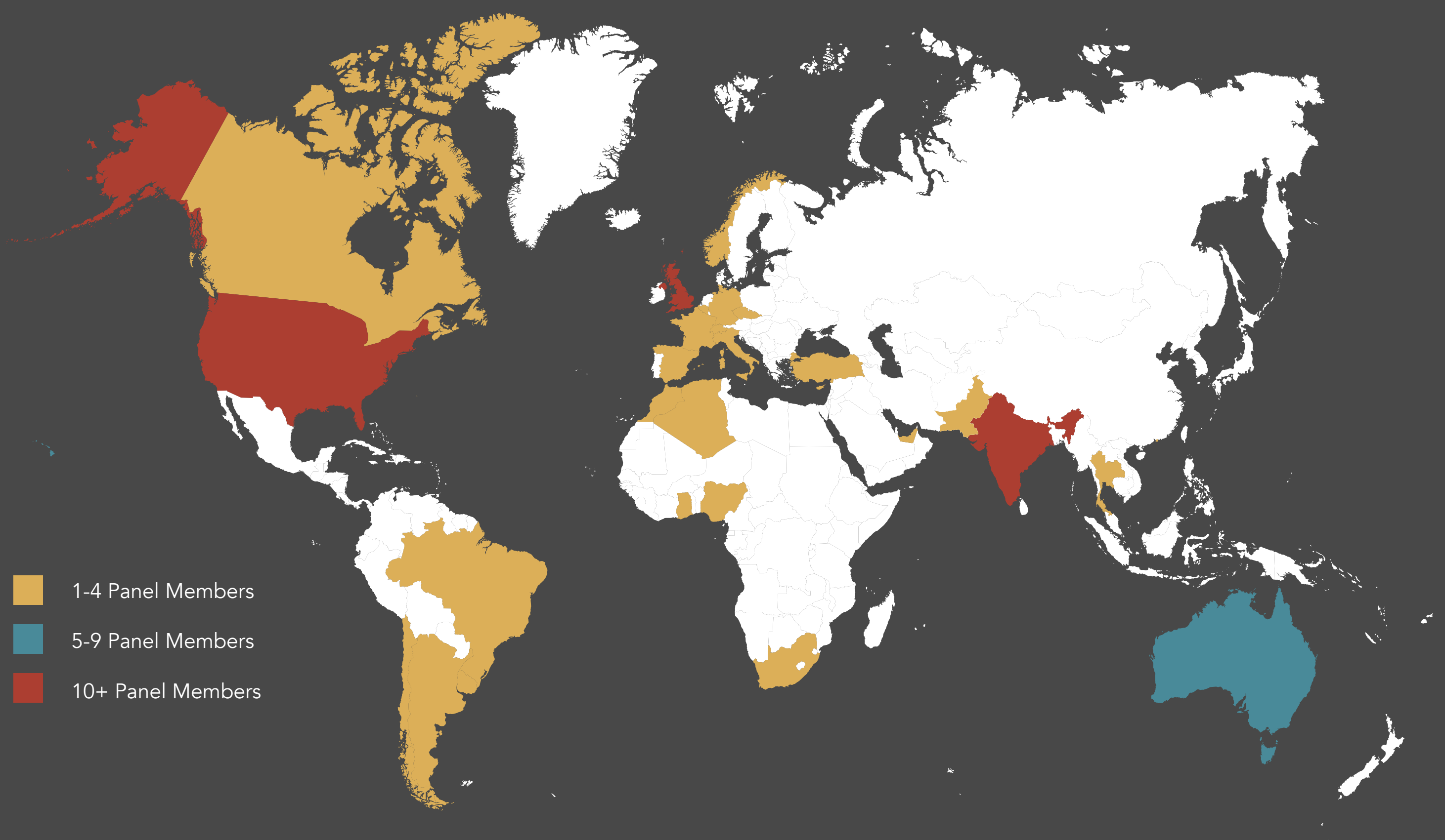
FAMILY BUSINESS UNITED fbu

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

SUMMER 2025

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



ARGENTINA x 1
ALGERIA x 1
AUSTRALIA x 8
BELGIUM x 1
BERMUDA x 1
BRAZIL x 2
CANADA x 3
CHILE x 2
CYPRUS x 2
CZECHIA x 1
FRANCE x 3
GERMANY x 2
GHANA x 1
HONG KONG x 1
INDIA x 10
ITALY x 4
MOROCCO x 2
NIGERIA x 1
NORTHERN IRELAND x 1
NORWAY x 1
PAKISTAN x 1
SOUTH AFRICA x 2
SPAIN x 2
SWITZERLAND x 3
THAILAND x 1
TURKEY x 1
UAE x 2
UK x 36
URUGUAY x 1
USA x 25

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FOREWORD

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.

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 122 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 them.

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 third Global Family Business Think Tank brings together the collective family business voice of this global panel and their insights help to shine a light on the the way that the family business community continue to evolve and address the challenges they face and where further evolution is required in order for family firms to flourish for generations to come.

P Andrews

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

www.familybusinessunited.com

INTRODUCTION

Family businesses play a crucial role in the global economy, serving as the backbone of many nations by providing employment, fostering innovation, and contributing significantly to GDP. These enterprises, often passed down through generations, embody values of trust, resilience, and long-term vision, which help create stable and sustainable economic growth.

Across both developed and developing countries, family-owned firms account for a large percentage of private sector activity, supporting local communities and maintaining cultural and entrepreneurial legacies. Their deep-rooted commitment to stewardship and legacy often leads to more responsible business practices and long-term strategic planning, making family businesses essential drivers of global economic and social development.

According to the 2025 EY and University of St. Gallen Global 500 Family Business Index, the world's 500 largest family-owned firms collectively generated US $8.8 trillion in revenue - a 10% increase versus the 2023 index - and employed approximately 25.1 million people across 44 jurisdictions. To put this in perspective, their combined revenues would position them as the world's third-largest economy, ranking just behind the United States and China. These enterprises are also geographically diverse - 47% are based in Europe, 29% in North America, and 18% in Asia and span a wide range of industries, with retail (20%), consumer products (19%), advanced manufacturing (15%), and mobility (9%) making up the largest sectors. These figures highlight the sheer economic significance and broad global footprint of multi-generational family enterprises.

Nevertheless, due to their very nature and the familial relationships that exist, family firms face unique challenges and this report looks into some of these in more detail, exploring the relevance of the three-circle family business model, conflict and the impact on growth, the separation of family and business finances, trust and long term success, effective ownership, biased decision making and whether family firms priorities long-term stability over short-term gains. Every family business will have a different take on a situation but there are common themes and our global panel explore these in more detail within the report.

Family businesses are integral to economies around the world and this report highlights some of the key areas that they should be discussing with clear communication between all parties concerned to give them the best chances of successfully creating sustainable family firms for generations to come.

THE GLOBAL FAMILY BUSINESS THINK TANK

122
RESPONDENTS FROM ALL OVER THE WORLD

30
COUNTRIES REPRESENTED

14%
THINK FAMILY BUSINESSES SPEND ENOUGH TIME ON LONG TERM STRATEGIC PLANNING

86%
BELIEVE THE THREE CIRCLE FAMILY BUSINESS MODEL IS STILL RELEVANT TODAY

"THE THREE CIRCLE MODEL IS AN EXCELLENT WAY OF UNDERSTANDING HOW OBJECTIVES DIFFER DEPENDING ON ROLES WITHIN A FAMILY BUSINESS. IT IS SOMETIMES MISAPPLIED AS A GOVERNANCE MODEL"

97%
BELIEVE EMOTIONAL TIES IN A FAMILY BUSINESS LEAD TO BIASED DECISION-MAKING

17%
BELIEVE THAT WE ADEQUATELY DEFINED WHAT IT MEANS TO BE AN EFFECTVIVE OWNER OF A FAMILY BUSINESS

94%
THINK THAT FAMILY CONFLICTS SIGNIFICANTLY HINDER THE GROWTH OF A FAMILY BUSINESS

92%
BELIEVE THAT FAMILY BUSINESSES STRUGGLE TO SEPARATE FAMILY AND BUSINESS MATTERS

"FAMILY BUSINESSES OFTEN STRUGGLE TO SEPARATE FAMILY AND BUSINESS MATTERS, LEADING TO EMOTIONAL CONFLICTS AND BLURRED DECISION-MAKING BOUNDARIES."

100%
THINK THAT BUILDING TRUST WITHIN THE FAMILY IS CRITICAL TO THE SUCCESS OF A FAMILY BUSINESS

THE FUNDAMENTALS OF THE THREE CIRCLE MODEL

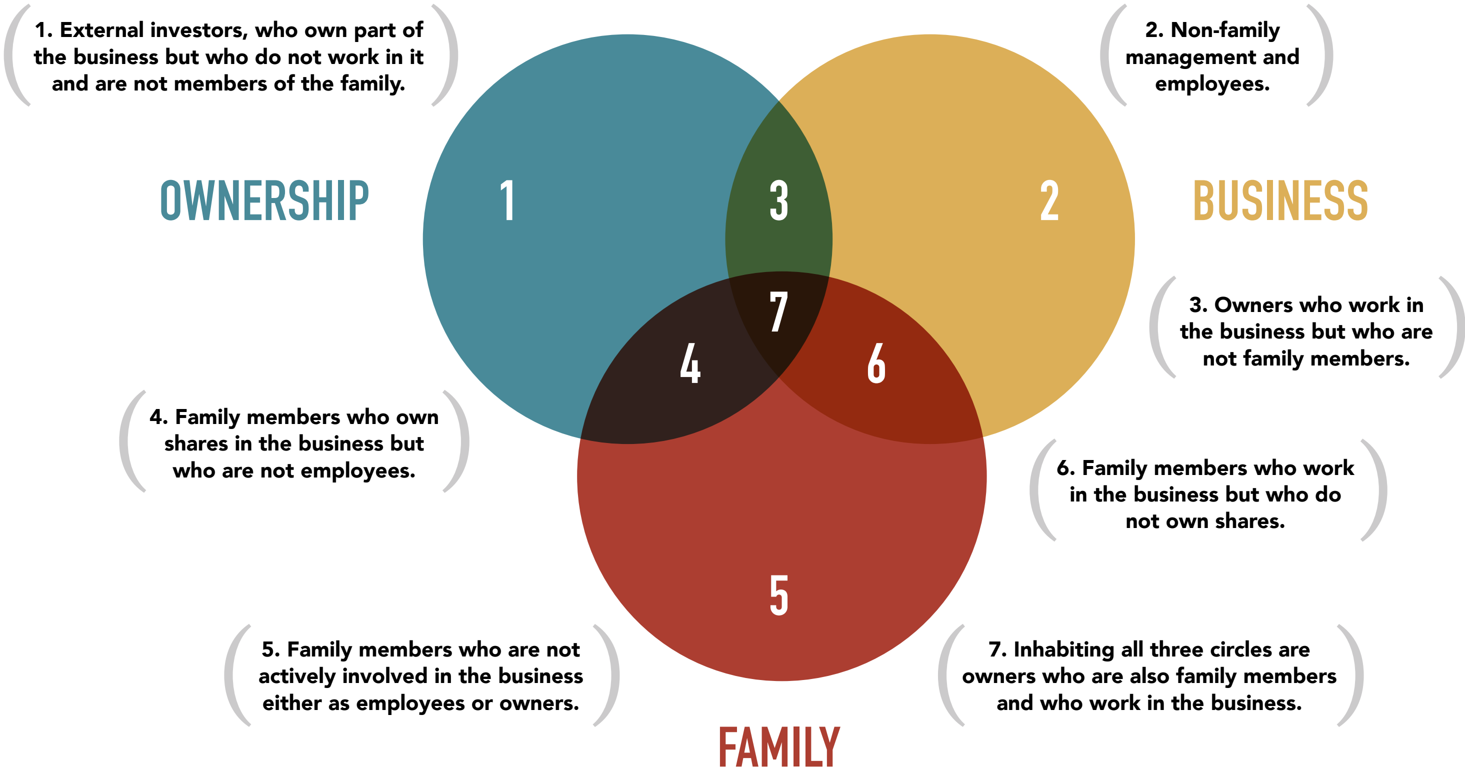
The three-circle model of family business, introduced by Renato Tagiuri and John A. Davis in the 1980s, provides a comprehensive framework for understanding the intricate dynamics that characterise family businesses. This model delineates three distinct but interconnected circles, each representing a crucial aspect of family business: the family, the business, and ownership.

It has become a foundation in the understanding of the dynamics that make family businesses what they are and the basis for many advisers to have conversations with their clients. Whilst it may appear simple in concept, the nuances and human interactions between the different individuals and their personal drivers and purpose make it an incredibly complex situation too.

It is at the very heart of the family business community but it is easy to take it for granted and for anyone new to the sector, it is worth considering and reflecting on the model, what it encompasses and how it might reflect each and every family business differently.

The first circle, the family, encapsulates the emotional and interpersonal relationships among family members involved in the business. It acknowledges the impact of family dynamics on decision-making, communication, and conflict resolution within the business context. Issues such as sibling rivalry, succession planning, and the integration of family values into business practices fall within the purview of this circle. Striking a balance between family harmony and effective business management becomes a central challenge.

The second circle, the business, focuses on the operational aspects of the business. Here, the emphasis is on strategy, performance, and competitiveness. It addresses concerns such as market dynamics, innovation, and the overall health of the business. In this circle, family businesses grapple with the need for professional management and governance structures to ensure sustained success beyond generations.



Source – Davis and Tagiuri – Three Circle Model of the Family Business System, 1982

The third circle, ownership, pertains to the ownership structure and financial aspects of the family business. This involves issues like equity distribution, ownership agreements, and wealth management. Divergent expectations among family members regarding dividends, reinvestment, and exit strategies often surface within this circle. Effectively aligning the interests of family members with the long-term financial goals of the business becomes a critical challenge.

