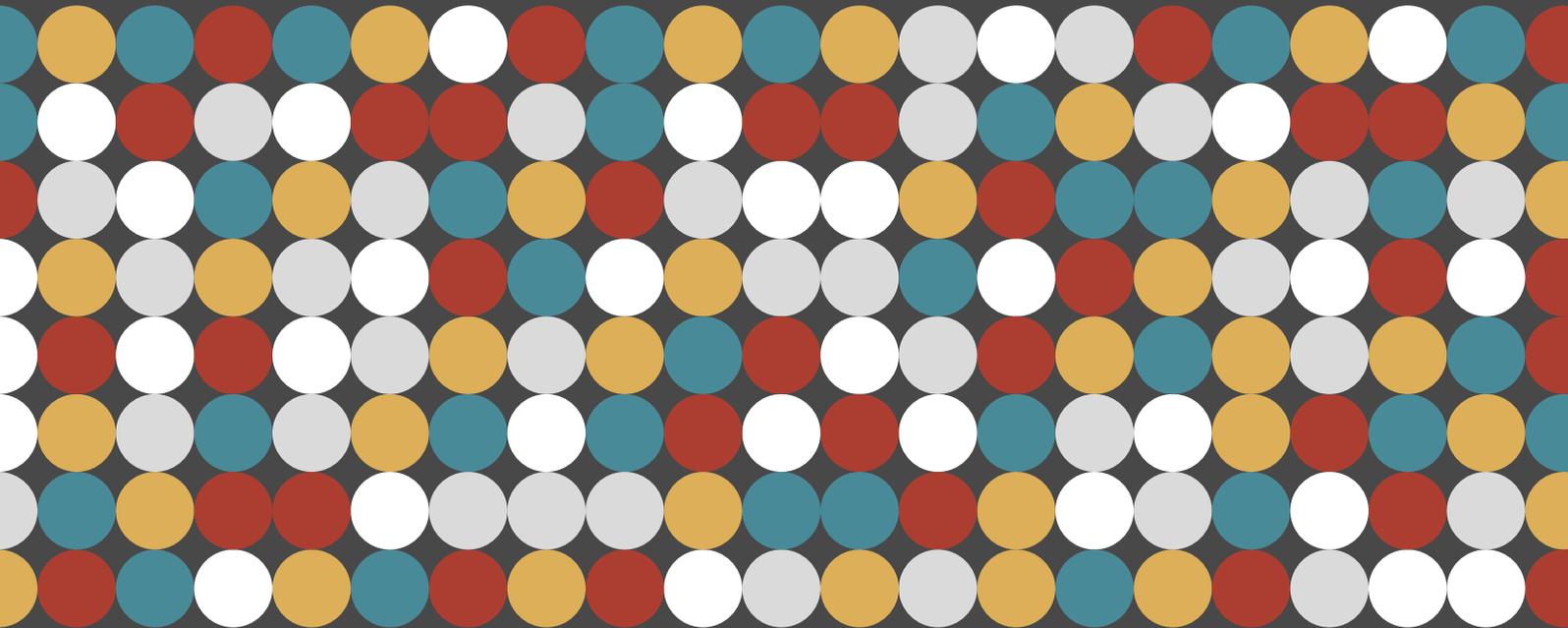


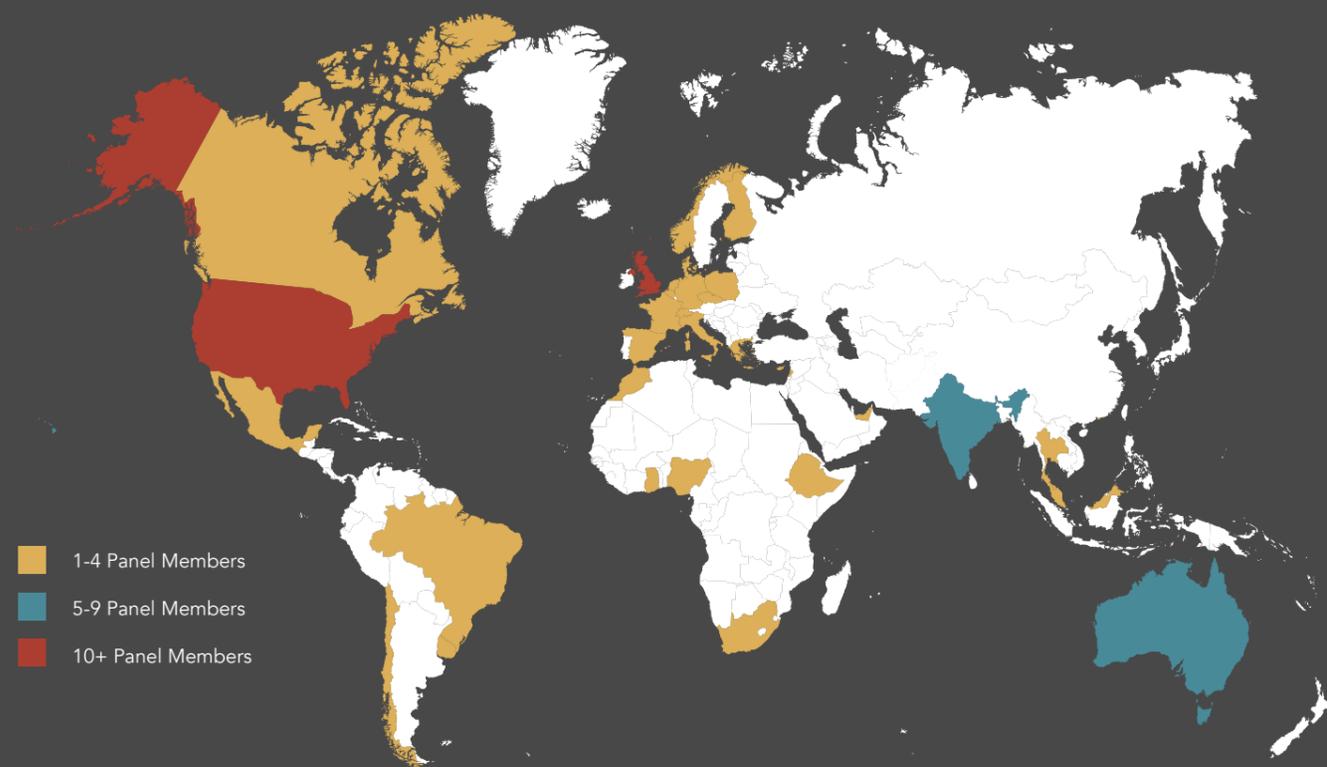


# THE GLOBAL FAMILY BUSINESS THINK TANK



Insights from the global family business community  
on family business matters that will help shape  
family business discussions and strategies

## COUNTRIES WHERE PANEL MEMBERS CAME FROM AND THE NUMBER OF PANEL MEMBERS PER COUNTRY:



<b>AUSTRALIA x 9</b>	<b>GERMANY x 2</b>	<b>NIGERIA x 1</b>
<b>BELGIUM x 1</b>	<b>GHANA x 1</b>	<b>NORWAY x 1</b>
<b>BRAZIL x 1</b>	<b>GREECE x 1</b>	<b>POLAND x 1</b>
<b>CANADA x 1</b>	<b>HONG KONG x 2</b>	<b>SOUTH AFRICA x 2</b>
<b>CHILE x 1</b>	<b>INDIA x 7</b>	<b>SPAIN x 2</b>
<b>CYPRUS x 1</b>	<b>ITALY x 2</b>	<b>SWITZERLAND x 2</b>
<b>CZECHIA x 1</b>	<b>LEBANON x 1</b>	<b>THAILAND x 1</b>
<b>DENMARK x 1</b>	<b>MALAYSIA x 1</b>	<b>UAE (DUBAI) x 1</b>
<b>ETHIOPIA x 1</b>	<b>MEXICO x 1</b>	<b>UK x 24</b>
<b>FINLAND x 1</b>	<b>MOROCCO x 1</b>	<b>URUGUAY x 1</b>
<b>FRANCE x 4</b>	<b>NETHERLANDS x 1</b>	<b>USA x 27</b>

# FOREWORD

**Family businesses are the engine room of economies the world over and as an organisation, Family Business United sets out to champion the sector and celebrate the significant contribution made by family firms. As such, our community continues to grow and we have used our connections to create a global panel of 105 experts to help us understand some of the challenges and opportunities that face family businesses today.**

We wanted to explore a number of topics to determine what is, and should be, on the family business agenda and to see how families in business are addressing hot topics such as diversity and engaging their next generation.

This report encapsulates the collective view of family business academics, advisers, lecturers, business owners and influencers to give us a global perspective on some of these prevailing issues. We could not have compiled the report without the contribution and support of our panel, and we are incredibly appreciative of them all taking the time to share their thoughts with us.



Our inaugural Global Family Business Think Tank Report highlights in many respects the positive way that family businesses embrace change, new ideas and ways of working, and how they are pioneering in many respects, but there is also opportunity to do more, to raise the bar further and to be more innovative in the way that the family business sector comes together to make change a positive force for good and provide families in business insights, resources and further support to flourish for generations to come

**PAUL ANDREWS**  
**Founder & CEO – Family Business United**  
**THE Family Business Champions**

[www.familybusinessunited.com](http://www.familybusinessunited.com)

# INTRODUCTION

**Family businesses play a pivotal role in the global economic landscape, contributing significantly to both local and international economies. These businesses, often rooted in tradition and shared values, serve as the backbone of many industries, fostering innovation, resilience, and a unique blend of personal and professional dynamics.**

They are important in many ways, not least in their global financial impact. According to the 2023 EY and University of St.Gallen Family Business Index the largest family enterprises are growing faster than the global economy with the largest 500 family enterprises generating an incredible US\$8.02 trillion in revenue – up 10% from 2021. In addition, it is recognised that between 60 and 80 per cent of all private businesses in economies around the world are family owned. Family businesses are a significant contributor to the global economy in terms of employment, income generated, taxes paid, wealth created and philanthropic endeavours too.

According to the International Monetary Fund (IMF), family businesses make up 40% of the Fortune 500 companies in the US, generate about two-thirds of German GDP, employ about one-half of the labour force in Britain, and account for the majority of the private businesses in developing countries.

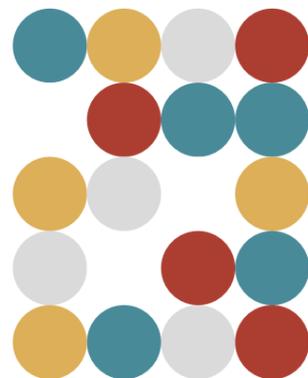
One of the primary strengths of family businesses lies in their long-term perspective. Unlike publicly traded corporations driven by quarterly results, family-owned enterprises often prioritise sustainability over immediate gains. This patient approach enables them to weather economic downturns more effectively, ensuring their continuity across generations.

The familial bonds that underpin family firms also creates a distinct corporate culture. This close-knit environment fosters loyalty, commitment, and a shared sense of purpose among employees. It can also facilitate smoother communication and decision-making processes, allowing for agility and adaptability in an ever-changing business landscape.

Furthermore, family businesses are known for their commitment to the communities they serve. Being deeply rooted in local communities, these family businesses tend to reinvest in their surroundings, creating a positive impact on employment, infrastructure, and overall well-being. This local focus often translates into a sense of responsibility towards sustainable practices, as family businesses aim to leave a positive legacy for future generations.

In terms of innovation, family businesses are not immune to change. Contrary to the perception that they might be resistant to modernisation, many family enterprises embrace innovation while preserving their core values. This ability to balance tradition and innovation positions them as key players in the development of industries, fostering a unique blend of stability and adaptability. Nevertheless, family businesses face their own set of challenges. Succession planning, for instance, can be a delicate process, requiring careful consideration to maintain the family legacy. Striking a balance between familial ties and professional responsibilities can also be challenging but is crucial for sustained success.