The strength of the three-circle model lies in its recognition of the interdependence among family, business, and ownership. Changes or decisions in one circle inevitably reverberate across the others. For instance, a family dispute may spill over into the business operations, impacting performance. Likewise, a strategic business decision may have implications for family relationships and the ownership structure.
Successfully navigating the complexities outlined by the three-circle model requires a thoughtful approach to governance. Establishing clear communication channels, developing sound policies for conflict resolution, and delineating roles and responsibilities are essential steps.

Additionally, embracing external expertise through advisory boards or consultants can provide valuable insights and contribute to the professionalisation of family businesses.

In conclusion, the three-circle model offers a holistic framework for understanding the multifaceted nature of family businesses.

By acknowledging and addressing the distinct challenges within each circle - family, business, and ownership - family enterprises can enhance their resilience and increase the potential for them to pass from generation to generation successfully. Balancing the often competing interests within these circles is an ongoing process that requires commitment, adaptability, and a strategic mindset.

THE THREE CIRCLE FAMILY BUSINESS MODEL

Q1. IS THE THREE CIRCLE FAMILY BUSINESS MODEL STILL RELEVANT TODAY?

The three-circle model of family business was introduced by Renato Tagiuri and John A. Davis in the 1980s and since then has been a key reference point for the family business community. We wanted to explore the relevance of the model to today's world of family business and our panel were generally in agreement that it is still relevant today.

YES	NO	?
86%	10%	4%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"Absolutely, the three circle model remains highly relevant today. It provides essential clarity by distinguishing the different roles and dynamics within a family business: ownership, management, and family. This model helps families understand where conflicts and misalignments may arise and allows them to address these issues more effectively, ensuring smoother communication and decision-making across generations. Its simplicity and flexibility makes it an enduring tool for navigating the complexities of family businesses."
Jacqueline Schwart
CEO and Founder, Legado ConSentido

"The three-circle model is an excellent way of understanding how objectives differ depending on roles within a family business. It is sometimes misapplied as a governance model."
Josh Baron
Senior Lecturer, Harvard Business School

"For family businesses to thrive, it is important that the roles and responsibilities across ownership, management and the family are well understood, documented and implemented. The clarity of purpose, system and culture that facilitates thriving family businesses becomes effective when the three circles are clearly defined and articulated."
Mercy Edukugho-Aminah
CEO, Fiduciary Services Ltd

"Although it can be overlaid with other circles, management succession and governance to name two, it is still very relevant."
Mairi Mickel
Director and Founder, Mairi Mickels Business Families

"It is still relevant but it is a basic model that doesn't capture the complexity of a family and the family relationships. Whilst it remains a good introductory conceptual model, it isn't as helpful for more experienced families."
Andrew Keyt
CEO, Generation6 Family Enterprise Advisers

"Families today are more diverse and dynamic (blended families, single parent families etc) and the model accommodates this complexity by recognising that individuals can simultaneously belong to one, two, or all three circles, helping navigate the family dynamics that impact the business."
Jean Santos
President, Business Consulting Resources

GEORGE ISAAC

FOUNDER, GAI CAPITAL LTD

"The three-circle model is a helpful tool for understanding how different groups, often with conflicting and overlapping goals, function together in a family enterprise. The art of multigenerational success is communicating with the various participants in the family business to meet their goals as needs and desires change over time."

Q1. IS THE THREE CIRCLE FAMILY BUSINESS MODEL STILL RELEVANT TODAY?

"The three-circle model continues to be a helpful tool in the family enterprise space. Its straightforward structure is key to its value. By clearly delineating the roles and relationships within a family business in an immediately relatable fashion, it provides essential insights that help individuals identify their specific positions and responsibilities. As the field evolves, we may look to a more nuanced model that encompasses more elements of the family system, such as Dean Fowler's four-circle model, but the three-circle model remains an accessible and easily transferrable tool."
Torri Hawley
Director of Learning Experience, Tamarind Learning

"It's a clear and concise way to depict the various roles family members can play in a family enterprise as well as the inter-connectivity of family, shareholders and executives."
Matthew Nielsen
Managing Director Europe, Nielsen-Massey Vanillas

"The concept of ownership is more complex and the notion of management does not take into account non-employed governance jobs so the model is out of date."
Dennis T Jaffe
Senior Research Fellow, BanyanGlobal Family Business Advisors

"The simplicity allows the model to easily connect family members to obvious issues that they may not have been aware of before they were revealed by an adviser."
John Broons
Managing Director, John Broons Advisory

"The three-circle model is a static model that only depicts where people 'sit' currently but not how they got there and where they seek to go, both of which would affect their intentions and behaviour. Hence, it is a poor predictor of outcomes."
Claudia Binz Astrachan
Advisor and Head of Governance, Generation6

"As governance discussions become more frequent and important to a wider range of families, the three-circle model continues to provide context and understanding to these families and their key stakeholders. The 'Bermuda Triangle' that is at the very centre of the model is gaining more attention too."
Jeff Noble
Director, Private Wealth Family Office, BDO Canada LLP

"The three-circle model is a useful starting point in explaining what might be causing tension in relationships in family and in business, and to make explicit some of the boundaries to watch for. It is not good for actual change and development as real relationships are far more complex below the surface."
Nick Mayhew
Co-Founder and Director, Alembic Strategy

CONFLICT – INEVITABLE CHALLENGE OR CATALYST FOR GROWTH?

Conflict within family businesses is often viewed with apprehension, yet it is a ubiquitous aspect of their dynamics. Unlike purely corporate entities, family firms merge personal relationships with business interests, creating a unique environment where conflict can be both a source of tension and an opportunity for growth. In fact, many see conflict as an inevitable component of family businesses but also something that can potentially drive the business forward.

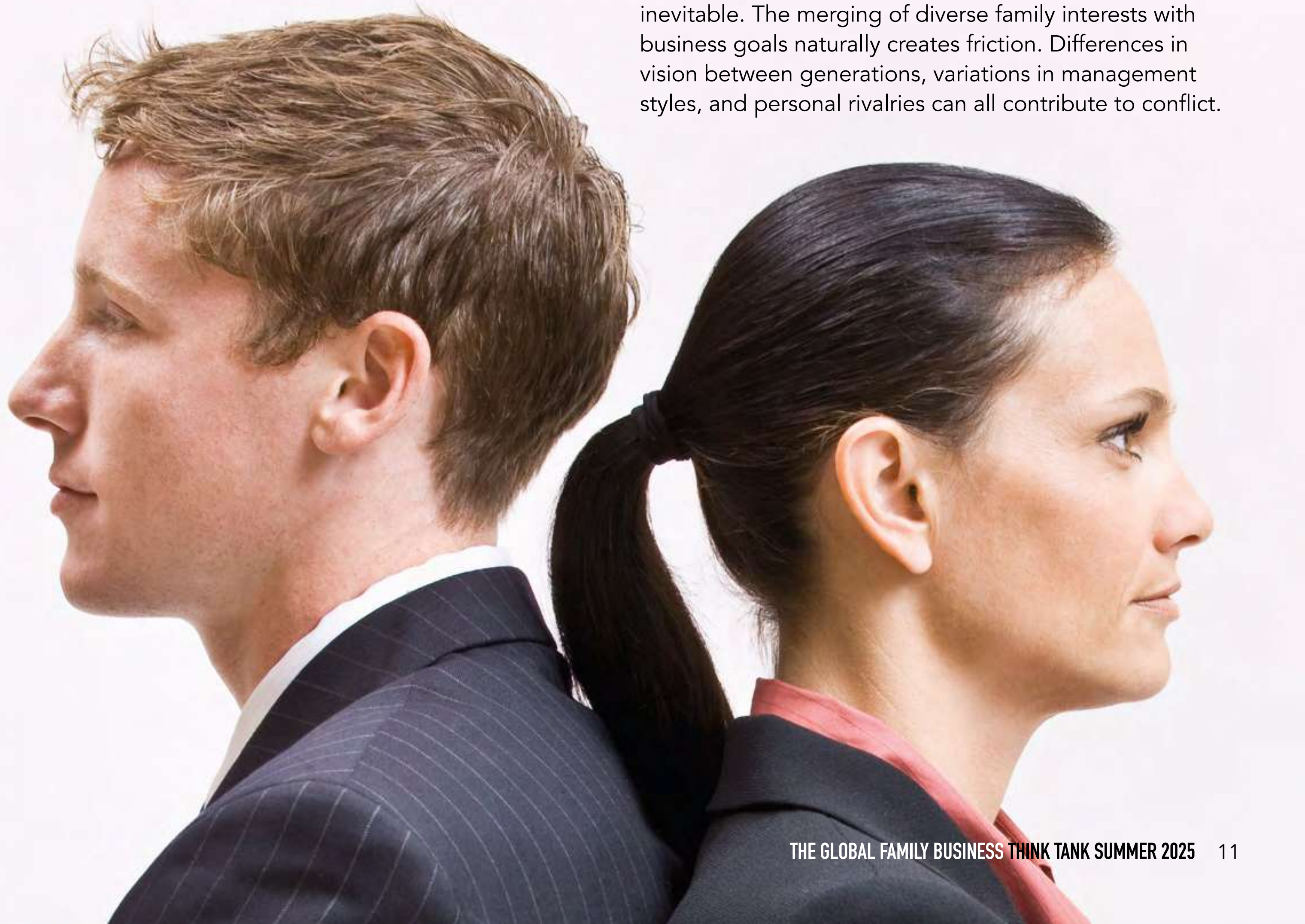
THE NATURE OF CONFLICT IN FAMILY BUSINESSES

Family businesses are inherently complex, blending familial bonds with professional obligations. Conflicts often arise from overlapping roles, divergent visions, and differing expectations. Unlike non-family firms, where conflicts might be more procedural and impersonal, family businesses frequently deal with issues that are deeply personal and emotional.

Common sources of conflict include succession planning, decision-making authority, and resource allocation. For instance, disagreements over who should lead the company or how profits should be reinvested can escalate into significant disputes. These conflicts are further complicated by the family's emotional investments and long-standing relationships.

IS CONFLICT INEVITABLE?

Given the unique intersection of personal and professional spheres in family businesses, conflict is often considered inevitable. The merging of diverse family interests with business goals naturally creates friction. Differences in vision between generations, variations in management styles, and personal rivalries can all contribute to conflict.



However, while conflict may be inevitable, its nature and impact are not predetermined. The way a family business manages and resolves conflicts can significantly influence whether these disputes become destructive or constructive.

CONFLICT AS A DRIVER OF INNOVATION A ND IMPROVEMENT

When managed effectively, conflict can be a powerful catalyst for growth and innovation. Engaging with differing viewpoints and addressing underlying issues can lead to more robust decision-making processes and creative solutions.

For example, family disagreements over strategic direction might result in more thorough evaluations of business strategies, ultimately leading to more innovative and effective approaches. The process of navigating these conflicts can encourage families to rethink outdated practices, explore new market opportunities, and enhance overall business performance and ultimately drive the path towards long-term sustainable success.

BUILDING RESILIENCE AND UNITY

Successfully managing conflict can also strengthen family cohesion and business resilience. Through conflict resolution, families often develop better communication skills, establish clearer boundaries between personal and professional roles, and implement more effective governance structures.

Structured conflict resolution mechanisms, such as family councils, mediation, and formal governance frameworks, can facilitate constructive discussions and prevent conflicts from escalating.

CHALLENGES AND RISKS

Despite its potential benefits, conflict in family businesses also carries risks. Unresolved disputes can lead to long-term damage to relationships, reduced morale, and even the disintegration of the business. Family members may become entrenched in their positions, making compromise difficult and potentially jeopardising the firm's stability.

The emotional intensity of family conflicts can sometimes cloud judgment and lead to decisions driven by personal vendettas rather than the best interests of the business. Therefore, addressing conflict requires a delicate balance between managing emotional dynamics and focusing on objective business outcomes.

STRATEGIES FOR MANAGING CONFLICT

To harness the positive aspects of conflict while mitigating its risks, family businesses can adopt several strategies:

Implement Governance Structures: Establishing formal governance structures, such as a family council or advisory board, can provide a neutral forum for addressing conflicts and making decisions. These structures help separate family issues from business operations and ensure a more objective approach to conflict resolution.

Promote Open Communication: Encouraging transparent and open communication helps family members express their concerns and viewpoints constructively. Regular family meetings and discussions can facilitate better understanding and collaboration.

Seek Professional Mediation: Engaging external mediators or consultants can provide an unbiased perspective and help resolve conflicts that may be difficult to address internally. Professional mediators can assist in navigating complex disputes and finding mutually agreeable solutions.

Focus on Shared Goals: Emphasising common goals and the long-term vision of the family business can help align interests and foster a collaborative mindset. By focusing on the bigger picture, family members can work together to overcome conflicts and drive the business forward.

GLOBAL PERSPECTIVES

The approach to managing conflict in family businesses can vary significantly across cultures. In some cultures, family harmony and hierarchical respect may take precedence over direct confrontation, leading to more subtle methods of conflict resolution. In contrast, cultures with a more confrontational approach might emphasise direct communication and negotiation.

Conflict in family businesses is both inevitable and potentially beneficial. While it can pose significant challenges, it also offers opportunities for growth, innovation, and improved family cohesion.

By adopting effective conflict management strategies and focusing on shared goals, family businesses can navigate disputes constructively and harness them as a driving force for progress. Ultimately, how conflicts are managed can determine whether they become obstacles or catalysts for the enduring success and evolution of the family firm.

Q2. CAN FAMILY CONFLICTS SIGNIFICANTLY HINDER THE GROWTH OF A FAMILY BUSINESS?

Due to the personal nature of the relationships within a family in business it is not surprising that from time to time tensions can rise and disagreements come to the fore.

There is a level of inevitably in a world of family entwined in the business but the impact on the business will very much depend on the way that it is handled. Nevertheless, there is potential for any conflict to have a detrimental impact on the business and our panel were in agreement that conflict can significantly hinder the growth of a family business.