On a global scale, family businesses contribute significantly to cross-cultural exchanges. As they expand



## THE GLOBAL FAMILY BUSINESS THINK TANK

105

RESPONDENTS  
FROM ALL OVER  
THE WORLD

33

COUNTRIES  
REPRESENTED

74%

DO NOT BELIEVE  
FAMILY FIRM  
BOARDS ARE  
SUFFICIENTLY  
DIVERSE

96%

BELIEVE WE WILL  
SEE MORE WOMEN  
FAMILY BUSINESS  
LEADERS IN THE  
NEXT FEW YEARS

### “GOVERNMENTS & POLICY HOLDERS NEED TO DO MUCH MORE”

97%

NEED TO SEE  
CHANGES IN  
HOW THE NEXT  
GENERATION ARE  
ENGAGED

67%

DO NOT BELIEVE  
FAMILY FIRMS  
EMBRACE THEIR  
NARRATIVE AS A POINT  
OF COMPETITIVE  
ADVANTAGE

91%

AGREE THAT  
COMMUNICATION  
IS AN ESSENTIAL  
INGREDIENT  
FOR LONG TERM  
SUCCESS

45%

THINK FAMILY  
BUSINESSES ARE  
BECOMING MORE  
INNOVATIVE WHEN  
IT COMES TO  
GOVERNANCE

### “FAMILY FIRMS WITH DEFINED PURPOSE & VALUES ARE MORE LIKELY TO SUCCEED”

72%

AGREE THAT SUCCESSION PLANNING  
BECOMES MORE DIFFICULT IN MULTI-  
GENERATIONAL FAMILY FIRMS

According to the International Monetary Fund (IMF), family businesses make up 40% of the Fortune 500 companies in the US, generate about two-thirds of German GDP, employ about one-half of the labour force in Britain, and account for the majority of the private businesses in developing countries.

internationally, they bring with them a distinctive approach shaped by their cultural and familial backgrounds. This diversity enhances the global business landscape, promoting a rich tapestry of ideas, practices, and values.

Above all, family businesses are not just economic entities; they are custodians of tradition, champions of local development, and contributors to global diversity. Their significance extends beyond balance sheets, encompassing the intangible values that bind generations together.

As we navigate the complexities of the modern business world, acknowledging and appreciating the importance of family businesses is vital for a sustainable and inclusive global economy.

Our Global Family Business Think Tank comprises 105 individuals who are very familiar with the world of family business, either as leaders of multi-generational family firms, leading academics and researchers in the field of family business or leading family business experts, advisers and consultants who work with family businesses on a daily basis.

Our panel were asked a number of questions in order to help us determine the 'state of the family business world' when it comes to challenging topics such as governance, succession and next generation engagement in order to gauge opinion and share insights which can then help to

shape the agenda for the family business community in the years to come.

The results are in and unsurprisingly there are differences of opinion on some of the themes, as one would expect when it comes to assessing the impact of personal experiences, cultures and traditions and the nature and differentiation of families in business the world over.

More importantly though are the general themes and consensus on topics where we can take a good steer as to what the future holds, what can be done to maximise the family value in the family firm and to identify areas and topics that need to be on the family business agenda, the key challenges that need to be addressed, irrespective of where the business operates or the sector that it is in.

**“As we navigate the complexities of the modern business world, acknowledging and appreciating the importance of family businesses is vital for a sustainable and inclusive global economy.”**

## WOMEN IN FAMILY BUSINESS

### Q1. DO YOU THINK WE WILL SEE MORE WOMEN FAMILY BUSINESS LEADERS IN THE NEXT FEW YEARS?

The dynamic landscape of family businesses worldwide is seeing a growing acceptance of women leaders at the helm. As societies evolve and perceptions change, the once-prevailing norms are giving way to a more inclusive and diverse leadership paradigm, with women playing increasingly pivotal roles in steering family businesses towards success.

Our panel were universally in agreement that the future of family business management and leadership is changing and that we will undoubtedly see more women family business leaders in the next few years.

#### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

“We will and do need to see more and more women gain greater confidence and speak up about their desires to take on leadership roles in their businesses. They have the talent and the skills that are essential to help balance family and business dynamics.”

**Jean Santos**  
President, Business Consulting Resources

“In South Africa, especially among family farmers, daughters are not empowered to the extent that the first-born sons are empowered as successors.”

**Andre Diederichs**  
CEO, Family Business Association of South Africa

“Despite years of work changing attitudes, things are still not changing fast enough and it still seems more likely that women become successful in spite of everything that is set against them. It seems to me that a sea change in attitudes is still needed to bring more of the talent to the family board that is evident in women successors. Strategies that recognise the specific challenges of women in business are needed to make the environment more even.”

**Nick Mayhew**  
Managing Director, Alembic Strategy



“Overall women will more widely take on leadership positions in the coming years. It would be silly to ignore half of the next generation of family leadership potential and for sure, a much higher degree of female leadership will result from the rapid reduction of bias and prejudice.”

**Jasper Brinkerink**  
Lecturer in Entrepreneurship & Innovation, University of Edinburgh

“There is a growing body of research supporting the female rising generation taking more of an active role in family succession and influencing the generation strategy of family enterprises. Since the 1990’s we have seen a rise in education equality, recognition within the family leadership structure and commitment to the longevity of the family enterprise across the globe.”

**Richard Boyce**  
Executive Director, BOYCE Family Office

“As researchers like Eddleston and Sabil (1999) have noted, women are becoming more visible in family firms. Women will continue to ascend to more leadership roles in both family and non-family organisations.”

**Josh Daspit**  
Associate Professor & Dean Paul R. Gowens Excellence Professor in Business, Texas State University

“As more wealth passes directly to women, and women are increasingly engaged in the overall workforce, it would follow that more family firms will embrace gender diversity.”

**Torri Hawley**  
Director of Client Experience, Tamarind Learning

## WOMEN IN FAMILY BUSINESS

### Q1. DO YOU THINK WE WILL SEE MORE WOMEN FAMILY BUSINESS LEADERS IN THE NEXT FEW YEARS?

"Many families are moving away from the default assumption that the eldest male should be the leader and are assessing candidates based on their qualifications."

**Josh Baron**

*Senior Lecturer, Harvard Business School*

"I am increasingly seeing female leaders coming to the fore and what is especially exciting is seeing those female leaders working in historically male-dominated sectors."

**Beverley Mitchell**

*Founder & Director, Beverley Mitchell Consulting*

"Without resorting to leaning on stereotypical generalisations, different people will bring different personalities and qualities to the board no matter their gender identity. These differences will influence every aspect and decision made by the family business."

**Charlotte Tong**

*Partner, Goodman Jones LLP*

"Research suggests that women are increasingly taking on leadership roles in family businesses, across most sectors and many countries globally. This trend looks set to continue."

**Claire Seaman**

*Emeritus Professor of Family Business, Queen Margaret University*

"As demographic shifts unfold globally, the inevitability of witnessing a surge in women family business leaders looks set to become more pronounced. Failing to acknowledge and harness the potential of half the population would be a strategic oversight. Embracing women in leadership fosters a richer pool of skills, enhances decision-making and ensures a more comprehensive understanding of the diverse dynamics shaping the contemporary business environment. In essence, the future success and sustainability of family businesses hinges on recognising and harnessing the untapped potential that women leaders bring to the forefront."

**Nupur Pavan Bang**

*Academic Director, Thomas Schmidheiny Centre for Family Business, Indian School of Business*

"Seeing more women family business leaders has been a trend for several years and there is no reason why female participation rates in leadership positions should not increase. Many of the historical and cultural objections are falling by the wayside so now it is more of a matter of demographics."

**David Werdiger**

*Managing Director, Nathanson Pearson Pty Ltd*

"The trajectory for increased representation of women in family business leadership seems promising. With evolving perspectives on gender roles and growing recognition of diverse talents, it's likely we will witness a rise in women family business leaders over the next few years."

**David Krajicek**

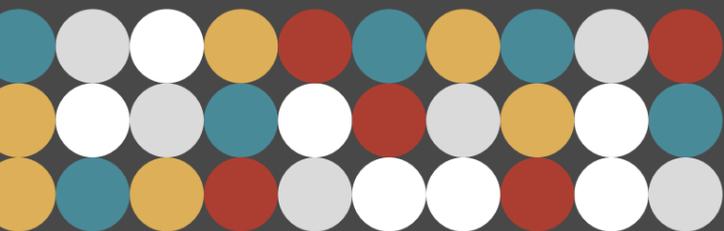
*Founder, Family Business Hub Ltd*

## TSITSI MUTENDI

**CO-FOUNDER NHAKA LEGACY AND AFRICAN FAMILY FIRMS**

"It is evident that there is a growing trend towards greater inclusion of women in leadership roles across various industries, including within family businesses. Factors such as changing societal norms, increased access to education and opportunities, and a shift in traditional gender roles are contributing to this trend."

"Moreover, many family businesses are recognising the value of diversity and the unique perspectives that women leaders bring to the table. As a result, there is a concerted effort to create more inclusive environments and to provide support for women to take on leadership positions within family businesses. Additionally, the next generation of family business leaders is often more open to diversity and inclusivity, which bodes well for the possibility of seeing more women in leadership roles in the coming years."



# THE CHANGING LANDSCAPE FOR WOMEN IN FAMILY BUSINESS

The role of women in family businesses has evolved significantly over the years, reflecting broader societal changes and a shift in traditional gender norms.

Historically, women were often relegated to supporting roles within family businesses, primarily involved in administrative tasks or managing the household, with many businesses going through succession with the business passing to the son and heir. However, in recent years the landscape has started to change and continues to evolve, enabling families in business to consider alternatives to make decisions so as to build businesses with the right team in place to be sustainable for generations to come.

The very nature of family business, the interaction of the family and business systems, adds to the complexity of the situation and the dynamics and relationships that being involved in a family business therefore entails.

Women wear many hats within a family and this gets even more complicated when roles are taken within the family business, or they become owners of shares in the family firm but women can and do flourish within the family business environment, breaking through glass ceilings that may have been present in the past and making significant contributions to industries that historically have been male dominated.

## THE CHANGING LANDSCAPE CONTINUES TO PRESENT MORE OPPORTUNITIES FOR WOMEN WITHIN THE FAMILY BUSINESS SECTOR.

There are plenty of factors contributing to the change, not least the recognition of the invaluable contributions that women can make to the success of family businesses. As societies increasingly embrace gender equality, there is a growing acknowledgment of the diverse skill sets and perspectives that women bring

to the table. This shift has opened doors for women to assume leadership positions, challenging the traditional male-dominated hierarchy.

The changing role of women in family businesses is also influenced by evolving attitudes towards education and professional development around the world. With more women pursuing higher education and gaining expertise in various fields, they are better equipped to take on key roles within family enterprises. This not only enhances the overall competency of the business but also fosters innovation and adaptability and enables businesses to select the right candidates for roles within the business from a greater pool of appropriately talented and qualified individuals.

Furthermore, as family structures become more fluid and adaptable, the notion of predefined gender roles within businesses is eroding. It is believed that more women are running family firms around the world than ever before and it is encouraging to see women recognised as capable leaders, decision-makers, and visionaries, capable of steering family businesses through complex challenges. This shift is not only evident in large enterprises but also in smaller family businesses where women are breaking barriers and assuming prominent roles, making a significant contribution and driving positive change as a result.

In terms of opportunities, the changing dynamics present a wealth of possibilities for women in family businesses. They can now explore entrepreneurial ventures, contribute to strategic decision-making, and leverage their skills in all areas of business. The evolving business landscape encourages diversity, and family businesses



that embrace this diversity are likely to thrive in an ever-changing global market.

Despite these positive changes, challenges persist. Gender biases, both explicit and implicit, can still hinder women's progress in family businesses. Overcoming these biases requires a concerted effort from both the family and the broader business community to create an inclusive environment that values and supports the contributions of women.

The changing role of women and recognition of their achievements and significant contribution in family businesses signifies a positive shift towards inclusivity and diversity.

As societal attitudes continue to evolve, women are finding new opportunities to contribute meaningfully to family enterprises. By breaking free from traditional constraints, embracing education, and challenging gender norms, women are reshaping the landscape of family businesses and contributing to their sustained success in the long run.

It is great to see such a strong indication from the 'Think Tank' that change is coming and 96% of respondents believing that we will see more women family business

leaders in years to come. Clearly, more needs to be done to enable businesses to nurture and develop the next generation of talent, male and female, to deliver the skills required for future leadership candidates to have the skills required to take on the challenge but the message is clear.

People need to be selected for roles based on merit, not gender, and for family businesses to succeed they need to focus on the needs of the business and bring in the right people to enable them to achieve their goals. The world is changing, technology continues to make a big impact and the way that businesses are managed and run will continue to evolve.

With change comes opportunity and it is great to see more and more women being given the opportunity to flourish within family businesses, taking the lead, managing businesses, taking opportunities and inspiring those around them.

## FAMILY BUSINESS BOARDS

### Q2. DO YOU THINK FAMILY BUSINESS BOARDS ARE SUFFICIENTLY DIVERSE IN THEIR COMPOSITION?

Within the confines of family businesses, the composition of the board plays a pivotal role in shaping the trajectory of success. In recent years, the focus has switched to board composition and diversity for all businesses and it is a topic of conversation that is on the agenda for family business boards too.

Family businesses that survive for generations have to innovate and evolve to remain relevant and commercially successful and our panel have highlighted that board composition and diversity are on the family business agenda but that family business boards are not yet as diverse as they could be. Whilst things are changing, there is plenty of room for more change in order for more family firms to benefit from having different perspectives and insights on their boards, helping set their path for further resilient and sustainable growth.

#### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"There is not enough gender diversity or generational diversity on boards. Increasingly, having the voice of the next generation on the board will be important."

**Andrew Keyt**  
CEO, Generation6 Family Enterprise Advisors

"I believe more and more families are recognising the need to create a diverse board. Some are in the process of doing so, quite a few are actively working on it, and many have yet to begin. Another complexity for family businesses is not only inviting diversity but also leveraging new perspectives to create new possibilities in the family, the business and the community."

**Sunil Soni**  
Family Business Advisor, IFBN Consultants

"There is a need to understand that diversity could be across and outside family ties, professional competencies and jurisdictions."

**Mercy Edukugho-Aminah**  
Director, Fiduciary Services Ltd



"Boardroom diversity is a common blind-spot for families because even when they do bring in external people, they often default to the family lawyer and/or the family accountant rather than somebody genuinely independent. Having outside input on the board is essential to raise all voices, mitigate the 'kitchen table' dynamics in the room and to help avoid 'group think' as well."

**David Werdiger**  
Managing Director, Natahanson Pearson Pty Ltd

"While progress has been made, I believe there is still room for improvement in terms of diversity within family business boards. Historically, family business boards have been more homogeneous, often consisting of family members or individuals closely connected to the family. However, there is a growing recognition of the benefits of diversity in the boardroom, including diverse perspectives, experiences and expertise. Efforts to promote diversity in family business boards, such as actively seeking non-family board members is on the rise. This trend is encouraging as it can lead to more robust decision-making and governance processes, ultimately contributing to the long-term success of family businesses."

**Tsitsi Mutendi**  
Co-Founder Nhaka Legacy and African Family Firms

"It is getting better but boards would benefit from more diversity. Many boards are composed of senior family management, which results in minimal diversity of thought from the regular meetings of the senior management team. Boards are more valuable when there is a mixture of senior leadership coupled with independent external participants."

**George A Isaac**  
Founder & Managing Partner, GAI Capital Ltd

## JOSEPH ASTRACHAN

CHAIR, GENERATION6 FAMILY ENTERPRISE ADVISORS

"While family businesses are ahead of their non-family counterparts in terms of diverse boards, more progress can be made."

## FAMILY BUSINESS BOARDS

### Q2. DO YOU THINK FAMILY BUSINESS BOARDS ARE SUFFICIENTLY DIVERSE IN THEIR COMPOSITION?

"Families tend to have an inherent bias when composing boards."

**Kim Schneider-Malek**

*Founder and President, Family Enterprise Alliance*

"Family businesses are more prone to nepotism and family hiring based on privilege rather than merit, and there is a lack of diversity and inclusion for other non-family members to grow and thrive."

**Fabiola Quin**

*CEO & Founder, Family Thrive Consultancy*

"More diversity is required to increase performance, as much academic research confirms. This is particularly urgent in countries like Italy."

**Salvatore Sciascia**

*Professor, Cattaneo University*

"I believe that the size of the family business has a bearing on the awareness of the benefit of diverse opinions in the boardroom. Recognition of that belief has a long way to go. In addition, leadership development in certain industry verticals as well as through family generational engagement programmes will need to bear fruit to provide qualified candidates, in order to provide a larger pool of qualified diverse candidates."

**Charlie Leichtweis**

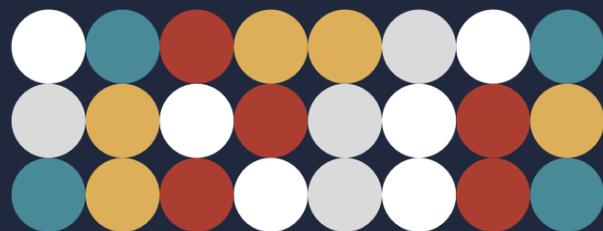
*Founder & Managing Director, Experts in HOW LLC*

"We are beginning to see more headhunters and recruiters with a better understanding of family businesses and recognising the importance of candidates understanding and having experience of working in a family business. Far too often, family businesses make the mistake of recruiting a board member who has been very successful in the 'corporate world' but fails to understand family businesses and the socio-economic wealth that usually comes with them."

"Family business' are helping move the benchmark for diversity in family business boardrooms. As advisers, I think we have a role to help family businesses recognise the importance of experience, understanding and clarity around the role of a board member and the need for different skill sets in the boardroom to ensure that there is diversity with different perspectives heard too."

**Kirsty Ross**

*Family Business Director, Turcan Connell*



## FAMILY BUSINESS BOARDS FEATURE

# FOSTERING DIVERSITY IN FAMILY BUSINESS BOARDROOMS

**In a world where diversity is increasingly being recognised as a driving force for innovation and growth, family businesses are acknowledging the importance of diverse perspectives in their boardrooms. The traditional image of a family business boardroom dominated by a homogeneous group is evolving as leaders recognise the benefits that come with embracing diversity.**

Diversity in family business boardrooms extends beyond gender and ethnicity; it encompasses a variety of perspectives, experiences, and skills. By incorporating individuals with diverse backgrounds, family businesses can tap into a wealth of creativity, different ways of thinking, and a broader range of skills.

One key advantage of diverse family business boards is the ability to navigate an ever-changing global business landscape. Different cultural insights and a varied set of experiences contribute to more effective decision-making and a deeper understanding of diverse markets.

Moreover, fostering diversity in family business leadership is essential for long-term sustainability. Family businesses that prioritise and embrace diversity are often better equipped to attract and retain top talent, fostering a dynamic environment that can adapt to evolving market demands.

To implement and promote diversity in family business boardrooms, proactive measures are crucial. Establishing clear diversity goals, implementing inclusive hiring practices, and providing ongoing diversity training are effective ways to ensure that the board reflects a wide range of perspectives.

For certain, the next generation want to see promises realised and it is important that ongoing training and the culture of the organisation continues to evolve so that it truly reflects the messages that are used in the recruitment process and that the whole organisation continues to evolve into a truly diverse one where opportunities are available for career progression for all.

Family businesses can also benefit from mentorship programmes that encourage under-represented individuals to pursue leadership roles within the organisation.

Creating a culture of inclusion at all levels of the business sends a powerful message about the commitment to diversity.

### THE BENEFITS OF BOARDROOM DIVERSITY

Diversity in the boardroom offers a range of benefits:

- **Innovation and Creativity:** Diverse perspectives foster creativity and innovation, leading to novel solutions and approaches to challenges.
- **Improved Decision-Making:** A board with varied backgrounds and experiences makes more well-rounded and informed decisions.
- **Enhanced Problem-Solving:** Diverse teams bring a broader range of problem-solving skills, allowing for more comprehensive analysis and strategic planning.
- **Market Insight:** Different cultural insights within the board contribute to a better understanding of diverse markets, positioning the company for success in a globalised and fast-changing world.
- **Better Risk Management:** Diverse boards are more adept at identifying and mitigating risks due to the variety of perspectives that can foresee potential challenges.
- **Talent Attraction and Retention:** Companies with inclusive boards are more appealing to a diverse workforce, attracting top talent and promoting employee retention.
- **Improved Reputation:** Demonstrating a commitment to diversity and inclusion enhances a company's reputation, making it more attractive to customers, investors, and partners.

## FAMILY BUSINESS BOARDS FEATURE

- **Adaptability:** Diverse boards are better equipped to adapt to change and navigate complex business environments, ensuring resilience in the face of uncertainties.
- **Legal and Regulatory Compliance:** In some regions, there are legal and regulatory requirements related to diversity on boards, and having a diverse board helps with compliance.
- **Reflecting Customer Base:** A diverse board can better understand and connect with a diverse customer base, ensuring products and services align with varied market needs.
- **Gender and Generational Biases:** Gender and generational biases can be prevalent, leading to the under-representation of women and younger individuals on family business boards.
- **Implicit Bias:** Unconscious biases among family members or existing board members may influence decision-making, unintentionally excluding diverse candidates.
- **Limited Networks:** Family businesses may have insular networks, making it challenging to connect with a diverse pool of external candidates and advisers.

Despite the benefits associated with changing the very nature and composition of the family business board there are barriers that need to be overcome.

### BARRIERS TO DIVERSITY IN THE BOARDROOM

Several of the more common barriers in family firms that can impede the achievement of a diverse board include:

- **Nepotism:** Traditional family businesses may prioritise familial relationships over merit, hindering the inclusion of external, diverse talent.
- **Inherited Leadership Bias:** Succession planning often favours family members, perpetuating a lack of diversity in leadership roles within the family business.
- **Cultural Resistance to Change:** Family businesses may have deeply ingrained cultural norms and resistance to change, making it challenging to embrace diversity in leadership.
- **Informal Decision-Making Processes:** Family businesses sometimes rely on informal decision-making processes, limiting the transparency and inclusivity required for diverse board appointments.
- **Lack of Professionalisation:** Some family firms lack formal governance structures, hindering the establishment of objective criteria for board appointments and promotions.
- **Limited External Recruitment:** Family businesses may primarily recruit leaders from within the family, limiting opportunities for external candidates, especially those from diverse backgrounds.

Addressing these barriers requires a concerted effort to shift organisational culture, implement transparent governance practices, and actively seek diversity in board appointments. Family businesses can benefit from professional advice and guidance to navigate these challenges and create a more inclusive and effective leadership structure.

Overall, diversity in the boardroom is not just a matter of social responsibility but a strategic advantage that can contribute to the long-term success and sustainability of any company, something that can only be seen as positive in the family business arena too.

With a changing global demographic and a next generation that want to enter into fulfilling careers that make a positive impact on the world around them, family firms are becoming much more open minded and willing to embrace more inclusive leadership as they look to the future and build family businesses that have the right people in place with the right skills to position themselves in the best place to flourish for generations to come.

As family businesses embrace the shift towards more inclusive leadership, they not only position themselves as forward-thinking entities but also enhance their capacity for resilience, adaptability, and sustained success. In an era where diversity is recognised as a business imperative, family businesses are seizing the opportunity to create boardrooms that truly reflect the richness of the world in which they operate.

## THE NEXT GENERATION

### Q3. DEMOGRAPHICS AROUND THE WORLD ARE CHANGING, AS ARE THE DESIRES AND ASPIRATIONS OF THE NEXT GENERATION. DO YOU THINK FAMILY FIRMS WILL NEED TO FURTHER EVOLVE IN RESPONSE TO THE CHANGES AFFECTING THE NEXT GENERATION?

The world is changing at a significant pace and that is certainly changing the way that all businesses operate, and that includes those in the family business space. Business leaders and senior management of the family firms of tomorrow will certainly need different skills to their counterparts in family firms today and our panel are in full agreement that family firms need to further evolve in order to engage, recruit, onboard, develop and retain the next generation of their businesses.



We can already see the next generation in family businesses ushering in a transformative era, characterised by a dynamic blend of tradition and innovation.

As younger members assume leadership roles, there is a palpable shift towards embracing technological advancements, sustainable practices, and diverse perspectives. These emerging leaders are redefining the traditional family business model, navigating challenges with agility, and leveraging modern strategies to ensure long-term viability. The infusion of fresh ideas, coupled with a commitment to preserving familial values, is shaping a new narrative for family enterprises, poised to thrive in an ever-evolving business landscape, with a next generation that have different perspectives on how they want to do business too.

#### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"I think that understanding the needs of the next generation while ensuring that the next generation shows respect for what the now gen has built is incredibly important. The needs and mindset of the different generations means there are a lot more opportunities for change and to hear different perspectives but it also means there are more chances for conflict to arise. As the next gen becomes more confident and capable, a great relationship with the now gen is essential and requires evolution."

**Kyler Gilbert**

Vice President & Consultant, Business Consulting Resources

"I think younger generations have firm ideas about what they want to do with their resources but I also see that many seek meaning through the shared journey so long as it involves a shared purpose, values and there is openness to hearing the perspective of the younger generation."

**Elizabeth Bagger**

Founder, Avanti FBA

"One of the things that I have noticed from my research about next generation preparation in family enterprises is that most of what we know about the next gen comes from the incumbent. Thus, researchers and advisers need to further explore the voice of the next gen in order to better understand how to connect with them and to see how they want to be involved with the family business."

**Isabel Botero**

Adviser at Generation6 and The Fischer Chair in Family Entrepreneurship at the University of Louisville

"While family businesses offer great opportunities for growth, they still face challenges in effectively onboarding the next generation and creating the road map for them."