YES	NO	?
94%	4%	2%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"Absolutely, family conflicts hinder growth, they dissipate energy, they reduce focus on the real enemy (other businesses, the market, creating an innovative strategy). Until relationships are good enough for people to collaborate and work together potential is being leaked everywhere."
Sophia Ashburton
Co-Leader, The Grange Hampshire

"Family conflicts can sometimes stimulate the energy needed to reorganize and restructure family businesses. I do not encourage conflict but will sometimes use the appearance of conflict to begin the conversation around constructive change."
Michael Schmitt
President and Founder, The Rubra Group LLC

"It depends. Conflicts can also be beneficial. It depends on the type of conflict and how it is managed."
Prof. Dr. Fabian Bernhard
Professor, EDHEC Business School

CONFLICT WITHIN FAMILY BUSINESSES

Q2. CAN FAMILY CONFLICTS SIGNIFICANTLY HINDER THE GROWTH OF A FAMILY BUSINESS?

"Family conflicts can be one of the biggest barriers to growth in a family business. Disagreements over strategy, succession or management roles can paralyse decision making, damage trust, and lead to a toxic atmosphere that affects both employees and business performance."
David Krajicek
Founder, Family Business Hub

"Family conflicts can create 'decision paralysis' at critical growth moments, where strategic opportunities are missed not due to lack of resources but because conflicting family members block the initiatives of each other out of spite or mistrust."
Anneleen Michiels
Associate Professor, Hasselt University and Advisor, Generation6 Family Enterprise Advisors

"Non-productive conflict (avoidance, artificial harmony and aggression) forms sap energy and resources needed for growth. However, productive conflict (assertive, warm, open) forms are essential for continued growth and development. The key rests in building emotional intelligence, shared understanding and aligned expectations to get a positive ROI for the cognitive and emotional investment productive conflict requires."
Allie Taylor
Business Psychologist and Co-Founder, Orange Kiwi and Conveyance Solutions

"Yes and no as I often think simmering frustration where ineffective compromises are made to keep the peace can hinder growth more than outright conflict. Conflict can sometimes be the spark that ignites new ventures or fuels motivation which ultimately may lead to growth."
David Twiddle
Managing Partner, TWYD & Co

"Unsettled or unaddressed conflict in family is one of the greatest value destroyers in family enterprise. It not only thwarts growth but can significantly diminish a firm's inherent value when the owners are now aligned on its strategy, exit and goals."
Kirby Rosplock
CEO and Founder, Tamarind Partners

"Conflicts are harmful not only for the business family but also for the family business. Spending time and energy on conflict resolution is expensive and detracts resources and attention from business issues, as well as distracting the family from the identification and exploitation of growth opportunities."
Salvatore Sciascia
Professor and Co-Director of FABULA, Family Business Lab, Cattaneo University

"It is vital that families in business together get a really good foundation in understanding how conflict can help and hinder, how to avoid it rupturing relationships, and instead use the tensions and disagreements it reveals to outperform other business models."
Nick Mayhew
Co-Founder and Director, Alembic Strategy

"Conflict and poor communication can unravel the best laid business plans. It is so important to have dialogue that is open and transparent so that issues are dealt with as they arise and are not swept under the carpet!"
Kedge Martin
Founder and CEO, KM Advisory Ltd

"The next generation may not be born with the same dedication to the business. It may need to be nurtured and developed over time. The key is to harness all that is good about the family connection and make it a differentiator and key commercial advantage. That is only possible if all concerned properly explore and fully understand where those strengths lie and acknowledge and deal with the personal dynamics which may impact future success."
Paul Hunt
Partner, Higgs LLP

SIAN STEELE

DIRECTOR AND FOUNDER, SIAN STEELE CONSULTING

"Fundamentally for a family business to succeed it needs board, shareholder and business alignment. Family conflict is distracting, time consuming and often means that you are talking about the wrong things. Cohesion fully empowers your board to set and deliver the right strategy."

KEEPING IT IN THE FAMILY – BUT NOT IN THE BOARDROOM

Family businesses form the bedrock of the global economy. From traditional high-street shops to cutting-edge tech startups, the intertwining of kinship and commerce is an age-old tradition. Yet, the emotional glue that binds family members can just as easily unravel a business when personal matters cloud professional judgement.

In an ideal world, a family-run enterprise combines loyalty, long-term vision and mutual support. However, without a conscious effort to draw boundaries between familial and commercial affairs, even the most promising ventures can collapse under the weight of internal conflict. The need to separate family dynamics from business operations is not just good governance - it's a matter of survival.

WHEN BLOOD MIXES WITH BALANCE SHEETS

It often begins with good intentions. A parent passes a business to a child, or siblings start something from scratch with shared dreams and mutual trust. Yet, challenges soon arise. What happens when one sibling works twice as hard as the other, but both receive equal pay? What if the family matriarch, technically retired, continues to make executive decisions over Sunday lunch? In many cases, hierarchy is blurred. A younger family member with a business degree might find their ideas dismissed by an older relative steeped in tradition. These tensions, if left unaddressed, morph into resentment - and that resentment can quietly infect the entire organisation.

THE IMPORTANCE OF CLEAR ROLES AND STRUCTURES

Business experts agree that one of the first steps in mitigating familial fallout is establishing clearly defined roles. Titles and responsibilities should be based on merit, not birth order or family politics. A family member's position in the firm must reflect their skill set and experience, not their surname. In many successful family businesses, an independent non-family board member or advisor is brought in. Their impartiality can act as a crucial counterbalance to emotional decision-making. These individuals can mediate disputes, ensure accountability, and encourage professional standards without fear or favour.

THE CASE FOR A FAMILY CONSTITUTION

One increasingly popular tool among multi-generational family businesses is the "family constitution" - a formalised agreement that sets out governance structures, succession plans, conflict resolution processes and expectations of conduct. While such documents may not be legally binding, they provide clarity and offer a reference point when emotions run high. A family constitution also helps avoid the assumption that children must inherit the business. In many instances, the best course of action is to hire external leadership while retaining family ownership.

NAVIGATING SUCCESSION AND LEGACY

Succession planning is perhaps the most emotionally charged issue a family business can face. Who takes over? When? And on what terms? The transition of power should not be shrouded in secrecy or postponed indefinitely. Failure to plan adequately can trigger power struggles and destabilise the firm. The most successful handovers are those that happen gradually, with open communication and mentorship. This allows the next generation to grow into their roles while earning the respect of both family and non-family employees.

DRAWING THE LINE

It's not about stripping away the family identity from the business. Quite the opposite - familial values can be a brand's greatest strength. Trust, loyalty, and tradition are compelling selling points in today's impersonal commercial landscape. The key lies in professionalising the business without diluting its soul.

Sunday dinners should be about family, not forecasts. Boardrooms should be about business, not birthdays. That doesn't mean emotion has no place in business - it just means it shouldn't be in charge. Family businesses are uniquely positioned to combine heart with enterprise. But emotion, while a powerful motivator, must be tempered with structure, fairness, and strategy. As the saying goes, "you can choose your business partners, but not your family." That makes it all the more important to ensure the two worlds coexist respectfully - and not recklessly.

When family and business are kept in their proper lanes, both have a much greater chance of success. And that, truly, is a legacy worth building.

ADIB RASHID

DIRECTOR, DUBAI CENTRE FOR FAMILY BUSINESS

"Developing a structured approach to separate between family and business matters is critical to ensuring the continuity and sustainability of family businesses."

Q3. DO FAMILY BUSINESSES STRUGGLE TO SEPARATE FAMILY AND BUSINESS MATTERS?

Family and business in a family business are so inextricably linked that it is difficult to keep family and business matters separate. Our panel recognised this as a challenge for those involved in a family business today.

YES	NO	?
92%	2%	6%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"These are almost intertwined. It becomes incredibly difficult for family businesses to separate family and business."
Kyler Gilbert
Vice President & Consultant, Business Consulting Resources

"Unless they adopt relevant governance practices, family businesses often struggle to separate family and business matters since the family will always wish to have a hands-on approach to protect their socioemotional endowment. This can make family and business matters more entangled."
Elias Hadjielias
Assistant Professor, Cyprus University of Technology

"It's a real challenge for many family members to consider which 'hat' they are wearing or with which voice they speak. This can inadvertently influence the direction or decisions of the business."
Matthew Nielsen
Managing Director Europe, Nielsen-Massey Vanillas

"Many do. However, those that attend to focused, human-centric development efforts in both domains do a much better job of addressing family matters in family spaces and business matters in the appropriate business spaces."
Allie Taylor
Business Psychologist and Co-Founder, Orange Kiwi and Conveyance Solutions

"Family businesses often struggle to separate family and business matters, leading to emotional conflicts and blurred decision-making boundaries."
Andre Diederichs
CEO, Family Business Association of South Africa

"Family businesses do struggle to separate family and business matters but it's not necessarily wise to separate them. Family and businesses are an ecosystem. We don't have a work life balance. We have a life made up of various facets which we are wise not to try and isolate."
Rob Begg
CEO, Rob Begg Consulting

"Most family firms keep on encountering this kind of struggle, leading to decisions influenced more by family ties and emotions than by sound business strategies. It's not easy to find a balance between personal interests and professional responsibilities. There is, consequently, a strong need to establish formal governance structures that help delineate family and business roles."
Salvatore Sciascia
Professor and Co-Director of FABULA, Family Business Lab, Cattaneo University

BUILT TO LAST – HOW FAMILY BUSINESSES PRIORITISE LONG-TERM STABILITY OVER SHORT-TERM GAINS

In an era dominated by quarterly reports, rapid scale-ups, and investor-driven decision making, family businesses stand apart. Quietly but powerfully, they chart a different course - one that favours sustainability, reputation, and legacy over quick wins or instant profits.

Across the world, family-run firms form a vital part of the economic landscape through the income they generate, the jobs they provide and the wealth they create. Yet, beyond the numbers lies a philosophy of business that is fundamentally different to their corporate counterparts: one that is measured, deliberate, and built with future generations in mind.

A DIFFERENT SET OF PRIORITIES

Unlike publicly traded companies that often answer to shareholders and market analysts, family businesses are typically driven by long-term goals. The pressure to deliver immediate financial returns is less intense, enabling them to invest in people, innovation, and infrastructure in a way that prioritises durability over dividends.

For many family firms, success isn't just defined by the bottom line - it's measured by the business's ability to remain resilient, relevant, and respected across decades or even centuries. Their reputation in the community, the welfare of their staff, and the health of their supply chains often carry equal weight to financial indicators.

LEGACY OVER LIQUIDITY

This emphasis on legacy gives rise to a more cautious and conservative financial approach. Family businesses are often reluctant to overextend themselves with risky borrowing or unsustainable growth. While this may result in slower expansion, it also means they are better positioned to weather economic downturns.

During crises - such as the recent pandemic - many family businesses demonstrated remarkable resilience. Their long-term mindset enabled them to focus on survival and recovery rather than appeasing shareholders. Some chose to retain staff on full or reduced pay, despite economic uncertainty, to preserve skills and morale. Others delayed profits to support local communities or protect family reputations.

INVESTMENT WITH PURPOSE

Family-owned firms are more likely to reinvest profits back into the business, particularly in staff development, product quality, and environmental sustainability. Without the constant demand to increase shareholder value, decisions can be made with a wider social or ethical lens.

Take, for example, the many family-run food producers who have chosen to adopt sustainable farming practices - not because it maximises short-term profits, but because it ensures the land and business remain viable for future generations. Similarly, family-owned retailers often cultivate long-term supplier relationships, prioritising consistency and trust over cutting corners.

PEOPLE-CENTRIC LEADERSHIP

Employees in family businesses frequently benefit from a strong sense of belonging and security. Staff turnover tends to be lower, and the workplace culture is often more inclusive and personal. This people-first approach reflects the values of owners who are invested in the business not just as a financial asset, but as an extension of their identity.

Furthermore, decision-making tends to be more stable, less influenced by market fads or executive turnover. While this can sometimes lead to slower innovation, it often results in better-considered, more durable changes.

THE INTERGENERATIONAL OUTLOOK

Perhaps the defining feature of family businesses is their intergenerational vision. Business owners often see themselves as custodians rather than sole proprietors - tasked with handing the enterprise to the next generation in better shape than they found it.

This means that strategic decisions are assessed not only on their financial return, but also on their impact on reputation, employee welfare, and family cohesion. Exit strategies are rare. Short-term profit at the expense of future viability is seldom an option.

BALANCING TRADITION WITH PROGRESS

To be truly future-proof, family businesses must avoid becoming overly nostalgic or resistant to change. The most successful family firms are those that blend tradition with innovation, grounding their decisions in values while embracing digital transformation, diversity, and modern governance practices.

Many are now appointing non-family executives to bring in external expertise, introducing professional boards, and creating family constitutions that help clarify roles and expectations. These moves help balance the warmth of family with the rigour of modern business.

Family businesses may not always make headlines, but their quiet strength lies in the steadiness of their approach. By prioritising long-term stability over short-term profits, they forge enterprises that are deeply rooted, human-centred, and resilient through time.

In a business world that often celebrates speed, disruption, and immediate return, family-run firms remind us of the value of patience, principle, and planning. They are not simply in business to succeed today - but to endure tomorrow. And that, in the end, may be the wisest investment of all.

SHORT-TERM GAINS v LONG-TERM STABILITY

Q4. ARE FAMILY BUSINESSES MORE LIKELY TO PRIORITISE LONG-TERM STABILITY OVER SHORT-TERM PROFITS?

When we talk about the uniqueness of family business we often talk about the long-term view and how families often see themselves as custodians or stewards of the business for future generations. Our panel agreed that family businesses are more likely to prioritise long-term stability over short-term profits.