**Abirami Duraisamy**

Executive Coach For Family Managed Businesses, Outshine Outplay

## THE NEXT GENERATION

### Q3. DEMOGRAPHICS AROUND THE WORLD ARE CHANGING, AS ARE THE DESIRES AND ASPIRATIONS OF THE NEXT GENERATION. DO YOU THINK FAMILY FIRMS WILL NEED TO FURTHER EVOLVE IN RESPONSE TO THE CHANGES AFFECTING THE NEXT GENERATION?

“Family firms always need to adapt to their own next generation of successors and this is a good thing, and helpful in modernising and updating ideas and approaches as generations shift. Families need to be in constant dialogue about the massive global changes taking place to generate useful strategies to tackle the implications for their own businesses.”

**Nick Mayhew**

*Managing Director, Alembic Strategy*

“My mantra is that ownership is more important than management. Cultivate an effective cohort of rising generation owners and they can set the purpose and values of the enterprise.”

**Christian Stewart**

*Independent Family Advisor, Family Legacy Asia*

“One big generational divide is the expectations around work/life balance. Rising gens are demanding balance and will not sacrifice their wellbeing for the business. Gens in control expect the rising gen to do whatever it takes. There is a big divide here that needs to be managed.”

**Jean Santos**

*President, Business Consulting Resources*

“I believe that of particular relevance are the next gen values, habits and aspirations concerning sustainability and the use/adoption of new technologies. Hence, family businesses may need to evolve by adopting more suitable business models.”

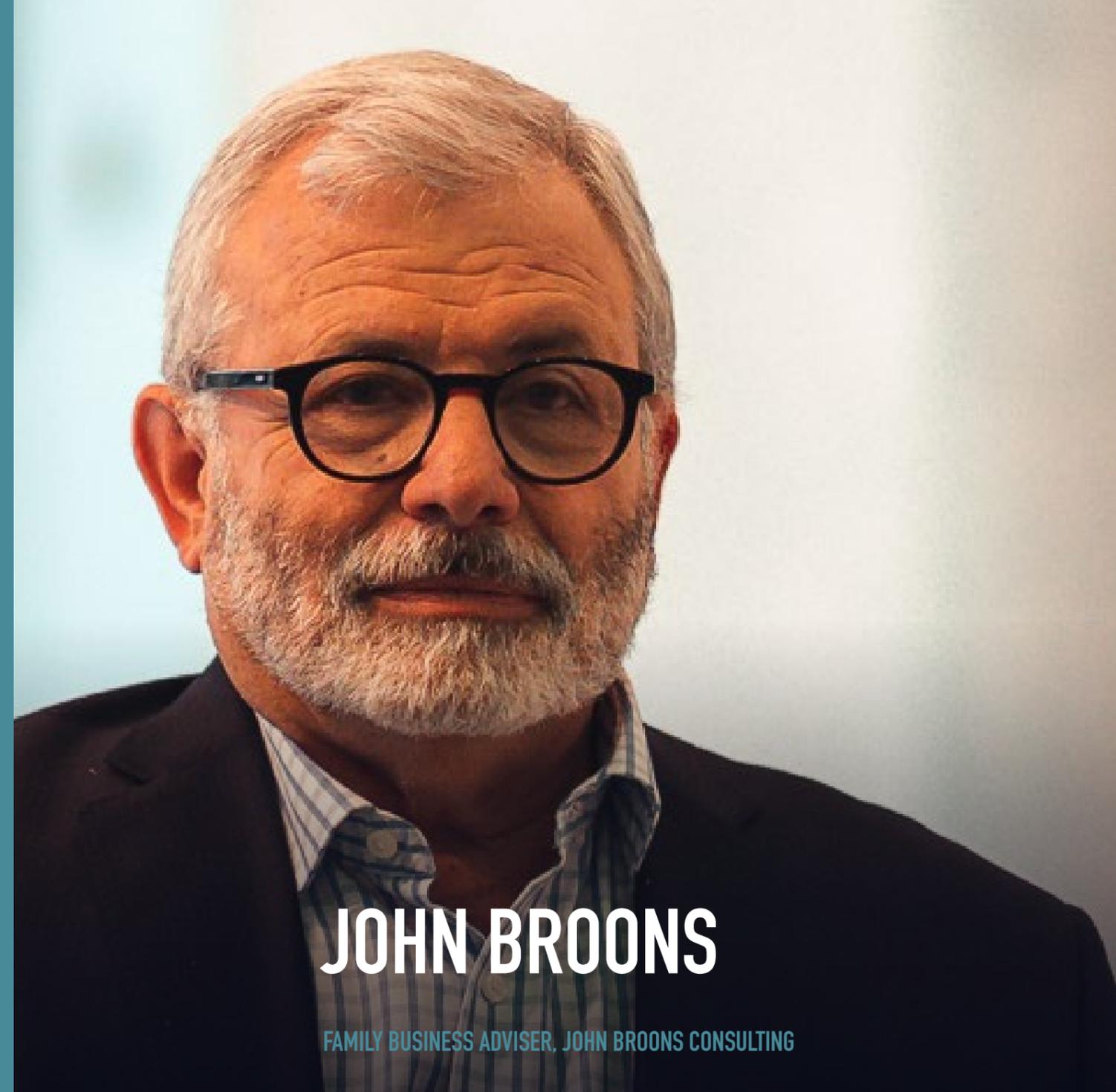
**Elias Hadjielias**

*Assistant Professor, Cyprus University of Technology*

“The most successful family businesses are those that combine non-financial with financial goals and who harvest the innovative and entrepreneurial skills of the senior generation, including legacy and history, with the knowledge, perspective and skills of the next generation who are far more technologically savvy and can help modernise the business, building on the history of the past generations and the founders. I think family businesses need to recognise the need for change. We have seen one thing for sure, that family businesses will continue doing what they have always done until there is something quite major that changes things. I think they need to be more open and proactive about anticipating the changes, engaging the next generation and taking note of how the world is changing and acting in order to remain relevant.”

**Kirsty Ross**

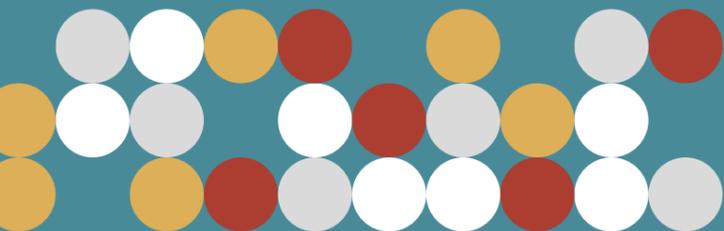
*Family Business Director, Turcan Connell*



## JOHN BROONS

**FAMILY BUSINESS ADVISER, JOHN BROONS CONSULTING**

“The world continues to change at a fast pace — demographics, working remotely, technology and AI are all present and real, together with the desires of the next generation to undertake roles that have purpose and impact. Family businesses need to recognise the changing needs of their business and the skills required of future leaders when engaging with their next generation as things have changed and changes will need to be made as to how the next generation are engaged and informed, educated on the nature and prospects for the family business and encouraged to get involved. The next generation are often located in different corners of the world but with modern technology there are tools to evolve ways of working and engaging and successful family businesses will embrace the opportunity and make it work.”



# THE CHANGING NATURE AND DRIVERS OF THE NEXT GENERATION IN FAMILY FIRMS

**Family businesses around the world are experiencing a transformative shift in their nature and drivers as they navigate the complexities of the next generation.**

Traditionally family firms have been defined by strong family ties, long-term perspectives, and a commitment to legacy, but they are now encountering a new set of challenges and opportunities that are reshaping their dynamics. This, in turn, is affecting the way that they engage with the next generation.

One notable change is the evolving role of technology. The next generation is entering family businesses at a time when the world is changing, requiring them to adapt to rapidly changing technological landscapes. The integration of advanced technologies such as artificial intelligence, automation, and data analytics is becoming crucial for the sustainability and growth of family enterprises.

**THOSE WHO CAN EFFECTIVELY HARNESS THESE TOOLS GAIN A COMPETITIVE EDGE, WHILE THOSE RESISTANT TO CHANGE MAY FIND IT CHALLENGING TO KEEP UP.**

Moreover, the shifting demographics of the next generation workforce are influencing family businesses. Younger family members are often more globally minded, diverse, and socially conscious. As a result, family businesses are embracing more inclusive and sustainable practices. This next generation places a strong emphasis on corporate social responsibility and environmental sustainability, influencing strategic decisions and shaping the values of the family business.

The rise of entrepreneurship within the family is another key trend. Rather than simply inheriting and maintaining existing enterprises, the next generation is increasingly inclined towards starting their own ventures. This entrepreneurial spirit introduces a dynamic element to family businesses, fostering innovation and adaptability. It also allows family members to diversify their interests and potentially create new sources of revenue for the family business.

Succession planning is always a critical aspect of family businesses that is undergoing significant changes. While the traditional approach involved passing the business down to the eldest son or a predetermined family member, modern family businesses are recognising the importance of meritocracy. The next generation is encouraged to gain relevant education, skills, and experience before assuming key roles, ensuring that leadership transitions are based on competence rather than familial hierarchy.

Globalisation continues to play a pivotal role in shaping the next generation of family businesses. Increased connectivity and accessibility to international markets present both opportunities and challenges. Family businesses must navigate cultural nuances, diverse regulations, and global economic fluctuations. Those that can successfully expand their operations globally can tap into new markets, diversify risks, and ensure the long-term sustainability of the business.



Furthermore, the changing nature of consumer preferences and expectations is impacting family businesses. The next generation is more attuned to the importance of customer experience, brand image, and digital presence. Family businesses are investing in marketing strategies, online platforms, and customer engagement initiatives to remain relevant in an ever-evolving market, areas that the next generation of family members are likely to be more skilled in understanding and applying to their own family firms.

The next generation of family business members is witnessing and living through a paradigm shift driven by technology, changing workforce dynamics,

entrepreneurship, evolving succession planning, globalisation, and shifting consumer preferences.

Adaptability, innovation, and a willingness to embrace change are becoming essential for family businesses to engage their next generation and for these firms to thrive in the dynamic business landscape of the 21st century.

As they navigate these changes, family businesses have the opportunity to build on their traditional strengths while embracing the modern practices needed for long-term success when it comes to engaging and onboarding the next generation as they seek to build sustainable businesses for generations to come.



## GOVERNMENT & POLICY MAKER SUPPORT

### Q4. DO YOU THINK GOVERNMENTS AND POLICY MAKERS DO ENOUGH TO SUPPORT THE FAMILY BUSINESS SECTOR?

Governments and policy makers play a crucial role in fostering the growth and sustainability of family businesses, recognising their significant contribution to economies worldwide.

Understanding the unique dynamics of family businesses is imperative for policy makers, as these enterprises often operate on distinctive principles, combining familial ties with business interests.

Supporting family businesses goes beyond traditional economic policies; it involves acknowledging the intricate interplay of family dynamics, succession planning, and long-term sustainability, and the very nature of family firms and often their underlying desire to be stewards of these businesses for generations to come. By comprehending the family business model, governments can tailor policies that address specific challenges, encourage generational continuity, and create an environment conducive to the flourishing of these enterprises, ultimately contributing to overall economic resilience and community development.

Clearly, more needs to be done in this area to unite the world of family business with the world of policy making. Some countries are further down the road than others but the findings from the panel are clear – this area is very much a work in progress and many think the journey has yet to really begin.

#### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"I do not think that governments do enough to support family businesses. Firstly, there is a lack of tailored policies that address the unique challenges faced by family businesses. Secondly, access to funding and resources often seems disproportionately favouring larger organisations. Lastly, navigating regulatory complexities remains a burden for many family-owned enterprises, indicating a need for more streamlined support."

**Jeremy Stevenson**

*Managing Partner, iBridge Global Partners*



"We need to think beyond taxation. Family businesses need support for the management of their digital and sustainability journey. Knowledge transfer, less bureaucracy, access to funding and innovation centres need to be the focus of government support."

**Peter Englisch**

*PwC Global Family Business Leader and IMD Executive In Residence*

"The level of government support for the family business sector varies across different regions and countries. While some governments have implemented policies and initiatives to specifically support family businesses, others may not have dedicated measures in place. In many cases, family businesses face unique challenges, such as succession planning, access to finance and regulatory compliance. Therefore, tailored support from governments and policy makers can play a crucial role in fostering the growth and sustainability of family businesses."

"Collaborative efforts between family business associations, policy makers and government agencies can lead to the development of more effective and targeted support mechanisms for the family business sector. Whilst there are instances of government support for family businesses, ongoing dialogue and collaboration between family business stakeholders and policy makers is essential to ensure that the sector receives the necessary support to thrive and contribute to economic growth and development opportunities."

**Tsitsi Mutendi**

*Co-Founder Nhaka Legacy and African Family Firms*

## ADIB RASHID

EXECUTIVE DIRECTOR, DUBAI CENTRE FOR FAMILY BUSINESS

"Some governments are taking advanced steps to identify and provide platforms for managing some family business challenges. However, it is still the exception."

## GOVERNMENT & POLICY MAKER SUPPORT

### Q4. DO YOU THINK GOVERNMENTS AND POLICY MAKERS DO ENOUGH TO SUPPORT THE FAMILY BUSINESS SECTOR?

"In general, governments do not allocate enough resources to encourage the sustainability and continuity of family businesses. Family businesses should work closely with governments to advocate changes that will be of mutual benefit to a country, its citizens and the family businesses which represent the largest percentage of companies worldwide."

**Lina Chehab**

Shareholder & Chief Governance Officer,  
Chehab Brothers SAL

"I believe that family business have not yet been identified as a distinct sector in the family business community, and as a result, policies are not specifically designed to acknowledge their complexities."

**Sunil Soni**

Family Business Advisor, IFBN Consultants

## THE FAMILY BUSINESS NARRATIVE

### Q5. DO YOU THINK FAMILY FIRMS EMBRACE THEIR NARRATIVE/HISTORY SUFFICIENTLY AS A POINT OF COMPETITIVE ADVANTAGE?

Far beyond a mere recounting of events, storytelling in the context of family businesses becomes a powerful tool for shaping narratives, fostering cohesion, and gaining a competitive edge.

Our panel are in agreement as to the profound impact of storytelling within family firms and the ways in which the art of narrative contributes to resilience, innovation, and ultimately, a distinctive advantage in the competitive business landscape.

Storytelling can be a real differentiator for family firms but again it is clear that whilst some fully embrace their history and heritage into a compelling and authentic narrative, others need to recognise the potential and do more to harness the potential that comes with being a family-owned business and a relatable story to tell. This is an area where more clearly needs to be done.

#### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"I believe that the narrative/history starts with the definition of the values that drive the purpose of the family and it's business. Those values, their communication, and their evolution are key building blocks in creating a sustainable legacy."

**Charlie Leichtweis**

Founder & Managing Director, Experts in HOW LLC

"Mastering marketing is a delicate blend of art and science, something that evolves until you find the perfect mix, and even that can shift tomorrow. Many businesses initially forge their reputation through hands-on effort, but as they ascend, their stories can grow stale. It's not merely about the family narrative; it must be a tale that strikes a chord, illustrating why prospects and customers should care about whether it's a family business or a corporate giant offering the same product."

**Jeremy Stevenson**

Managing Partner, iBridge Global Partners

"On average, much more can be done to leverage such a unique source of competitive advantage."

**Salvatore Sciascia**

Professor, Cattaneo University



"Some family firms keenly understand the value that lies in their traditions and history and they are quite successful in leveraging this asset. However, not all family firms recognise this advantage and how it can be used."

**Josh Daspit**

Associate Professor & Dean Paul R. Gowens Excellence Professor in Business, Texas State University

"I think that this is an area that needs to be enhanced. The stories of success as well as challenges need to be discussed, but the upcoming leadership needs to see that there is a pathway to fulfilment and joy if they stay on and help the family business. Sometimes the stories are more about the rough times and not enough of the good times and aspirational ideas that keep the current leadership motivated."

**Mike Schmitt**

President & Founder, The Rubra Group LLC

"Familianness as a differentiator is probably under-leveraged by those who could benefit from it (SME's) and over-leveraged by large, multi-national firms that are more detached from their family ownership. Research shows that people like to buy from family firms and that that they like to work for family enterprises. Failing to harness that would be a mistake, but it must be authentic and appropriately communicated."

**Torri Hawley**

Director of Client Experience, Tamarind Learning

"Family businesses tend to be a reflection of the personality of the current leaders and whilst some families have had professional support in telling their story, the vast majority have limited expertise and do not recognise the family business goodwill as a competitive advantage."

**Richard Boyce**

Executive Director, BOYCE Family Office

## THE FAMILY BUSINESS NARRATIVE



## KIRSTY ROSS

FAMILY BUSINESS  
DIRECTOR,  
TURCAN CONNELL

**“The family businesses that tell their stories well are usually those that are most successful. They tend to get the balance right between legacy/history and each generation creating their ‘own story’. This doesn’t just happen by chance, and usually there is a culture and governance which has been fostered and developed over years to ensure the entrepreneurial spirit of all generations and avoid ‘the shadow of ancestors’. The relevant governance and mindset helps ensure the balance and the narrative continue to be fit for purpose.”**

## THE FAMILY BUSINESS NARRATIVE **FEATURE**

# THE TIMELESS VALUE OF STORYTELLING IN FAMILY BUSINESSES

**In the intricate tapestry of family businesses, the threads of tradition, resilience, and shared history are often interwoven through the art of storytelling. Beyond the balance sheets and profit margins, the narratives passed down from generation to generation serve as the lifeblood that sustains these enterprises, providing a unique value that extends far beyond mere financial gains.**

At the heart of family businesses, stories act as bridges between the past, present, and future. They serve as the invisible hand guiding the successors, imparting not just business acumen but a deep understanding of the values, ethos, and hard-earned lessons that have shaped the family enterprise over time. These tales offer a rich knowledge bank, offering insights into the challenges overcome, innovative solutions devised, and the unyielding spirit that has weathered storms.

In an era dominated by rapidly evolving markets and disruptive technologies, the significance of storytelling becomes even more pronounced. Family businesses, often deeply rooted in tradition, can leverage narratives as a means of adaptation and transformation. By recounting stories of adaptability and successful pivots, the elders of a family business inspire the younger generation to embrace change rather than fear it, fostering a culture of innovation.

Storytelling is a fantastic way to capture the underlying essence of what a family business is all about, the good times and the bad, the war stories from a chest of long-gone tales of challenge and in some cases survival, a catalogue of the evolution of the business, why it was founded and the historical milestones that it has weathered.

Stories help to guide and shape family businesses of today and whilst nothing can detract from the need to remain a commercially viable and sustainable operation, they can add real value and authenticity to family firms,

engendering loyalty and generating trust that non-family firms are unable to do, and at the same time lead to real competitive advantage in the marketplace.

Beyond strategic advantages, the emotional impact of storytelling in family businesses cannot be overstated. These narratives forge a sense of identity, unity, and purpose among family members involved in the business. Shared stories create a collective memory, binding the family together and reinforcing a sense of belonging that extends beyond the boardroom. This emotional capital is a powerful force that can drive collaboration, loyalty, and resilience in the face of challenges.

Furthermore, storytelling provides a unique platform for knowledge transfer. In an environment where skills, experiences, and insights are passed down organically, the next generation of family business leaders gains a holistic education that goes beyond formal training.

Through anecdotes and first-hand accounts, family elders can communicate the nuances of decision-making, relationship management, and ethical considerations that may not be encapsulated in manuals or textbooks. In addition, the younger generations may start to pick up on the stories at a younger age and find that learning about the past and the way that the family business has evolved intrigues them and creates a desire to find out more and possibly become more engaged too.

# THE FAMILY BUSINESS NARRATIVE FEATURE

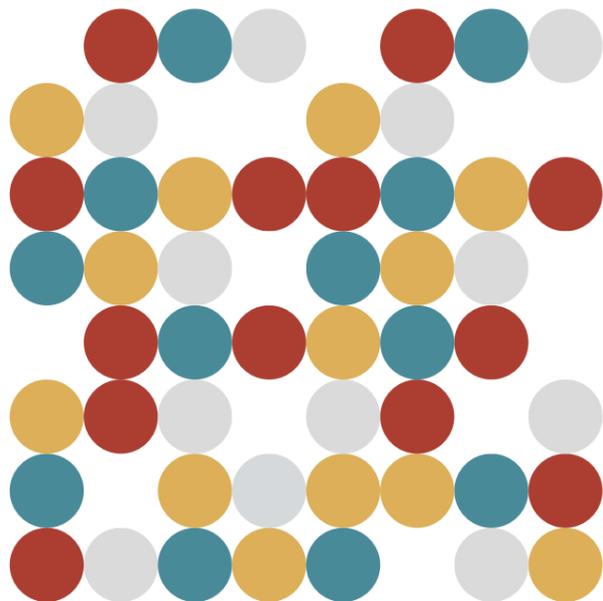
## BENEFITS OF STORYTELLING FOR FAMILY BUSINESSES

- **Preservation of Tradition:** Storytelling in family businesses helps preserve and pass down the traditions, values, and cultural identity that form the foundation of the enterprise.
- **Knowledge Transfer:** Through stories, practical experiences, insights, and business acumen are effectively transmitted from one generation to the next, ensuring the continuity of skills and expertise.
- **Cultural Identity:** Storytelling reinforces the family business's unique identity, creating a shared narrative that unites family members, employees, and stakeholders around a common purpose.
- **Adaptability:** Stories of past challenges, successes, and adaptations foster a culture of adaptability, encouraging family businesses to navigate changing markets and technologies with confidence and resilience.
- **Innovation:** Inspiring tales of innovation and creativity within the family business history encourage the younger generation to think outside the box and contribute fresh ideas to drive the enterprise forward.
- **Emotional Connection:** Stories evoke emotions, fostering a deep emotional connection among family members involved in the business, which, in turn, strengthens bonds, communication, and collaboration.
- **Values Reinforcement:** Storytelling serves as a powerful tool to reinforce ethical values and principles, helping instill a strong moral compass within the family business that guides decision-making.

- **Leadership Development:** Narratives of leadership challenges, triumphs, and failures provide valuable lessons for leadership development, offering insights into effective decision-making and team management.
- **Family Legacy:** Through storytelling, family businesses create a legacy that extends beyond financial success, emphasising the importance of contribution to the community, sustainability, and social responsibility.
- **Employee Engagement:** Shared stories create a sense of belonging and purpose, not only among family members but also among employees, enhancing overall job satisfaction, commitment, and a positive organisational culture.

In essence, the value of storytelling in family businesses lies not just in the tales themselves but in the cultural, emotional, and educational capital they generate. These stories can become a strategic asset, shaping the family business into a resilient, adaptive, and purpose-driven entity that transcends generations.

As family businesses continue to navigate the dynamic landscapes of doing business in an ever changing world, the enduring power of storytelling remains a beacon, illuminating the path forward with the wisdom of the past and is a fantastic way to celebrate the journey as it continues, looking forward with a nod to the past and the endeavours of previous generations who have helped shaped the business that remains today.



# PURPOSE AND VALUES IN FAMILY FIRMS

## Q6. DO YOU THINK THAT FAMILY FIRMS WITH CLEARLY DEFINED PURPOSE AND VALUES ARE MORE LIKELY TO SURVIVE AS SUCCESSFUL FAMILY FIRMS THAN THOSE WITHOUT THEM?

Unlike publicly traded corporations and their non-family counterparts, family firms often prioritise a unique set of values that transcend mere profit maximisation.

Family firms by their very nature are businesses deeply rooted in family and often a place, fostering a sense of tradition, continuity, and responsibility. The purpose of a family firm extends beyond financial success, encompassing the preservation of heritage, the well-being of family members, and contributing to the broader community.

As such, understanding the close relationship between purpose and values is crucial in navigating the complexities that arise within the dynamic context of family-owned enterprises. The general consensus of our panel is that when purpose and values are tangible, authentic, real, and fully embedded within the culture of a family business that they make a difference and in the long term can help support sustainable businesses too.

### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"It is important in any business to have clear goals, purpose and values and even more so for a family business where the relationships extend out from the boardroom and are impacted by the business family, some of whom may not work in or own shares in the business. Forward planning, clarity and transparency, using tools such as a family charter, help to secure future success and can assist in paving a smoother road to success by getting the business family on board."

**Joanna Millar**  
Legal Director, Anderson Strathern LLP

"The more the underlying aspects of things that shape behaviour are clearly defined, the more the family can align around those things."

**Leah Zimmerman**  
Owner & Family Business Coach, Stepping Stool Coaching



"A clear, shared purpose and value system orient and motivate productive behaviour in that direction. It is at least equally important however to be confident enough as a family to periodically assess and discuss whether the proclaimed historical purpose still suits the current and future needs of the family and the business."

**Jasper Brinkerink**  
Lecturer in Entrepreneurship & Innovation, University of Edinburgh

"I think purpose and values are really important but success comes down to a range of other factors including strong leadership, clear vision for the business and the ability to adapt as markets change."