YES	NO	?
86%	6%	8%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"This is one of the real advantages of family businesses. We are seeing the real value of 'patient capital' beginning to emerge in the sector, particularly in relation to family offices. This ability to take a long-term view is becoming increasingly attractive within investment circles."
David Twiddle
Managing Partner, TWYD & Co

"Family owned companies tend to want to pursue legacy value and legacy ownership. That said, short term profits are also important to ensure the ability to attract and retain successors, especially with competitive remuneration and benefits, as well as to continue to fund innovation and growth for the company."
Jean Santos
President, Business Consulting Resources

"It's obviously unique to the individual owning family, but successful, multigenerational family firms do tend to take the long-term view. That's not all good, however, as family firms tend to use less debt than non-family firms which when it stems from risk aversion can hinder growth, appropriate investments, expansion etc."
Torri Hawley
Director of Learning Experience, Tamarind Learning

"Most family businesses can set their own timeframes for success, act with 'patient capital' and weather the storms of economic cycles. This is often a strength but can lead to conflict over priorities."
David Werdiger
Managing Director, Nathanson Pearson Pty Ltd

"The river of love in a family always flows down across generations, and parents are ready to forego comfort for the sake of their children and hence they think for the long term."
Kavil Ramachandran
Professor of Entrepreneurship and Family Business, Indian School of Business

"The research is literally 50/50 on this and one family's best prescription is another family's poison. It is more important to clarify entry and exit ramps for the family enterprise early than have one way to do this that may disincentivize individuality. An unintended consequence of outside employment is that the next generation may not come back to the family's 'unsexy' business."
Natalie McVeigh
Managing Director, Eisner Amper

"Research shows that resilient family firms look outwards, always horizon scanning so it is vital that the next generation sees what is going on elsewhere, learns from it and then decides how to use it back at the family firm. Of course, that may be a challenge for the older generation!"
Rachel Mallett
Partner, Brown and Mallett Agriculture, PhD Student, Harper Adams University

"It all depends on the philosophy of the family. Family first versus business first."
Dr. Steven K. Moyer
Family Business Advisor, SKM Associates

"This is an absolute strength of family businesses, their long-term thinking."
Kirsten Taylor-Martin
National Head of Family Business Consulting, Grant Thornton Australia Limited

"First for me, the key to success is success as a family to become a generative family or a family of affinity and how can that happen if the rising generation don't have the opportunity to individuate and go on their own hero's journey? The same applies to working in the family office – go and work somewhere else first. The human capital is more important than the financial capital. If you have someone who has only ever worked in the family business then there is too high a risk that such a person cannot accept their own vulnerabilities, can't accept their own shortcomings and shadow, and can't grow as a person."
Christian Stewart
Independent Family Advisor, Family Legacy Asia

DAVID KRAJICEK

FOUNDER, FAMILY BUSINESS HUB

"Family businesses often prioritise long-term stability because they're driven by a desire to preserve the business for future generations. This mindset leads them to focus on sustainable growth, reputation, and enduring relationships rather than short-term gains. Unlike public companies, family firms are more willing to invest in strategies that may take years to pay off."

JEAN SANTOS

PRESIDENT, BUSINESS CONSULTING RESOURCES

"100% necessary and important. The business must stand on its own and the family must cover their own expenses too. Mixed personal and business finances can complicate tax reporting and compliance, leading to potential legal risks or audits. Clear financial separation ensures that both the business and the family meet their tax obligations and benefit from appropriate deductions and credits without confusion or penalty."

Q5. IS IT NECESSARY FOR FAMILY BUSINESSES TO SEPARATE FAMILY AND BUSINESS FINANCES?

Family business can be complex and the need to separate family and business finances is important and was recognised as such by our panel. It might not be easy but is important to ensure that the family can operate independently from the business and that the business is not constrained financially by the family.

YES	NO	?
90%	6%	4%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"Failure to do so is planning to engage in emotional volatility, conflict and under performance in the business."
Allie Taylor
Business Psychologist and Co-Founder, Orange Kiwi and Conveyance Solutions

"Depends on the stage of evolution and complexity of the entire family enterprise system. In earlier stages, it's often practical to embed family financials into the business financials. Later on, this becomes problematic."
Peter Vogel
Professor of Family Business and Entrepreneurship, IMD Business School

"Family businesses should separate family and business finances to avoid poor governance, ensure transparency and maintain financial stability for both the business and the family."
Andre Diederichs
CEO, Family Business Association of South Africa

"Fundamentally the business needs to be sustainable and so does the family. Having an over reliance on dividends, and a lack of retirement planning ultimately leads to insufficient investment, stacking up problems for future generations."
Sian Steele
Director and Founder, Sian Steel Consulting

"Mixing family money with company money is one of the biggest causes of conflict and confusion."
Rogerio Fae Rodrigues
Co-Founder and Consultant, UNE Succession and Governance

WHY PROFESSIONAL DEVELOPMENT IS VITAL FOR THE NEXT GENERATION OF FAMILY BUSINESS LEADERS

The transition of leadership in a family business is never just about passing on titles or control — it's about preparing the next generation to lead with confidence, competence, and continuity. While inheriting a family legacy may come naturally, stepping into leadership does not. That's where professional development becomes essential.

In today's rapidly changing business environment, family enterprises must equip their next-gen leaders not only with technical and strategic skills but also with the emotional intelligence and governance knowledge needed to navigate the unique dynamics of family-owned operations.

So, what does a robust professional development programme look like for future family business leaders - and why is it non-negotiable?

THE CASE FOR FORMAL DEVELOPMENT

Many family businesses still rely on informal mentoring or on-the-job learning to prepare future leaders. But today's challenges - digital disruption, sustainability expectations, global competition - demand more than inherited wisdom.

Professional development programmes signal a shift from entitlement to earned leadership. They reinforce the message: you may be born into the family, but leadership must be learned. This shift is key to maintaining trust among stakeholders, including employees, customers, and other family members.

CORE COMPONENTS OF A PROFESSIONAL DEVELOPMENT PROGRAMME

1. Education and Business Training
Formal business education remains a crucial pillar. Whether through undergraduate business degrees, MBAs, or executive education programmes, next-gen leaders must have a solid foundation in finance, marketing, strategy, operations, and leadership.

Many family businesses also encourage their heirs to gain experience outside the family firm first - to build perspective, earn credibility, and learn to operate in more merit-based environments.

Key elements:
- Business and finance fundamentals
- Leadership and strategic thinking
- Exposure to global business trends and innovation
- External work experience or internships

2. Family Business Governance and Dynamics
Running a family enterprise involves more than commercial acumen. It requires navigating complex relationships, balancing personal and professional interests, and understanding the nuances of family governance.

Programmes should offer training in:
- Governance structures (family councils, boards, shareholder agreements)
- Succession planning and ownership transitions
- Conflict resolution and communication across generations
- Roles and responsibilities of family vs. non-family members

Why it matters: Many promising leaders struggle not with business strategy, but with managing relationships and expectations within the family.

3. Mentoring and Coaching
Mentorship is critical - ideally from both within and outside the family. Senior leaders can pass down institutional knowledge, values, and culture, while external mentors offer neutral, professional perspectives.

In addition, executive coaching can help younger leaders develop self-awareness, emotional intelligence, and leadership presence.

Best practices:
- Structured mentoring programmes with clear goals
- Access to experienced non-family mentors
- Regular coaching sessions focused on personal leadership development

4. Leadership in Practice
Hands-on leadership opportunities are essential for development. This could include managing a division, leading a project, or launching a new product line. These real-world experiences build confidence, test decision-making, and allow younger leaders to make their mark.

Progressive family firms may even create "next-gen labs" - innovation hubs where future leaders can experiment with new ideas in a lower-risk environment.

Benefits include:
- Applied learning in strategic decision-making
- Development of cross-functional skills
- Opportunities to demonstrate results before assuming full leadership

5. Values and Stewardship Training
Family businesses are often value-driven. Upholding those values - such as integrity, quality, and community engagement - is vital to preserving the brand and family reputation.

- Training should explore:
- The family's mission and values in business
- Long-term thinking and responsible ownership
- Sustainability and social responsibility
- Purpose-driven leadership

This creates alignment between generations and reinforces the idea that business success is measured not just by profit, but by legacy.

6. Peer Networks and Learning Communities
Connecting with other next-gen leaders can provide valuable support and perspective. Many professional associations and academic institutions offer peer groups and forums for successors of family businesses to share challenges, learn from others, and avoid isolation.

Opportunities include:
- Next-gen workshops and retreats
- Global family business forums
- Alumni networks and think tanks

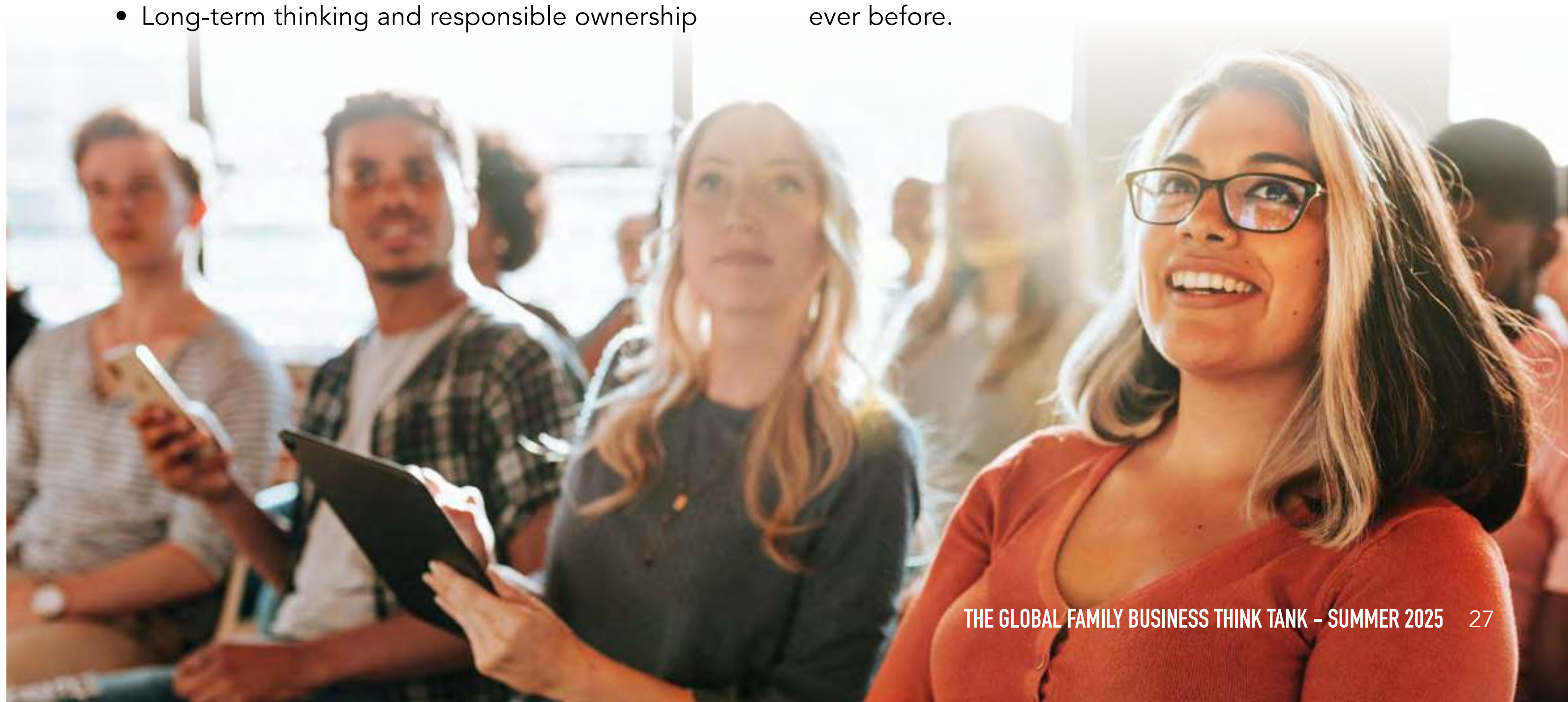
OVERCOMING RESISTANCE

Some family businesses may resist formal development programmes, viewing them as unnecessary or overly corporate. But failing to invest in the next generation can leave the business exposed - to weak leadership, internal conflict, or failed succession.

A well-designed development plan is not a cost; it's an insurance policy - one that protects the company, the family's legacy, and its future continuity.

Handing over a family business isn't just about legacy. It's about leadership. And in today's world, that leadership must be informed, prepared, and equipped to meet both emotional and commercial demands.

By investing in structured, forward-thinking professional development programmes, families ensure that their next-generation leaders are not only worthy of the business they inherit - but ready to take it further than ever before.



Q6. SHOULD FAMILY BUSINESSES IMPLEMENT PROFESSIONAL DEVELOPMENT PROGRAMMES FOR NEXT GENERATION LEADERS?

The future of the family business lies with the next generation, whether as owners, employees or managers so equipping them with the requisite skills is essential. Our panel were in agreement that family firms need to implement some sort of professional development programme for their future leaders.

YES	NO	?
95%	1%	4%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"If you look at family firms that sustain across generations, and Jim Grubman and Dennis Jaffe have certainly examined this, you will see that families that invest in the family's human capital are more successful. Investing in the next generation is also a clear strategy for combatting entitlement, building the competence and confidence of the rising generation, and preparing future owners for the duties and responsibilities of wealth ownership."
Torri Hawley
Director of Learning Experience, Tamarind Learning

"The development of the next generation needs to be carefully planned and include a raft of initiatives around what it means to be a member of the next generation, potential owners, directors and senior leaders. This is critical planning for long-term multigenerational family businesses."
Philip Pryor
CEO and Founder, Family Business Central

"It is not only the professional development programmes because programmes that are targeted at responsible stewardship of wealth and family harmony should also be prioritised."
Mercy Edukugho-Aminah
CEO, Fiduciary Services Ltd

"How else can they develop the necessary specialised skills needed to be a steward?"
Dennis T Jaffe
Senior Research Fellow,
BanyanGlobal Family Business Advisors

"The earlier the family starts engaging its next generation, the better. Emotional attachment and motivation starts at an early age!"
Rania Labaki
Associate Professor and Director,
EDHEC Family Business Chair

"It's crucial for the long-term success of family businesses that the next generation's leadership development is prioritised. Professional development programmes give future leaders the tools they need to manage the complexities of today's business environment. These programmes help them not only earn their place but also to gain respect from both family members and employees. This, in turn, strengthens the business, making it more resilient and adaptable to challenges. Investing in the next generation isn't just about growth; it's about securing the legacy and continuity of the family business."
Hakim Benbadra
CEO, Tigritud

"It is a huge responsibility and in any other walk of life leaders are developed and coached before they are ready for a promotion. You want future leaders to bring diversity of thought and approach and they cannot just learn this on their own."
Sian Steele
Director and Founder, Sian Steel Consulting

"Having clear family employment policies that spell out qualification and performance standards, along with how and why people receive salaries and bonuses is essential for family harmony and respect from non-family employees."
Emily Bouchard
Founder, Bouchard Bespoke Consulting

"Next generation leaders may inherit a business without having the necessary leadership experience or training. A professional development programme can help equip them with essential skills like strategic thinking, decision making, financial management and HR management."
Oumaima Quiddi
Professor and Researcher,
ESCA Ecole de Management

JOSHUA J. DASPIT

ASSOCIATE PROFESSOR OF MANAGEMENT AND DEAN PAUL R. GOWENS EXCELLENCE PROFESSOR IN BUSINESS, TEXAS STATE UNIVERSITY

"Studies consistently agree that preparing next generation leaders, and current leaders too, helps create a smoother succession process by having leaders more prepared to take control and having existing leaders more prepared to strategically exit. Such preparation includes a clearly defined plan for transition which reduces uncertainty and conflict during turbulent times."

INNOVATION THROUGH GENERATIONS – HOW FAMILY BUSINESSES HARNESS CROSS-GENERATIONAL STRENGTH FOR CHANGE

Family businesses are often viewed through the lens of tradition – steadfast, familiar, and consistent. But beneath the surface lies a quiet revolution. Increasingly, it is the interweaving of different generations within these firms that is driving innovation, digital transformation, and strategic evolution.

Where one generation brings experience, resilience, and long-term thinking, the next brings fresh perspective, digital fluency, and a desire for change. Together, they create a dynamic partnership that has the potential to steer family businesses into a future shaped by innovation, not inertia.

THE MYTH OF STAGNATION

There's a common misconception that family-run enterprises are inherently resistant to change, weighed down by legacy thinking or bound to "the way things have always been done." In reality, many family firms are remarkably adaptive - precisely because they are not beholden to outside investors or short-term pressures. This autonomy gives them room to experiment, fail fast, and pivot when necessary.

What makes innovation in family businesses unique is the way it often unfolds: not in corporate labs or innovation hubs, but around dinner tables, during generational handovers, and through everyday collaboration between relatives with differing worldviews.

GENERATIONAL DIFFERENCES AS A STRATEGIC ADVANTAGE

The presence of multiple generations in one enterprise creates a rich environment for knowledge exchange. Older family members tend to bring in-depth sectoral knowledge, financial prudence, and relationship capital built over decades. Younger family members, by contrast, often challenge the status quo - armed with digital tools, an appetite for sustainability, and a finger on the pulse of emerging trends.

The tension between these perspectives, when managed well, becomes an engine for innovation. It prevents complacency while preserving the core values that make a family business distinct.

For example, a long-standing family manufacturer might explore automation and e-commerce because a younger family member returned from university with fresh ideas - or because a Gen Z niece persuaded the board to invest in AI-driven logistics. In such cases, the company evolves not in spite of its family structure, but because of it.

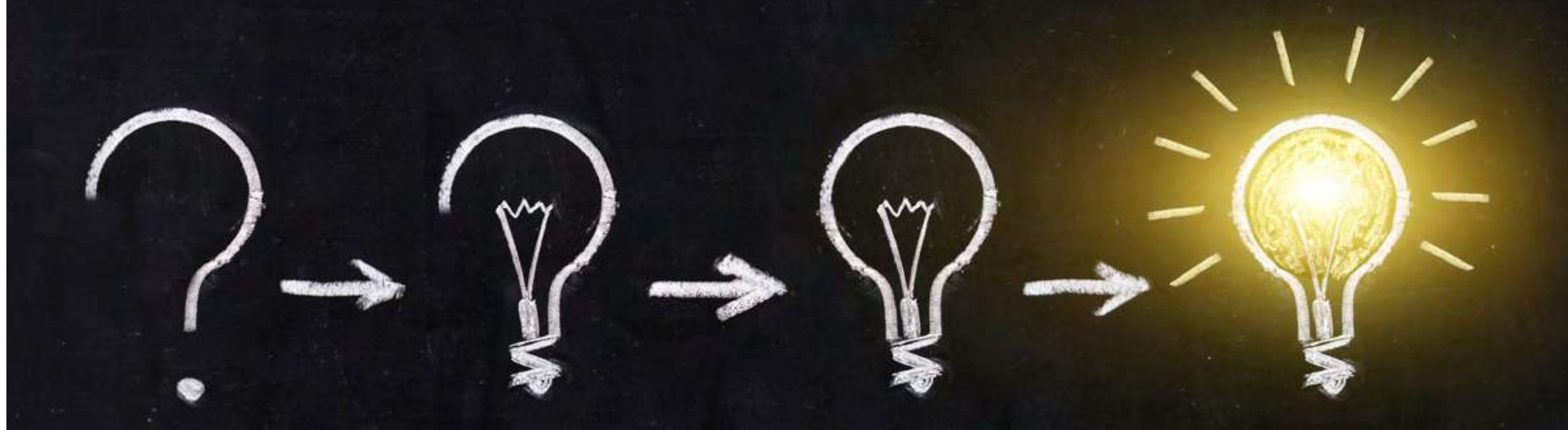
A SAFE SPACE TO EXPERIMENT

Unlike larger corporations, family firms often offer a safer space for experimentation. Family members, especially younger ones, are encouraged to try out new ventures, pilot projects, or tech integrations - knowing that support and understanding await, even if initial results fall short. This culture of psychological safety fosters a fertile ground for innovation.

Moreover, decisions can be made quickly and without layers of bureaucracy. If a younger director proposes a new digital marketing strategy or a sustainable packaging overhaul, they're often presenting it directly to a parent or relative who holds decision-making power. This flat hierarchy can accelerate implementation and shorten feedback loops.

FROM TRADITION TO TRANSFORMATION

Family businesses frequently blend traditional values with modern innovation in a way that resonates strongly with contemporary consumers.



For instance:

- Food and beverage producers may modernise branding and adopt eco-friendly packaging while still using generations-old recipes.
- Retailers might invest in digital platforms and data analytics, all while maintaining the kind of personal customer service that large chains struggle to replicate.
- Manufacturers often integrate smart technologies into legacy operations, improving efficiency without discarding craftsmanship.

A prime example can be seen in family-owned vineyards that adopt drone technology for crop monitoring, or legacy textile companies that invest in ethical sourcing and blockchain-backed supply chain transparency. These businesses preserve their heritage while positioning themselves firmly for the future.

SUCCESSION AS A CATALYST FOR CHANGE

Succession planning - a critical moment in any family business - often becomes a turning point for innovation. As leadership begins to shift to the next generation, so too does the business strategy. Incoming leaders tend to bring new priorities: ESG, technology integration, diversity, and global markets.

This transition is not without challenges. There may be resistance from older leaders who fear the loss of control or the abandonment of trusted practices. However, many successful transitions are marked by a phase of "co-leadership" - a period where different generations share the reins, ensuring that change is both respectful and bold.

In fact, some of the most transformative periods in a family business's history come during these handovers, when values and vision are actively negotiated, and new paths forged.

PROFESSIONALISING INNOVATION

To truly thrive, family businesses are increasingly professionalising their approach to innovation.

This includes:

- Appointing non-family innovation leads or tech officers
- Establishing family councils or innovation committees
- Partnering with start-ups or incubators
- Creating innovation budgets tied to clear KPIs

Importantly, many family firms are learning to balance the agility of family decision-making with the rigour of structured innovation processes. It's no longer enough to rely on gut instinct alone; the new generation is bringing data-driven thinking to the table.

FINAL THOUGHTS

Innovation in family businesses doesn't look like Silicon Valley disruption. It looks like evolution - purposeful, values-driven, and often deeply personal. When generations work together, their complementary strengths can unlock bold transformation while preserving what makes the business unique.

In this way, family businesses become not relics of the past, but engines of the future - where tradition informs change, and where innovation is not a break from the past, but a continuation of the legacy.

And in a world obsessed with the next big thing, perhaps it is these enduring, adaptable enterprises that understand best how to grow something worth passing on.

Q7. CAN THE INVOLVEMENT OF MULTIPLE GENERATIONS IN A FAMILY BUSINESS CREATE MORE INNOVATION?

In order to become a sustainable family business and last for generations there is a need to remain relevant and provide a product and service that is still in demand. Successful, multigenerational family firms innovate and remain relevant and our panel agree that the involvement of multiple generations of a family in business together can create a great platform for innovation.

YES	NO	?
87%	4%	9%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"Team based work is essential in family business innovation. A family entrepreneurial team is more likely to act in the presence of psychological safety, due to familial bonds. Such psychological safety can be crucial in creating and maximizing innovation outcomes."
Elias Hadjielias
Assistant Professor, Cyprus University of Technology

"The family must be open to innovation. A key to this is developing and nurturing 'curiosity' for all family members."
Dr. Steven K. Moyer
Family Business Advisor, SKM Associates

"Absolutely, having multiple opinions and perspectives is a great way to foster innovation."
Kyler Gilbert
Vice President & Consultant, Business Consulting Resources

"This can certainly lead to greater innovation but it is important to have clarity around the roles and responsibilities of each generation. It requires the 'will' of the outgoing generation and the 'vision' of the incoming generation."
David Twiddle
Managing Partner, TWYD & Co

"The combination of perspectives and experiences can be a great incubator of new ideas that combine tradition and innovation."
Valentina Lorenzon
Career and Business Strategist

"By appreciating the strengths of multiple generations and fostering collaborative, open, constructive innovation sessions, not only is more innovation generated, but more shared understanding and cohesiveness."
Allie Taylor
Business Psychologist and Co-Founder, Orange Kiwi and Conveyance Solutions

"The involvement of multiple generations in a family business fosters more innovation as it allows each generation to bring their unique perspectives, skill, and experiences, which can lead to a dynamic and creative environment. Younger generations often introduce fresh ideas and digital savviness, while older generations provide valuable insights and deep understanding of the business' core values and traditions. This blend of innovation and tradition can help the business stay relevant in a rapidly changing market and drive long-term success."
Daniel Trimarchi
Director, Family Enterprise Advisory, KPMG Australia

"Research shows that most innovation is primarily driven by people in their 20-40's so there is a big need to work across generations."
Andrew Keyt
CEO, Generation6 Family Enterprise Advisers

"Diversity of thinking is always a plus and reverse mentoring often works best when you skip a generation."
Natalie McVeigh
Managing Director, EisnerAmper

Continued...

INNOVATION ACROSS GENERATIONS

"Each new generation brings new perspectives, behaviours, context and ideas to the table. As long as those difference are cultivated and appreciated through appropriate stories, structures, support and space and as long as trust and good communication exists between the generations, then innovation is likely to follow."
Nick Di Loreto
Partner, BanyanGlobal

"On the one hand, research shows that diversity leads to greater ideation, on the other hand, the same research also shows that diversity makes change more difficult."
Joseph Astrachan
Chairman, Generation6 Family Enterprise Advisers

"If the appropriate governance structures, including the transition plan, are in place, allowing the upcoming generations, and where applicable the multiple branches, to share their views, this can enable effective innovation."
Creagh Sudding
Director, KPMG Private Enterprise

"New generations coming into the business are quick to spot outdated ways of doing things and they will often seek ways to bring fresh innovation if they're given the opportunity and the encouragement to do so."
Ben Fowler
Managing Director, Western Pension Solutions

BALANCING FAMILY AND BUSINESS PRIORITIES

Q8. IS MAINTAINING A BALANCE BETWEEN FAMILY AND BUSINESS PRIORITIES A MAJOR CHALLENGE FOR FAMILY BUSINESS LEADERS?

Maintaining a balance between family and business priorities can be difficult but is important in order to allow the business to function with minimal disruption from the family and the family to continue in harmony with the business too. Developing the right frameworks and governance structures for both the family and the business, and how they interact is crucial.

YES	NO	?
85%	8%	7%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"It can be difficult to navigate when family and business priorities are in conflict. Part of the leader's job is to shape the family's priorities in a way that aligns with long-term business success, while staying true to the family's core values."
Josh Baron
Senior Lecturer, Harvard Business School

"As a family business member it can be difficult to separate the business from the family."
Matthew Nielsen
Managing Director Europe, Nielsen-Massey Vanillas

ANNELEEN MICHIELS

ASSOCIATE PROFESSOR, HASSELT UNIVERSITY AND ADVISOR, GENERATION6 FAMILY ENTERPRISE ADVISERS

"It can lead to a healthy level of innovation. Just doing things differently is not inherently good. The challenge is how to keep what has made the business successful while responding to shifting competitive dynamics."

"I think this is a bit situational. Some families have an easy time balancing family and business priorities and others find it incredibly difficult. A lot of this depends on the existing family dynamics."
Kyler Gilbert
Vice President & Consultant, Business Consulting Resources

"The family first – business first paradigm is outdated. Sustainable solutions balance the needs and constraints of both."
Claudia Binz Astrachan
Advisor and Head of Governance, Generation6 Family Enterprise Advisers

"Balancing family and business priorities is one of the toughest challenges family business leaders face. The roles of family member and business leader often lead to complicated dynamics where personal relationships can influence business decisions. Leaders need to handle these situations thoughtfully to protect the family legacy and the business' future. Clear structures and open communication are critical in keeping everyone on the same page as when the family values align with the goals of the business, it creates the foundation for both to succeed."
Hakim Benbadra
CEO, Tigritud

"Maintaining a balance between family and business priorities is challenging because personal relationships, emotions, and family dynamics can conflict with business goals and decision making."
Andre Diederichs
CEO, Family Business Association of South Africa

THE EMOTIONAL TIES THAT SHAPE DECISION-MAKING IN FAMILY BUSINESSES

In a typical boardroom, decisions are driven by data, profit margins, and shareholder value. In a family business, those same decisions might also be shaped by something more complex - memories of a founder's sacrifices, loyalty to a sibling, a parent's legacy, or the weight of tradition passed down through generations.

Family businesses occupy a unique and emotionally charged space where the personal and professional intertwine. While this deep sense of connection can be a powerful asset, it can also cloud judgement, complicate choices, and create tensions between heart and head.

So how exactly do emotional ties, family heritage, and tradition influence decision-making - for better and for worse?

1. THE POWER OF LEGACY

Most family businesses are built on stories: a grandparent who started with nothing, a father who worked seven days a week, a mother who held the business together through adversity. These stories don't just shape identity - they define purpose.

Legacy can be a powerful motivator. It inspires pride, dedication, and a desire to preserve what previous generations built. For many owners, every decision is weighed against a silent question: Would they approve?

This connection to the past can instil caution and care in decision-making. But it can also make it harder to embrace necessary change. When tradition becomes a constraint rather than a compass, businesses may find themselves resisting innovation or failing to pivot when the market demands it.

***Impact:* Legacy encourages long-term thinking, but it can also make the past a prison.**

2. FAMILY FIRST - BUT AT WHAT COST?

In many family enterprises, loyalty runs deep. It's not uncommon to prioritise a relative's job security or emotional well-being over financial performance or business needs. While this familial bond can foster loyalty and cohesion, it can also result in difficult dynamics:

- **Underperforming relatives kept in roles they're not suited for**
- **Strategic decisions delayed to avoid upsetting family members**
- **Resistance to bringing in external professionals who "don't understand the family"**
- **The emotional need to protect relationships can override rational judgement - especially when conflict avoidance is prioritised over honest dialogue.**

Impact: Emotional loyalty can build a tight-knit culture but may undermine meritocracy and objectivity.

3. CONFLICT AND THE FAMILY DYNAMIC

Every family has its history — unresolved tensions, rivalries, alliances, and expectations. When these dynamics are transplanted into a business environment, they can influence everything from leadership succession to daily operations.

A sibling who always felt overlooked may challenge decisions from a position of insecurity. A parent reluctant to let go might resist their child's modernisation plans, interpreting change as critique.

Without clear governance and boundaries, emotional undercurrents can create toxic work environments, leading to poor communication, internal power struggles, and eventually, a breakdown in trust.

Impact: Emotional baggage can distort business reasoning and breed dysfunction without proper conflict resolution frameworks.

4. TRADITION VS. TRANSFORMATION

Many family firms pride themselves on doing things "the way we've always done them". That sense of identity and continuity is part of what makes them special - customers often value the personal touch, consistency, and values-driven approach.

But in a fast-changing world, clinging too tightly to tradition can lead to stagnation. Responsible next-generation leaders often face the challenge of honouring their heritage while pushing for modernisation.

This balancing act is deeply emotional. Updating the logo, rebranding the business, or pivoting the product line can feel like betrayal, even if it's necessary for survival.

Impact: Emotional attachment to tradition can preserve authenticity, but delay innovation.

5. SUCCESSION AND THE EMOTIONAL HURDLE

Perhaps no moment in a family business carries more emotional weight than succession. Handing over the reins isn't just about leadership - it's about identity, legacy, and trust.

For founders, letting go can feel like giving up a part of themselves. For the next generation, stepping up often comes with pressure to prove themselves, to respect the past while defining a new future.

Succession planning must therefore deal not only with business readiness, but emotional readiness. Without open conversations, hurt feelings, unrealistic expectations, and avoidance can derail even the best-laid plans.

Impact: Emotional reluctance to confront succession can leave the business vulnerable and unprepared.

6. THE EMOTIONAL ADVANTAGE

Despite the risks, emotional investment isn't inherently bad - in fact, it's one of the greatest strengths of a family business. Passion, loyalty, perseverance, and pride often drive a level of commitment and care that's hard to find elsewhere.

When managed well, emotional ties can humanise leadership, deepen employee relationships, and foster a culture rooted in shared values. The key is ensuring that emotion supports - rather than dominates - strategic thinking.

Impact: Emotion is a powerful driver when combined with structure, clarity, and self-awareness.

NAVIGATING THE EMOTIONAL LANDSCAPE

To harness the benefits and mitigate the risks of emotional influence, family businesses can adopt a few key practices:

- **Establish clear governance: Formal boards, family charters, and advisory councils can provide structure and accountability.**
- **Encourage honest communication: Safe spaces for discussion help prevent resentment from festering.**
- **Bring in outside perspectives: External advisors or independent directors can offer impartial advice and diffuse emotional bias.**
- **Separate family and business roles: Clear job descriptions and performance expectations maintain fairness and professionalism.**
- **Invest in emotional intelligence: Training in conflict resolution, leadership, and family dynamics can equip leaders to manage the human side of business.**

In family businesses, emotion is not a side effect - it's part of the DNA. While it adds complexity to decision-making, it also brings heart, history, and meaning. The challenge isn't to remove emotion from business, but to ensure it serves the enterprise - not steers it off course.

When families manage emotional ties with clarity and care, they don't just build successful businesses. They create enduring institutions rooted in both reason and love - and that's a legacy worth preserving.

Q9. CAN EMOTIONAL TIES IN A FAMILY BUSINESS LEAD TO BIASED DECISION-MAKING?

By its very nature, family is personal and this permeates the family business, consciously and sub-consciously. It is important to appreciate the inevitability of emotion within the business and decision making because as our panel confirm, emotional ties lead to biased decision making in family firms.

YES	NO	?
97%	0%	3%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"I think there are many instances where this can come into play such as nepotism, resistance to no-family executives, legacy and tradition over innovation, lack of succession planning due to emotional hesitation, and rewarding loyalty over performance. Again, good governance can mitigate this risk."
David Twiddle
Managing Partner, TWYD & Co

"Emotional ties can lead to biased decision making, but it doesn't have to. Families all over the world adopt emotional traditions that are inevitably passed down from one generation to the next. Some may be customary practices or celebrations influenced by culture or religion, whilst others may have been established over time through a family's own unique culture and the characters within it. These often guide high-level decision making and are rarely questioned, but they should be. If you are making decisions entirely emotionally, they are probably somewhat biased. However, if you are self-aware of these emotional ties and the biases they produce, you should still be able to decide in a rational, calculated manner."
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Founder and Managing Director, Veritage International

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"If we look at this without stigma, we can see how family-biased decision making and the importance of socioemotional wealth goals are a benefit of family firms. They start and build businesses to achieve financial AND non-financial goals, including hiring their kids to they have opportunities they wouldn't otherwise. Emotional decision making is hardly unique to family enterprises either as anyone working in a corporate environment can tell you!"
Torri Hawley
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Dennis T Jaffe
Senior Research Fellow, BanyanGlobal Family Business Advisors

"All decisions have potential bias. In family business, emotional ties can lead to family-first decisions rather than those decisions that will truly advance the family enterprise and enable its desired future story."
Kim Schneider Malek
Founder/Consultant, Family Enterprise Alliance

NATALIE MCVEIGH

MANAGING DIRECTOR,
EISNERAMPER

"We are all biased in our thinking which is why it is called implicit bias and when we are activated by certain emotions our decision making can be blurred. This happens through a process called neuroception, it is automatic and imperceptible to the person it impacts. It does not mean that family members cannot make good decisions, however, strategies need to be employed to manage our emotional reactions."

THE CURRENCY OF CONTINUITY – TRUST IN FAMILY BUSINESSES & ITS ROLE IN LONG-TERM SUCCESS

In family businesses, trust isn't just a virtue – it's the cornerstone of success. While strategy, financial discipline, and innovation all play critical roles, it is trust – deep, often unspoken – that underpins the resilience, cohesion, and longevity of family-run enterprises.

Unlike corporate environments where contracts, formal hierarchies and performance metrics define relationships, family businesses often operate within a more informal framework. Decisions are influenced not just by balance sheets but by bonds of loyalty, mutual respect, and shared history. In this context, trust becomes both the glue that holds everything together and the engine that propels the business forward.

TRUST AS A FOUNDATIONAL ASSET

Family businesses are inherently complex. They blend personal and professional relationships, often across multiple generations. In such a setting, trust operates on multiple levels:

- **Between generations - where experience must be valued and the future respected.**
- **Between siblings or cousins - where equality, fairness and capability are constantly negotiated.**
- **Between family and non-family employees - where trust must extend beyond the inner circle to inspire loyalty throughout the organisation.**

When trust is high, decision-making becomes smoother, succession planning more transparent, and conflicts more manageable. The business can focus on growth and innovation rather than internal politics and doubt.

Conversely, when trust breaks down - through favouritism, secrecy, or unresolved disputes - the damage is often far greater than in non-family businesses. The effects can be both personal and financial, tearing at the fabric of the company and the family itself.

THE ROLE OF TRANSPARENCY AND COMMUNICATION

Trust thrives on open, honest communication. Yet in many family businesses, difficult conversations are delayed or avoided altogether in the name of harmony. This can be particularly dangerous during times of transition - such as succession, restructuring, or generational change.

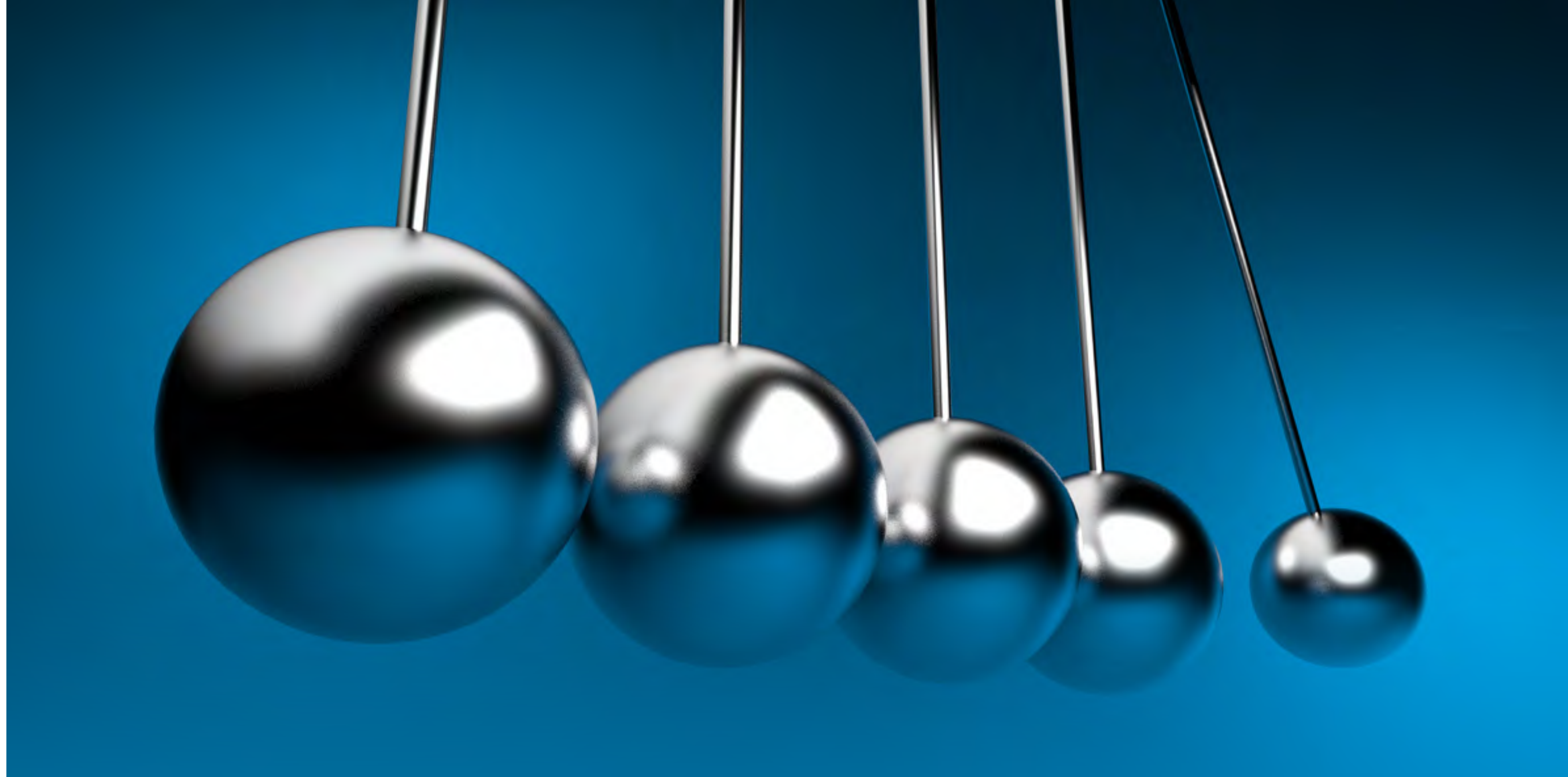
Families that prioritise transparent communication often establish formal mechanisms to manage sensitive issues. These may include:

- **Family councils to discuss business matters in a structured, neutral environment.**
- **Family constitutions that outline values, roles, and expectations.**
- **Clear governance structures, including advisory boards or independent directors.**

Such practices help ensure that trust isn't based on assumptions or sentiment, but on accountability and shared understanding.

TRUST AND LEADERSHIP

In a family business, leadership is not always earned through external credentials. Often, it is built over time through the demonstration of integrity, competence, and commitment.



Older generations must trust that younger family members are ready and capable of leading. Younger generations, in turn, must trust that their elders will allow space for growth, evolution, and innovation. This balance is delicate, and without mutual respect, it can quickly deteriorate into micromanagement or disengagement.

Trust is also essential when delegating authority. Family founders, in particular, can struggle to relinquish control, especially if their identity is closely tied to the business. However, by learning to trust others - whether children, siblings, or professional managers - they allow the enterprise to evolve and adapt, rather than remain stagnant or overly dependent on a single figure.

TRUST BEYOND THE FAMILY

A family business cannot thrive on internal trust alone. It must earn and maintain the trust of employees, customers, suppliers, and the broader community.

Employees, especially non-family members, need to believe that promotions and decisions are based on merit, not bloodlines. If they feel sidelined or undervalued, talent attrition can undermine growth and stability. This is why many successful family businesses go to great lengths to build inclusive cultures where everyone feels their contribution matters.

Customers, too, respond to trust. Family businesses often trade on their reputations for quality, personal service, and consistency - values that are cultivated over generations. Once lost, that trust is difficult to regain.

WHEN TRUST IS TESTED

Even in the healthiest family businesses, trust will occasionally be tested - whether through financial pressures, personal conflicts, or changes in vision. What separates resilient firms from failing ones is their ability to confront these issues head-on.

Disputes are inevitable. But when handled with empathy, transparency, and a commitment to the long-term wellbeing of both family and business, they can be overcome. Many families engage mediators, counsellors or external advisors to help navigate difficult terrain, recognising that sometimes an outside perspective is essential to restoring trust.

BUILDING A CULTURE OF TRUST

Ultimately, trust in a family business is not something that happens automatically. It must be cultivated - through shared experiences, clear communication, fairness, and consistency. It requires humility, patience, and sometimes the willingness to put the greater good ahead of individual interest.

The strongest family businesses are those that recognise trust not as a soft or sentimental value, but as a strategic asset. It enables long-term thinking, binds generations together, and allows the business to operate with confidence, even in uncertain times.

In the fast-moving world of commerce, trust may seem like an old-fashioned idea. But in family businesses, it remains the quiet force behind lasting success. More than capital, more than contacts, and more than contracts - it is trust that gives family enterprises their true competitive edge.

When families trust one another - and are trusted by those they serve - they create businesses that are not only profitable, but purposeful. Businesses that endure, generation after generation.

Q10. IS BUILDING TRUST WITHIN THE FAMILY CRITICAL TO THE SUCCESS OF THE FAMILY BUSINESS?

Trust is the glue that holds a family together, and is the link between all of the stakeholders in the business. Without trust it is difficult to see how a family business can continue to thrive and prosper as too much time and distraction will be engrained within the family and the broader business team, taking time away from running the business. Building and maintaining trust within the family is critical to the success of the family business.

YES	NO	?
100%	0%	0%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"AK Mishra defines trust as on party's willingness to be vulnerable to another based on the belief that the other will be reliable, open, capable and concerned. Absent each of those behaviours and it becomes increasingly hard to communicate and make decisions, especially as the owner group evolves and grows over time."
Nick Di Loreto
Partner, BanyanGlobal

"Trust at multiple levels is essential, between family members and between family and non-family members. This can support the smooth running of the business."
Elias Hadjielias
Assistant Professor, Cyprus University of Technology

"Building trust is important and building alignment is closely tied to this too. If family members trust one another but do not have alignment as to what they want to do together or where they want to go together there are going to be challenges."
Isabel C Botero
George E. and Mary Lee Fischer Chair in Family Entrepreneurship, University of Lousiville

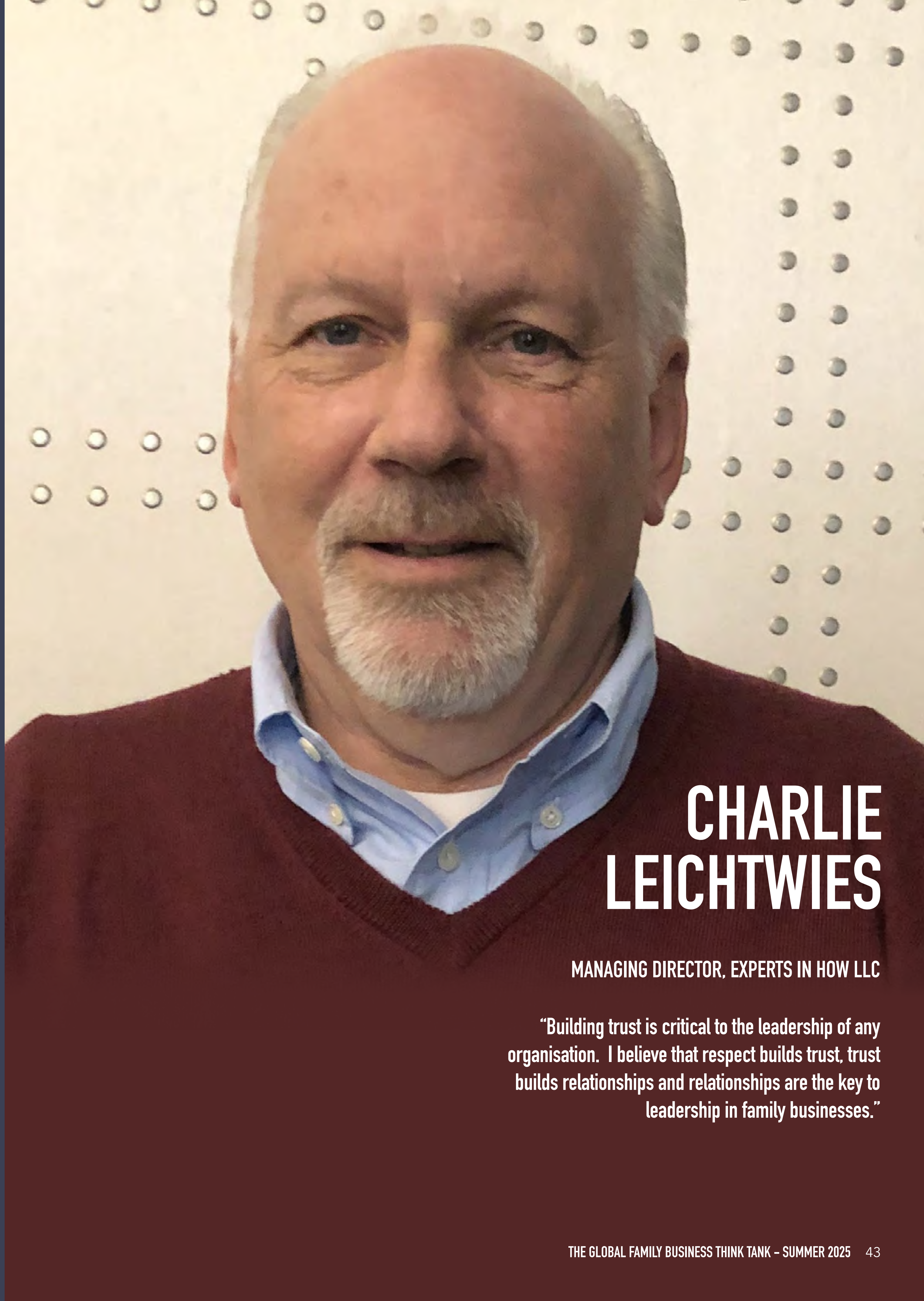
"Trust is the keystone to most family business architecture. Without it, the structure is flimsy and will not stand the test of time."
Kirby Rosplock
CEO and Founder, Tamarind Partners

"Over the long term, non-working shareholders struggle with information asymmetry – this is one of the things that erodes trust – keep working on this and the other elements to build trust."
Mairi Mickel
Director and Founder, Mairi Mickels Business Families

"Building trust is paramount when it comes to the success within family businesses, particularly when it comes to relationships between family leaders, family employees and family owners."
Louise Brown
Family Business Leadership & Team Performance Coach, Louise Brown Coaching

"A successful business cannot be built without trust between all the key stakeholders. Ultimately, without trust, the house of cards will collapse."
Beverley Mitchell
Director and Founder, Beverley Mitchell Consulting.

"Building trust with customers, employees, stakeholders etc is essential to any business. In a family business, trust isn't just important, it's essential. You're not just building a brand; you're putting your family name on the line. If trust is broken, it's not just business relationships that suffer, but the family reputation too. This makes trust the currency of family enterprises, where the family name and identity are deeply entwined with how they do business."
Torri Hawley
Director of Learning Experience, Tamarind Learning



CHARLIE LEICHTWIES

MANAGING DIRECTOR, EXPERTS IN HOW LLC

"Building trust is critical to the leadership of any organisation. I believe that respect builds trust, trust builds relationships and relationships are the key to leadership in family businesses."

ALLIE TAYLOR

BUSINESS PSYCHOLOGIST AND CO-FOUNDER, ORANGE KIWI AND CONVEYANCE SOLUTIONS

"Trust is fundamental to psychological safety. When people do not have trust, they do not feel safe. When we don't feel safe we are constantly in fight or flight mode and that is not conducive to long-term success."

Q11. IS TRUST AMONG STAKEHOLDERS A SIGNIFICANT FACTOR IN THE LONG TERM SUCCESS OF A FAMILY BUSINESS?

Trust among stakeholders is a significant factor contributing to the long-term success of the family business according to our panel.

YES	NO	?
97%	3%	0%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

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Kim Schneider Malek
Founder/Consultant, Family Enterprise Alliance

WORKING ON THE BUSINESS, NOT JUST IN IT: ARE FAMILY ENTERPRISES MISSING THE BIGGER PICTURE?

In the hustle of day-to-day operations – dealing with suppliers, chasing invoices, managing staff, and keeping customers happy – it's easy for business owners to become consumed by the immediate. For family businesses, this intensity is often amplified. Family members wear multiple hats, blur professional and personal boundaries, and carry the weight of legacy on their shoulders.

But amid the daily grind, one critical question often goes unasked: Are families in business spending enough time working on the business, rather than just in it?

The answer, for many, is no. And the consequences can be quietly damaging - stalling growth, clouding vision, and putting the long-term future at risk.

WHAT DOES IT MEAN TO WORK ON THE BUSINESS?

Working in the business means managing the operational engine - sales, customer service, logistics, admin, and everything else that keeps the lights on. It's essential.

Working on the business, however, means stepping back to think strategically about where the company is going, how it's growing, and whether it's fit for the future. It includes:

- **Strategic planning and innovation**
- **Succession and leadership development**
- **Governance and risk management**
- **Brand and culture alignment**
- **Financial modelling and investment decisions**
- **Market positioning and long-term value creation**

It's the difference between running the business and steering it.

WHY FAMILY BUSINESSES GET STUCK IN THE OPERATIONAL WEEDS

1. Strong Emotional Attachment

Family members often feel a deep emotional commitment to "mucking in" - to being visible, hands-on, and present in the thick of things. This ethos, while admirable, can lead to leaders neglecting their strategic role in favour of operational involvement.

2. Multi-Role Culture

In many family businesses, people play overlapping roles: a founder may be both managing director and HR head, a sibling might oversee accounts and operations. With so many responsibilities concentrated among a few individuals, time for reflection and planning is rare.

3. Legacy of Self-Reliance

Many family firms are built on grit and bootstrapping. There can be a lingering belief that strategic thinking is a luxury reserved for larger corporations. In reality, it's a necessity for any business that wants to remain relevant and competitive.

4. Avoidance of Difficult Conversations

Working on the business often involves tackling complex, sometimes uncomfortable issues - such as succession, shareholder disputes, or letting go of underperforming family employees. It's easier to stay buried in operational tasks than confront long-term challenges.

THE RISKS OF NEGLECTING STRATEGIC THINKING

Without time spent working on the business, family firms risk:

- **Lack of direction: Operating without a clear vision can lead to stagnation or reactive decision-making.**
- **Succession crises: Without planning, leadership transitions become chaotic or divisive.**
- **Missed opportunities: A focus on short-term survival can mean long-term growth areas are overlooked.**
- **Internal conflict: Without strong governance or structure, unresolved tensions can fester.**
- **Erosion of competitive edge: Markets evolve - and if the business doesn't, it risks being left behind.**

SHIFTING THE MINDSET: MAKING TIME FOR STRATEGY

It doesn't require stepping away entirely from day-to-day responsibilities, but family businesses must carve out intentional time and space to focus on long-term planning. Here's how:

1. Schedule Strategic Time

Block out regular time - monthly, quarterly - dedicated purely to working on the business. Treat this time as sacred. Step away from the inbox and phone. Use it to review objectives, performance, trends, and risks.

2. Build Governance Structures

Family councils, boards of directors (with external members), and advisory panels can help keep strategic conversations structured and accountable.

3. Delegate and Empower

Train and trust operational managers (including non-family employees) to run parts of the business. This frees up family leaders to take on their proper role as strategists and stewards.

4. Involve the Next Generation

Younger family members often bring fresh perspectives and tech-savvy insights. Involving them early in strategic discussions can both prepare them for leadership and challenge outdated assumptions.

5. Seek Outside Perspective

Consultants, mentors, or peer networks can help family leaders step back and see the business with fresh eyes. External input also reduces the risk of strategic blind spots.

In the life of a family business, operational excellence is vital - but so is vision. The businesses that thrive across generations are those that find balance: rolling up their sleeves when needed, but also lifting their eyes to the horizon.

Working on the business isn't a distraction from the "real work". It is the real work - the kind that ensures your family enterprise doesn't just survive, but grows, evolves, and endures.

As the old saying goes: "You can't read the label from inside the bottle." Sometimes, stepping back is the only way to move forward.

Q12. DO FAMILY BUSINESSES SPEND ENOUGH TIME ON LONG-TERM STRATEGIC PLANNING?

All too often we hear from family business owners that there is not enough time to focus ON the business, the strategic thought processes and future needs of the business, as they are so heavily involved IN the business and all the daily needs that it places upon them. Our expert panel agreed that more time needs to be spent on long-term strategic planning in order for families in business to achieve their strategic goals.