**Mike Kane**  
Partner, Turcan Connell

"Organisations with a clear purpose and values often find it easier to attract and retain employees who resonate with their mission and culture. This is particularly relevant in family firms, where the preservation of family legacy and values can be a strong motivating factor for employees who feel connected to the ethos of the organisation."

**Tsitsi Mutendi**  
Co-Founder Nhaka Legacy and African Family Firms

"A compelling purpose is very helpful for building motivation and commitment from family members and employees alike."

**Joseph Astrachan**  
Chair, Generation6 Family Enterprise Advisors

## PURPOSE AND VALUES IN FAMILY FIRMS

### Q6. DO YOU THINK THAT FAMILY FIRMS WITH CLEARLY DEFINED PURPOSE AND VALUES ARE MORE LIKELY TO SURVIVE AS SUCCESSFUL FAMILY FIRMS THAN THOSE WITHOUT THEM?

"Clarity of values and purpose will keep the family on the same page. The real challenge is bringing these values and purpose to life in a day to day way when running the family business, including how the values and purpose impact the strategic choices that the business makes."

**Jean Santos**

*President, Business Consulting Resources*

"A clear purpose and values system in a family business helps all family members align towards a common goal. It aids them in making clear decisions in alignment with their values and purpose. Family firms that have not clearly stated their purpose and values often struggle with diverse viewpoints and aspirations which can result in the loss of key resources and time spent just figuring out their next steps."

**Sunil Soni**

*Family Business Advisor, IFBN Consultants*

"I agree that having a strong values foundation is essential for a business family to be able to successfully stay together over the long term, rather than just having a financial bond."

**Anneleen Michiels**

*Associate Professor at Hasselt University and Adviser at Generation6*

"Purpose and values are critical for survival. They provide the foundation of trust, understanding and communication and are the equivalent to the business vision, strategy and values."

**Susanne Bransgrove**

*Founder and Lead Family Expert, LiquidGold Consultants*

"Family firms with clearly defined values and purpose are more likely to be successful, especially in uncertain times when the purpose becomes a clear compass to orient the behaviour of the different family firm stakeholders."

**Alfredo de Massis**

*Professor of Entrepreneurship and Family Business at the Free University of Bolzano (Italy) and IMD Business School (Switzerland).*

"Most definitely. A clearly defined purpose and set of values will help to inform the business decisions you make, the company culture and how your people work together. They also have the potential to be a family business's USP and help to differentiate them in the eyes of their people, their customers, their suppliers and the wider market. However - be warned - just having a purpose and a set of values written down does not mean that they are lived by or relevant! They have to cascade down into the culture and the way that things are done on a daily basis. It has to be a lot more than just some values written on a poster on the wall. Particularly during times of change, challenge or expansion it's important for family businesses to review their purpose, values and culture to ensure that they are still relevant to the business in general and the people in particular. If you want your purpose and values to be your USP then you need to keep them constantly at the front of mind and be prepared to update or adjust them if they are no longer serving you."

**Beverley Mitchell**

*Founder & Director, Beverley Mitchell Consulting*

## ABIRAMI DURAISAMY

EXECUTIVE COACH FOR FAMILY MANAGED BUSINESSES,  
OUTSHINE OUTPLAY

"Purpose and values serve as the foundation for keeping business families together. It's not merely about defining them on paper but, more importantly, about ingraining them as integral parts of both family and organisational culture."

# THE IMPORTANCE OF PURPOSE AND VALUES IN FAMILY FIRMS

Family businesses thrive when rooted in a strong sense of purpose and values. These guiding principles not only define the company's identity but can also help shape its long-term success. Purpose provides a compelling vision, motivating family members and employees alike, creating a unified sense of direction.

Values, when fully incorporated into the company culture, contribute to ethical decision-making, trust, and resilience, creating a foundation for sustainable growth. Ultimately, the alignment of purpose and values in family businesses enhances cohesion, resilience, and a legacy that transcends generations.

Common values in family businesses often include a commitment to integrity, trust, and transparency. Respect for both family and non-family employees, fostering a strong work ethic, and emphasising customer satisfaction are also prevalent.

Additionally, values such as innovation, adaptability, and a long-term perspective contribute to the enduring success of family enterprises. Ultimately, these shared values create a unique and cohesive organisational culture that helps navigate challenges and sustain the business over generations.

### COMMON VALUES WITHIN FAMILY BUSINESSES:

- **Integrity:** Upholding honesty and ethical conduct forms the bedrock of family businesses, fostering trust among stakeholders.
- **Commitment to Excellence:** Striving for quality and excellence in products or services showcases a family business's dedication to delivering value.
- **Long-Term Vision:** A focus on sustainability and long-term goals emphasises the family's commitment to the business's enduring success.

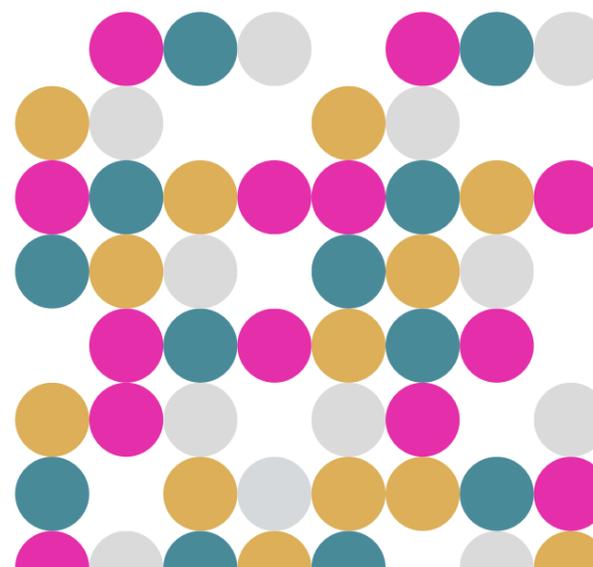
- **Respect for Tradition:** Balancing tradition with innovation preserves the family's heritage while adapting to changing business landscapes.
- **Collaboration:** Encouraging collaboration among family members and employees promotes a supportive work environment.
- **Customer-Centric Approach:** Prioritising customer satisfaction ensures enduring relationships and repeat business.
- **Adaptability:** The ability to adapt to market changes and embrace innovation is crucial for family businesses to stay relevant.
- **Community Engagement:** Involvement in community initiatives reflects a commitment to social responsibility and a positive impact beyond business operations.
- **Employee Well-being:** Valuing the well-being of employees, both family and non-family, contributes to a positive workplace culture.
- **Financial Prudence:** Responsible financial management and fiscal discipline contribute to the stability and growth of family businesses.

### EMBEDDING A STRONG CULTURE AND VALUES SYSTEM IN FAMILY BUSINESSES OFFERS SEVERAL REAL BENEFITS:

- **Unity and Cohesion:** Shared values create a sense of unity among family members and employees, fostering a cohesive and collaborative work environment.
- **Identity and Brand Image:** A well-defined culture and values system contributes to a distinct organisational identity, enhancing the family business's brand image and market positioning.
- **Resilience:** A strong cultural foundation provides resilience during challenges, helping family businesses navigate uncertainties and adapt to changing circumstances.
- **Talent Attraction and Retention:** A positive culture and strong values appeal to employees who align with these principles, attracting and retaining top talent within the organisation.
- **Ethical Decision-Making:** Clearly defined values guide ethical decision-making, ensuring that the family business operates with integrity and trustworthiness.
- **Customer Loyalty:** A values-driven approach resonates with customers, building trust and loyalty as they connect with the principles upheld by the family business.
- **Succession Planning:** A well-embedded culture and values system can facilitate smoother succession planning by providing a framework for future family leaders.
- **Innovation and Adaptability:** A culture that encourages innovation and adaptability positions the family business to thrive in dynamic markets and evolving industries.
- **Employee Engagement:** Employees are more engaged and motivated when they feel a connection to the organisation's culture and values, leading to increased productivity and job satisfaction.
- **Legacy Building:** A strong culture and values system contribute to the creation of a lasting legacy, as the family business becomes known not only for its products or services but also for its principles and contributions to the community.

Incorporating and embedding purpose and values into the family and the family business can make a real difference. The values become much more than a list of words by becoming the DNA of the organisation and culture, unifying the family and the wider business team.

Family businesses have a unique opportunity to create a lasting legacy by embedding family values into their culture. When done effectively, this not only strengthens the business but also ensures that the family's core principles endure for generations to come. By leading by example, fostering open communication, and aligning values with actions, family businesses can thrive while preserving their cherished traditions and values.



## COMMUNICATION MATTERS

### Q7. IS GETTING COMMUNICATION RIGHT IN FAMILY FIRMS ONE OF THE BIGGEST ISSUES WHEN PREPARING TO SUCCEED AS A FAMILY BUSINESS FOR GENERATIONS TO COME?

**Effective communication is the cornerstone of success for family firms, playing a pivotal role in fostering and building cohesion, trust, and sustainable growth within the business.**

In the unique context of family businesses, clear and open communication becomes even more critical. It serves as the linchpin for navigating complex dynamics, resolving conflicts, and ensuring that shared values and goals are effectively transmitted across generations.

A culture of transparent communication not only enhances collaboration but also strengthens the resilience of family firms, allowing them to adapt to challenges and capitalise on opportunities in an ever-evolving world, ensuring the opportunity for misunderstandings are minimised and that everyone is working towards the same goals.

#### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"Miscommunication is the root of failure in any relationship or institution, family businesses included."

**Salvatore Sciascia**

*Professor, Cattaneo University*

"Maybe THE most important thing is communication in a family business. Without open, honest and vulnerable communication, the level of success in a family business taps out at a certain point. That doesn't mean you can't be successful but does mean that family businesses can go so much further with great communication."

**Kyler Gilbert**

*Vice President & Consultant, Business Consulting Resources*

"It is not just about communication, it is about committing to the hard work of learning how to communicate well about the hardest things in life. This is not easy and is the job of a lifetime. But those families who invest in developing their emotional, social and relational skills stand out from the crowd."

**Nick Mayhew**

*Managing Director, Alembic Strategy*



"It is very hard to change family dynamics. That is why it is important to aim to become a learning family. It is also important to have regular family meetings with external facilitators which can create a special space where it is possible to communicate more deeply than is normal."

**Christian Stewart**

*Independent Family Advisor, Family Legacy Asia*

"Everything happens through conversations. The quality of the conversations in the business are directly correlated with the success of the business. Family dynamics are complex and can be tricky to navigate. Families who invest the time, energy, effort and in experts who can help them will succeed. The others flounder or get lucky. Or they don't!"

**Leah Zimmerman**

*Owner & Family Business Coach, Stepping Stool Coaching*

"Communication is the seed of everything else that impacts a family firm. One might argue engagement or education or even a good estate plan is the key element for succession, but without communication, none of that happens, or it happens in a vacuum. Competent communication also begets transparency, which is highly important to millennials and Gen Z."

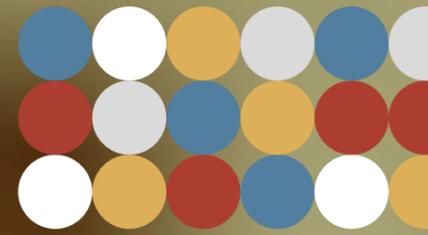
**Torri Hawley**

*Director of Client Experience, Tamarind Learning*

"Open and honest communication is vital in any business but even more so if you are aiming for a multi-generational family business over a long period of time."

**Bev Mitchell**

*Founder & Director, Beverley Mitchell Consulting*



## NUPUR PAVAN BANG

**ACADEMIC DIRECTOR, THOMAS SCHMIDHEINY CENTRE FOR FAMILY BUSINESS, INDIAN SCHOOL OF BUSINESS**

**"Effective communication within family firms is not just a challenge but a cornerstone for generational success. It forms the linchpin that binds shared visions, resolves conflicts and sustains the legacy across the continuum of generations in family business."**



# LINA CHEHAB

SHAREHOLDER & CHIEF GOVERNANCE OFFICER, CHEHAB BROTHERS SAL

“Family firms have more awareness on the importance of governance for their survival. They are open to finding the appropriate solutions that work for them. They network with other family businesses to listen and learn from stories of successes and failures and try to adapt what is most effective for their family business. Through closed networks, family businesses are becoming more comfortable opening up and sharing their stories and family businesses have the flexibility in being more agile in responding to the challenges and crises they face by adapting their governance rules in the interest of the survival of the family business.”

## INNOVATION IN FAMILY AND BUSINESS GOVERNANCE

### Q8. DO YOU THINK THAT FAMILY FIRMS ARE BECOMING MORE INNOVATIVE WHEN IT COMES TO THEIR GOVERNANCE?

In family businesses the interplay between traditional values, succession planning, family dynamics, roles and responsibilities and recognition of the need for both governance of the family and the business is not easy. Balancing the needs of the family and the business can become more complex as a family grows, a business becomes bigger and multi-generational and the world continues to change at such a fast pace. Governance practices and frameworks need to continually evolve to meet the needs of modern day family firms.

Our panel recognises that governance is important for all families in business but despite all the changes going on in the world, it is not fully apparent that governance is evolving and becoming ore innovative. Whilst there are those that are seeing innovation, there are others who are seeing little change in the way that family firms are governed which could present issues going forward.

#### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

“Many family businesses still need to implement more robust governance structures for both the family and the business, create formal conflict resolution processes, and add in external voices to help fill in gaps of knowledge. The stats are clear as a large percentage of family businesses fail as they move down the succession line, not for any singular reason, but family conflict is certainly high on the risk of causes.”

**Jeremy Stevenson**  
Managing Partner, iBridge Global Partners

“I like the idea that governance is about learning, it’s about learning to collaborate together, to listen to each other and giving everyone a voice before making a decision. I worry that too many Asian families are still not doing even the basics of family or family enterprise governance.”

**Christian Stewart**  
Independent Family Advisor, Family Legacy Asia



“Individual families try new-to-them approaches, but those approaches have usually already been tried elsewhere. The trick is finding sources of support who can take an overview of the sector and share different approaches so that individual families can find robust routes forward.”

**Claire Seaman**  
Emeritus Professor of Family Business, Queen Margaret University

“Boards today focus more on strategy, growth, organisational development and aligning shareholder objectives than in the old days of financial statement review and compensation. Boards need to be forward-looking to navigate the multitude of challenges facing businesses today.”

**George A Isaac**  
Founder & Managing Partner, GAI Capital Ltd.

“Most family firms are not aware of the benefit of good governance. Innovation is only observable in family firms who have been investing in family and business governance for a long time – and those are in the minority.”

**Susanne Bransgrove**  
Founder and Lead Family Expert, LiquidGold Consultants

# THE IMPORTANCE OF FAMILY BUSINESS GOVERNANCE

**Governance in family businesses plays a crucial role in determining their potential for long-term success and sustainability. Unlike non-family enterprises, family businesses are characterised by a unique set of dynamics that intertwine family relationships with business operations.**

Effective governance mechanisms and frameworks are essential to manage the complexities arising from this intersection between the family and the business. At the heart of family business governance is the need for the establishment of clear roles and responsibilities. Clearly defined roles and delineation of duties among family members help prevent conflicts and ensure that the business operates smoothly, and also enables family members to be clear about the roles that they are being tasked with performing, and against which they will be appraised too.

This is particularly important as family businesses often face challenges related to succession planning and leadership transitions. Establishing a governance framework that addresses these issues can contribute to the continuity of the business across generations.

Furthermore, family businesses often grapple with the need to balance family interests with business interests. Governance mechanisms, such as family councils or boards, can facilitate open communication and decision-making processes. These platforms provide a forum for family members to discuss important matters related to the business, fostering transparency and alignment of goals and again ensuring that everyone is aware of which hat they are wearing at any particular time, and to understand when the conversations are family, business or family business related, depending on the role of each individual involved.

In addition, the implementation of governance practices in family businesses helps mitigate the risk of nepotism and favoritism. Merit-based systems for hiring, promotion, and remuneration can be established to ensure that the best-suited individuals, regardless of familial relationships, are in key roles within the company. This not only enhances the business's performance but also contributes to a positive organisational culture.

Governance in family businesses also involves the development and adherence to ethical guidelines. Given the intertwining of personal and professional relationships, maintaining a high standard of ethics is paramount. A well-defined code of conduct can guide family members in their business dealings and interactions, fostering a culture of integrity and responsibility.

It is important that family members understand the governance frameworks and that they are clearly communicated and openly available too.

Moreover, effective governance in family businesses extends to financial management. Implementing robust financial controls and reporting mechanisms helps ensure transparency and accountability. This is particularly important when family businesses seek external investments or partnerships, as potential stakeholders require assurance that the business is managed professionally and with a focus on sustained growth.

Governance is a critical component of the success of family businesses. By addressing issues related to roles and responsibilities, communication, ethical standards, and financial management, a well-designed governance framework contributes to the resilience and longevity of family-owned enterprises.

Striking a delicate balance between family dynamics and business imperatives, effective governance in family businesses can be a key driver of prosperity and continuity but the world is changing, families are changing in their very nature and composition and it is important that governance frameworks continue to evolve to meet the requirements of the modern family and the interaction between the family and the business too.



# JOSH BARON

SENIOR LECTURER, HARVARD BUSINESS SCHOOL

“As family businesses become more multi-generational, succession becomes different, not necessarily more difficult. Succession from founding to second generation can be incredibly challenging.”

## SUCCESSION PLANNING

### Q9. DO YOU THINK SUCCESSION PLANNING BECOMES MORE DIFFICULT AS FAMILY FIRMS BECOME MORE MULTI-GENERATIONAL?

Succession planning is a crucial element for the sustained success of family firms, as it involves the strategic transfer of leadership and ownership from one generation to the next. The significance of this process lies in its ability to ensure continuity, mitigate potential conflicts, and preserve the family legacy.

By identifying and grooming successors, from both family and non-family pools of talent, family firms can potentially navigate transitions smoothly, maintaining stability and fostering growth. Effective succession planning not only secures the future of the business but also nurtures a sense of responsibility and commitment within the family and the business, aligning values and goals for long-term prosperity.

However, succession planning involves plenty of difficult conversations and it can be a tough process for any family to go through. As our panel highlight, the first transition for many, due to never having been through the process before, is difficult and possibly the hardest. However as a business becomes older, families become larger in size and more disparate, and as the impact of modern living and relationships are taken into consideration, it could be argued that succession may not necessarily become harder, but there is definitely scope for the process to be more complex.

#### THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

“A more geographically and demographically spread-out family and its business over multiple generations will present more challenges to succession planning. Leadership development, communication, education and relationship building will all become more challenging. That is why generational engagement programmes and processes are so important. They need to be in place sooner rather than later.”  
**Charlie Leichtweis**  
*Founder & Managing Director, Experts in HOW LLC*



“Succession does become more difficult as families become multi-generational and they are more likely to be multi-continental and spread all over the globe.”  
**Iain Stirling**  
*Co-Owner, Arbikie Highland Estate Distillery*

“Succession does become more difficult as family firms become more multi-generational. There is greater complexity, however, if the foundations of good family governance including succession planning are in place, this provides a bedrock of accepted process and expectations that future generations are aware of and can use at each succession event (although of course it is never an event!)”  
**Philip Pryor**  
*CEO, Family Business Central Ltd*

“I think that multi-generational families have a wider set of individuals with different goals. Thus, they need to be more purposeful in the way that they plan for succession and the way that they involve the next generation to be part of the family business.”  
**Isabel Botero**  
*Adviser at Generation6 and The Fischer Chair in Family Entrepreneurship at the University of Louisville*

“The next gen have more options and are looking for roles with purpose and impact. In contrast, baby boomers have different priorities. Bridging different perspectives and priorities becomes more difficult but when they get it right, it will generate a competitive advantage and great cohesion.”  
**Peter Englisch**  
*PwC Global Family Business Leader and IMD Executive in Residence*

## SUCCESSION PLANNING

### Q9. DO YOU THINK SUCCESSION PLANNING BECOMES MORE DIFFICULT AS FAMILY FIRMS BECOME MORE MULTI-GENERATIONAL?

"If more stakeholders and/or stakeholders with different goals are involved in the process, it is more likely that planning for succession will become more challenging."

**Josh Daspit**

*Associate Professor & Dean Paul R. Gowens Excellence Professor in Business, Texas State University*

"Complicated, perhaps, but not more difficult. But we must note that succession planning has nothing demonstrable to do with succession success."

**Joseph Astrachan**

*Chair, Generation6 Family Enterprise Advisors*

"As a business family grows in size and complexity there are more potential candidates for leadership roles. This resulting competition can lead to discord unless there is some way to add objective criteria to the selection process and ensure that the decision-making is handled openly and inclusively."

**Paul Edelman**

*Family Office Coach, Edelman & Associates*

"In my opinion, succession planning is hardest when it goes from the first to the second generation, as the bereavement aspect of the succession is very much in the way."

**Ana Aguirregabiria**

*Director, Doctorana Solutions*

"Succession challenges are very contextual, and the level of difficulty largely depends on the characters involved. While multi-generational family businesses are more complex, this does not inevitably mean they are more difficult – in fact as numbers grow there are more options and alternatives for succession. In addition, as the generations multiply, businesses tend to become a little larger and can access economies of scale to support succession more thoroughly and take action over the longer term, which helps in both readying successors and setting appropriate expectations."

**Nick Mayhew**

*Managing Director, Alembic Strategy*

"I think that after the first successful round of succession, it can become easier as the second generation tries not to make some of the mistakes that they had to live through. There will always be challenges though that are new and unique to each round of succession."

**Mike Schmitt**

*President & Founder, The Rubra Group LLC*

## SUCCESSION PLANNING FEATURE

# THE CRITICAL ROLE OF SUCCESSION PLANNING IN FAMILY BUSINESSES

**One of the biggest challenges and most talked about topics in the dynamic landscape of family businesses is the transition from one generation to the next. Succession planning emerges as a strategic cornerstone, ensuring the continuity and prosperity of these enterprises from generation to generation but it is not always easy.**

As our panel have identified, succession planning is a challenge for many families in business due to the nature of the families and individuals involved. It is also apparent that it can become harder for some as the business becomes multi-generational. However, there are differences of opinion as to whether the first generation is the hardest. The first transition can be tough because it is the first time the family has been through the process, death has to be discussed, and there is the moment when the business goes from the 'idea that became a successful reality' of an entrepreneurial founder being passed to a second generation to grow further, often as stewards for future generations.

It is also important to note that there are two facets to succession planning: the transfer of ownership and the undertaking and stepping up to leadership and management roles. The two are often, but not always, intrinsically linked, but it is important that they are both addressed in conversations about succession.

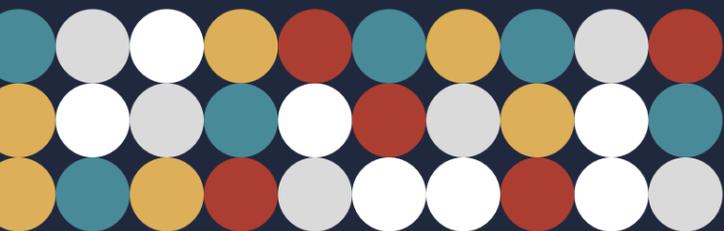
So what are some of the factors that help to contribute to effective succession planning in family-owned businesses:

- **Strategic Vision and Communication:** Successful succession planning begins with a clear vision for the future. Establishing open lines of communication among family members is crucial to aligning goals and expectations. Transparent, honest and open discussions about roles, responsibilities, and long-term objectives lay the foundation for a smooth transition.

- **Identifying and Developing Talent:** Recognising and nurturing the talents of potential successors is essential. Whether within the family, non-family members working in the business or non-family external individuals, a robust assessment of skills, leadership qualities, and commitment is vital. It is also important to consider the future needs of the business and the skills that the successor will need in order to be successful too. Training programmes and mentorship opportunities can help educate, identify and help to groom the next generation of leaders and responsible business owners.

- **Balancing Family Dynamics and Business Needs:** Striking the right balance between family dynamics and business requirements is often challenging. Objective and openly communicated criteria, such as merit and qualifications, should guide decisions, minimising conflicts and ensuring that the chosen successor is best suited to lead the business forward. This also helps to reduce the risk of disagreements during a process when difficult decisions have to be taken if the process is transparent and reasoning explained along the way.

- **Financial and Legal Considerations:** Comprehensive financial planning is critical for a successful succession. This includes evaluating the business's financial health, implementing tax-efficient strategies, and addressing potential legal complexities. Early engagement with financial and legal advisors is key to navigating these intricacies.