YES	NO	?
14%	67%	19%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"I think families in business should invest more fully in long-term strategic planning. I often feel that long-term strategic goals are not specific enough and that there are not enough milestones or KPI's that are tracked regularly."
Jean Santos
President, Business Consulting Resources

"They do but what they don't spend nearly enough time on is the implication of this strategic planning on their individual aspirations, roles and responsibilities."
Francesco Lombardo
Founder and Managing Director,
Veritage International

"Strategic planning often loses out in the battle for focus to day-to-day management and 'business as usual' or to individualistic power battles. Strategic planning can create a level of integrity that runs from the ethos and foundation of the business right through to day-to-day operations when it is recognised as the 'yin' to a family business' operational 'yang.' In many cases, a normalisation of the need to regularly review and check-in, coupled with a golden thread to ensure that implementational decision feeds back into an overall strategy, can maintain the integrity of focus and harmony between the two, making day-to-day decisions easier, and family businesses more agile in their response to internal and external changes."
Louise Brown
Family Business Leadership & Team Performance Coach,
Louise Brown Coaching

"We spend a lot of time working with families on multigenerational ownership strategies but it is surprising how few families actually have formulated ownership strategies that that look 20-30 years into the future."
Peter Vogel
Professor of Family Business and Entrepreneurship,
IMD Business School

ANDRE DIEDERICHS

CEO, FAMILY BUSINESS ASSOCIATION OF SOUTH AFRICA

"Long-term strategic planning is vital to ensure longevity. This is an act of stewardship. The vision should be clear and challenge the family. They need to ask the question – 'what should we do today to ensure that a hundred years from now we are still in business' and then align their strategy accordingly."

THE MEANING OF RESPONSIBLE OWNERSHIP IN A FAMILY BUSINESS

In a world where business often prioritises quarterly profits and rapid expansion, family-owned enterprises stand out. They carry a legacy, a name, and a deep-rooted commitment to people and place. But this legacy brings with it a unique responsibility: the duty of responsible ownership.

Responsible ownership goes far beyond holding shares or making strategic decisions. It's about stewardship - caring for the long-term health of the business, the well-being of its people, and the values that underpin both.

So, what does responsible ownership in a family business look like - in practice and principle?

1. STEWARDSHIP OVER CONTROL

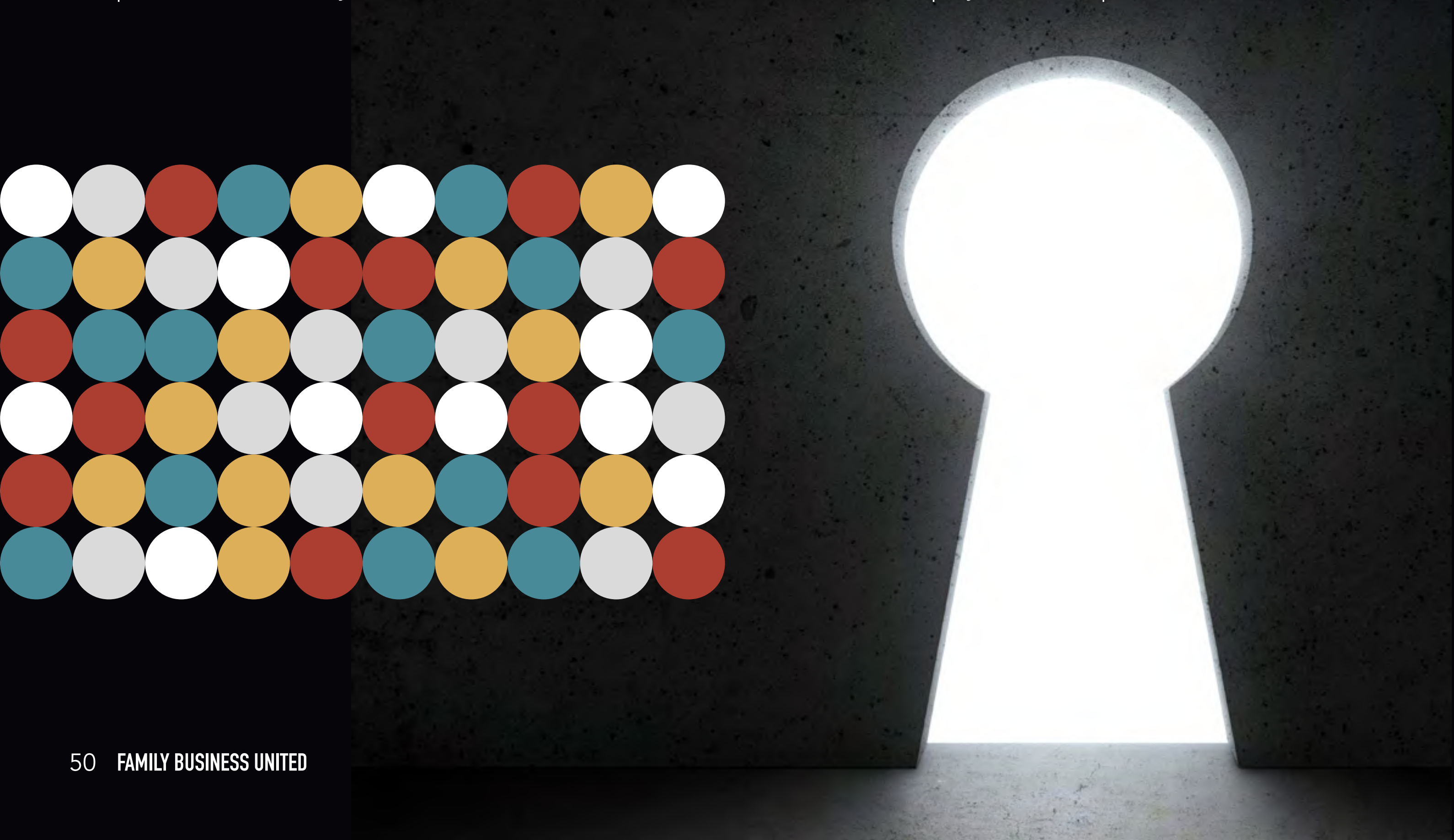
Responsible owners see themselves not as rulers, but as stewards. Their role is to protect and nurture the business for future generations - whether those generations are within the family or not. It requires thinking long-term, resisting the temptation of short-term wins that may compromise sustainability or values.

It's about asking: How will today's decisions affect the company in 10, 20, or 50 years? That mindset reshapes everything from investment strategy to how staff are treated.

2. EMBEDDING VALUES INTO THE BUSINESS

Family businesses often emerge from a set of values - hard work, trust, fairness, resilience. Responsible ownership means actively weaving those values into the fabric of the business, from how products are made to how people are managed.

These values should not sit as vague words in a mission statement. They must be visible in action: in ethical sourcing, inclusive hiring, transparent governance, and a culture where employees feel respected and heard.



3. ACCOUNTABILITY - EVEN TO FAMILY

In some family businesses, decision-making is centralised around a founder or a senior family member. While that can bring speed and clarity, it can also lead to unchecked authority. Responsible ownership requires accountability - to the board, to employees, to customers, and, importantly, to other family stakeholders.

That means clearly defined ownership structures, transparent financial reporting, and a commitment to fair governance. It also means being willing to hear criticism and make changes, even when it's uncomfortable.

4. BALANCING FAMILY INTERESTS WITH BUSINESS NEEDS

One of the greatest challenges in a family business is balancing emotional ties with commercial decisions. Responsible owners recognise that the business must be managed on merit - not just familial loyalty.

Employment of family members should be based on skills, not entitlement. Reward should be performance-based. And when conflicts arise - as they inevitably do - they should be handled with maturity, using formal structures like family councils or shareholder agreements to guide decisions.

The best family businesses protect the company from internal politics. They know that family harmony is supported, not strained, when expectations are clear and fair.

5. INVESTING IN PEOPLE, NOT JUST PROFITS

A responsibly owned business sees its people as its greatest asset. That means investing in their development, supporting their well-being, and creating opportunities for them to grow within the company.

It also means leading with empathy. In a family business, a culture of care often starts at the top - and sets the tone for how every employee feels about coming to work. Responsible owners understand that strong businesses are built on trust, loyalty, and mutual respect.

6. PLANNING FOR THE FUTURE, NOT JUST THE PRESENT

Without a clear succession plan, even the strongest family business can falter. Responsible owners understand that part of their duty is to prepare the next generation - and the business itself - for life beyond their leadership. That includes:

- **Identifying and mentoring future leaders (family or not)**
- **Documenting the company's vision and strategy**
- **Ensuring the business is financially robust and strategically relevant**
- **Creating structures that support continuity (e.g. trusts, governance boards)**
- **Succession isn't just about passing the baton. It's about equipping the next person to run the race - well.**

7. GIVING BACK

Responsible ownership often comes with a deep sense of place - a recognition that the business is part of a wider community. Many family enterprises are deeply embedded in their local areas and see giving back not as charity, but as duty.

Whether it's supporting local schools, funding environmental initiatives, or helping employees through difficult times, responsible owners lead with generosity and purpose.

Because success, for them, is not measured solely in revenue, but in impact.

In family businesses, ownership is not just a legal status. It's a relationship - with people, with purpose, with the past and the future. To be a responsible owner is to embrace that relationship with humility, clarity, and commitment.

IT'S ABOUT BUILDING A BUSINESS THAT NOT ONLY LASTS, BUT MATTERS.

ABIRAMI DURAISAMY

EXECUTIVE COACH OF FAMILY MANAGED BUSINESSES, OUTSHINE OUTPLAY

"The concept of being an effective owner of a family business is often not clearly defined, which can create confusion and misalignment between the ownership and management teams. Often, owners who are not family leaders do not fully understand or play their role effectively, as they are occupied with their own professional careers."

Q13. HAVE WE ADEQUATELY DEFINED WHAT IT MEANS TO BE AN EFFECTIVE OWNER OF A FAMILY BUSINESS?

On balance our panel do not feel that as a community enough has been done to define what it means to be an effective owner of a family business. A lot of research and study has looked at management and leadership in a family firm and there would appear to be more to be done with regards ownership and what it means to be a shareholder in a family business.

YES	NO	?
24%	64%	12%

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

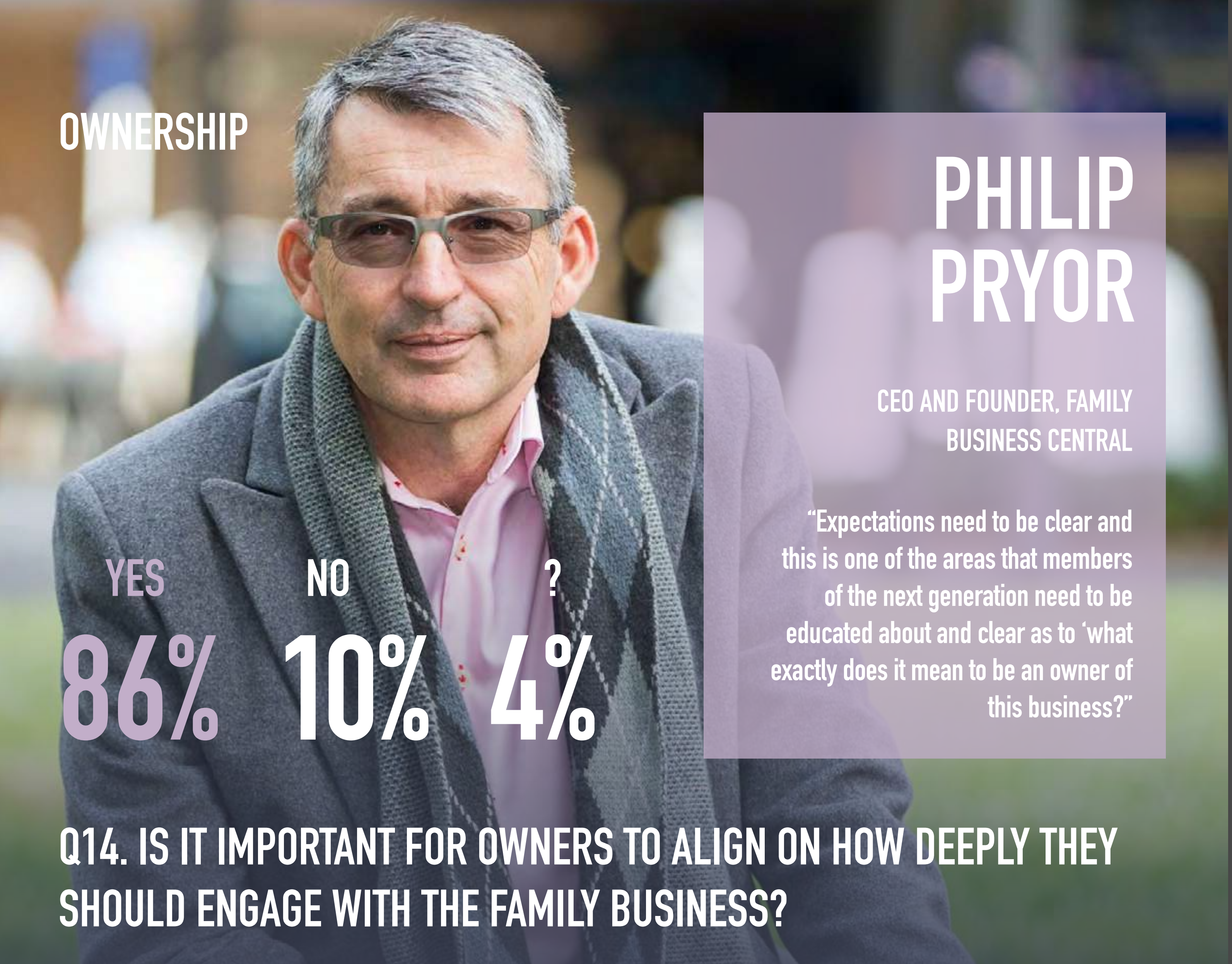
"It has been really pleasing to see the increased level of focus on ownership governance and what it means to be an effective owner. This evolution of thinking aligns to the growing number of families that are moving to a model of being family owned but not family run businesses and also through the rise of family offices and diversified wealth structures. Defining what 'effective ownership' looks like will require further work including a focus on engaged ownership and the required skill sets that support this."
Daniel Trimarchi
Director, Family