# SUCCESSION PLANNING FEATURE

- **Contingency Planning:** Unforeseen circumstances can disrupt even the most well-laid plans. Establishing contingency measures and having a robust emergency succession plan in place ensures business continuity in the face of unexpected events, such as the sudden unavailability of a key family member, or as we have all witnessed recently, the immediate and unexpected events associated with a global pandemic.
- **Professionalisation of Governance:** Implementing professional governance structures can enhance the resilience of family businesses. This may involve creating a board of directors, instituting regular board meetings, and introducing external advisors. Professionalising governance contributes to sound decision-making and accountability too.
- **Embracing Innovation and Adaptability:** Successful family businesses understand the importance of innovation and adaptability. Embracing new technologies, market trends, and industry shifts is crucial for sustained growth. The incoming generation should be prepared to lead with a forward-looking mindset, and the incumbent generation need to be truly prepared to step back and allow the individuals to develop into their new roles too.
- **Sibling Rivalry and Family Conflicts:** Intra-family conflicts, particularly among siblings, can be a significant barrier. Sibling rivalry, differences in vision, or unequal distribution of responsibilities can create tensions that affect both the management and ownership transition processes.
- **Inadequate Successor Preparation:** Insufficient training and preparation for the next generation can result in ill-equipped successors. Lack of experience, skills, or knowledge about the intricacies of the business may jeopardise its stability and growth under new leadership.
- **Financial Challenges:** Succession often involves complex financial considerations, including estate planning, tax implications, and funding the buyout of shares. Financial constraints or disagreements over the distribution of assets can pose substantial barriers to a successful transition.
- **Roles and Responsibilities:** Unclear delineation of roles and responsibilities within the family and the business can lead to confusion. Ambiguity regarding who will take on key leadership positions or how decisions will be made can impede effective succession.
- **Failure to Attract External Talent:** Some family businesses face challenges attracting external talent, which may be necessary for growth and sustainability. A reluctance to consider non-family members for leadership roles can limit the pool of qualified candidates.
- **Lack of Governance Structure:** Family businesses without a well-established governance structure may struggle to make objective decisions. The absence of an independent board or advisory team can hinder strategic planning and diminish the accountability of family members.
- **Reluctance to Seek Professional Advice:** Some family businesses resist seeking external advice from professionals. This reluctance can result in overlooking critical aspects of succession planning and limit the business's ability to navigate challenges effectively.
- **External Market Conditions:** Economic downturns, industry disruptions, or other external market conditions can pose challenges to succession planning. Unforeseen events may require adaptability and strategic adjustments that the business may not be prepared for.

## SEVERAL BARRIERS CAN IMPEDE THE SUCCESSFUL SUCCESSION OF FAMILY FIRMS. SOME COMMON CHALLENGES INCLUDE:

- **Lack of Formal Succession Planning:** Many family businesses face difficulties when there is no structured plan for succession. The absence of a clear roadmap can lead to confusion, disputes, and inadequate preparation for the next generation to take over.
- **Resistance to Change:** Resistance to change, especially from the founding generation, can hinder the smooth transition of leadership. Emotional attachment to the business and traditional practices may impede the adoption of innovative strategies or acceptance of new leadership styles.

# SUCCESSION PLANNING FEATURE

Succession planning in family businesses involves a comprehensive process that aims to ensure a smooth transition of leadership and ownership from one generation to the next. Here are key details and components of an effective management/leadership succession planning process:



At all times, be aware of the need to consider the following throughout the succession planning process. (See page 46 for full details)

BALANCING FAMILY DYNAMICS & BUSINESS NEEDS	CONTINGENCY PLANNING	REVIEW & ADAPTION
DOCUMENTATION & LEGAL AGREEMENTS	PROFESSIONAL ADVICE & SUPPORT	
COMMUNICATION		

## SUCCESSION PLANNING FEATURE

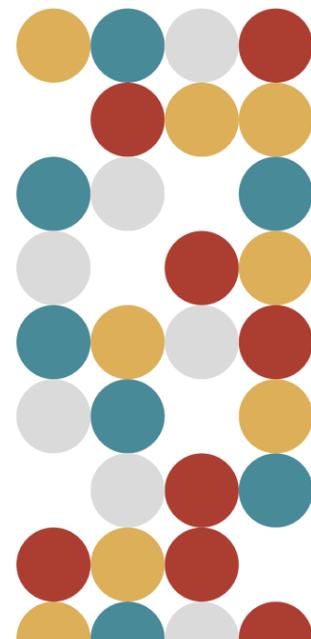
### AT ALL TIMES, BE AWARE OF THE NEED TO CONSIDER THE FOLLOWING THROUGHOUT THE SUCCESSION PLANNING PROCESS

- **Contingency Planning:** Develop contingency plans to address unforeseen events that could impact the succession process. This includes strategies for unexpected events such as the death or incapacitation of key family members involved in the succession process.
- **Balancing Family Dynamics and Business Needs:** Strive to strike a balance between family dynamics and business requirements. Clearly define roles and responsibilities, and make decisions based on merit and qualifications rather than solely on familial relationships to mitigate potential conflicts.
- **Regular Review and Adaptation:** Succession planning is an ongoing process that requires regular review and adaptation. As circumstances change, the plan should be revisited to ensure it remains aligned with the evolving needs and goals of the business.
- **Documentation and Legal Agreements:** Document the succession plan clearly, including legal agreements such as wills, trusts, and buy-sell agreements. Ensure that all family members and stakeholders are aware of and agree to the terms outlined in these documents.
- **Professional Advice and Support:** Seek professional advice from consultants with expertise in family business succession. Their insights can help navigate complexities and ensure a well-informed decision-making process.
- **Communication:** Be transparent with all parties involved with the process and ensure that timely, effective and appropriate communication is maintained at all times.

By following a process, documenting the outcomes at each stage and communicating appropriately, family businesses can develop a robust succession plan that promotes continuity, minimises disruption, and sets the stage for the ongoing success of the business across generations. It is not easy and requires time and effort to consider all the elements necessary to make a transition successful.

Effective succession planning is vital for the long-term success of family businesses. By addressing the multifaceted aspects of leadership transition, from clear communication to financial foresight, these enterprises can ensure a smooth handover of responsibilities, fostering continuity and prosperity across generations.

An effective management succession plan ensures that skilled leaders guide the day-to-day operations, while a carefully planned ownership succession strategy provides stability in the ownership structure, creating responsible owners and promoting long-term business continuity.



## FAMILY BUSINESS UNITED

# OUR GLOBAL THINK TANK

Family Business United has brought together 105 members of the global family business community by way of a 'Family Business Think Tank' to gauge their global opinion on family business matters that will help shape family business discussions.

The individuals included in the 'Think Tank' panel are all leading academics, advisers, consultants and practitioners in the family business sector together with a number of leading family business CEO's who have helped us determine the state of play for the sector globally.

Check out the members of our Global Family Business Think Tank panel here:



**Jeremy Cheng**  
Founder, Gen+ Family Business Advisory & Research



**Kirsty Ross**  
Family Business Director, Turcan Connell



**Alfredo de Massis**  
Professor of Entrepreneurship & Family Business, Free University of Bolzano (Italy) and IMD Business School (Switzerland)



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**Mette Ballari**  
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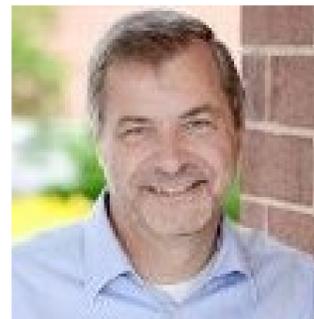
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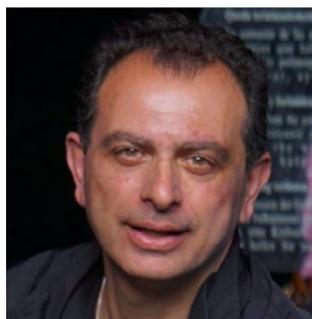
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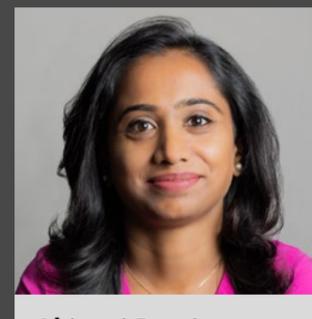
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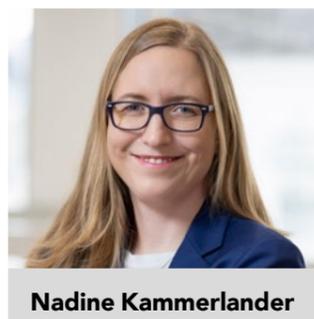
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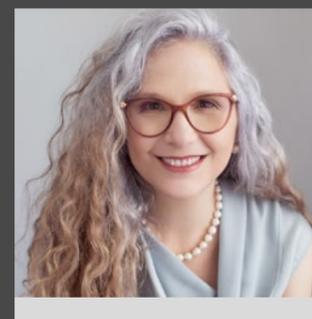
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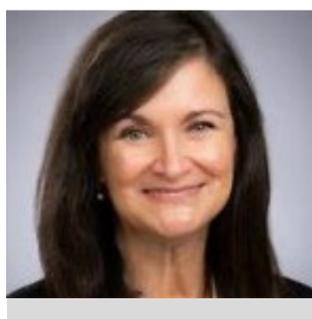
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**Ben Fowler**  
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CEO, John Good Group



**Norma Stewart**  
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**Lorraine Uhlner**  
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**Naveen Khajanchi**  
CEO and Director, NKH  
Foundation Pvt Ltd



**Xavier Cambra Verges**  
President, Transmission



**Clarisse Berggardh**  
CEO, Helsinki Partners



**Jeremy Stevenson**  
Managing Partner, iBridge  
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**Kirsten Taylor-Martin**  
National Head of Family  
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**David Krajicek**  
Founder, Family Business  
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**Jane Wylie-Roberts**  
Chief Executive, Stafffinders



**Cherine Debbas**  
Family Business Coach &  
Family Business Owner,  
Debbas Holdings



**Andre Diederichs**  
CEO, Family Business  
Association of South Africa  
(FABASA)



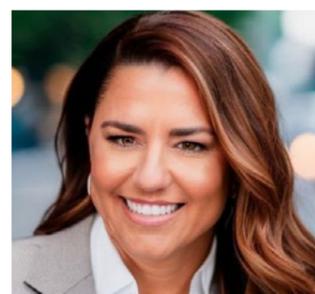
**Cristina Alvarado-  
Alvarez**  
Senior Independent Consultant



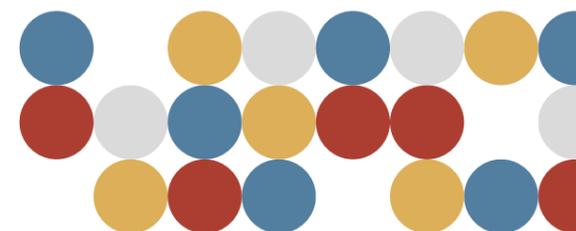
**Grant Georgiades**  
Managing Director,  
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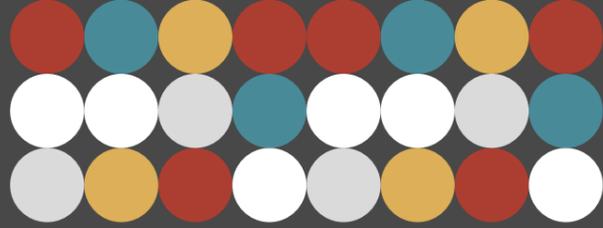


**Lance Minor**  
Director, Kansas Family Business  
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**Christin McClave**  
Founder, Partner & Investor -  
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# ABOUT FAMILY BUSINESS UNITED



Since being founded in 2011 we have grown into an award-winning magazine, resource centre and events organisation championing the contribution that family businesses make to the global economy. FBU is an innovative community with family businesses at the heart of all that we do – irrespective of their size, age or sector, and was formed out of the passion of our founder for the sector together with over 20 years experience of working with and in various family firms and advisory organisations with family business clients.

Unlike other organisations, FBU is a resource for all, family businesses of all sizes and sectors, and their advisers, helping to raise the profile of the contribution that family businesses make, to dispel the myths surrounding the sector, and sharing insights, research and tools to help family firms deal with the unique issues they face too.

FBU is a non-advisory organisation and as such works with professional advisory organisations and academic institutions around the world to source content and share events to enhance the knowledge available to family businesses and their advisers.

As a collaborative multi-media outlet we work to share materials that matter, that can make a difference, and help family business owners realise that they are not alone, and that they can learn from the experiences of others.

The team behind FBU have developed a great network around the world and have been involved with some of the leading family business organisations on the global platform – sitting on the FFI London Conference Advisory Board in 2015, regularly being a panel member on the STEP Private Client Award for Family Business Adviser of the Year, and assisting in the Global FBN Conference in London whilst being a consultant at The Institute for Family Business. We also have plenty of experience working within family firms and working with family business clients with positions at EY, Grant Thornton and Coutts to name a few.

Our network continues to grow and open up more opportunities to fly the flag for the family business sector. If you want to find out more about getting involved and becoming a member, please do not hesitate to get in touch or visit the membership section on our website at the web address below.

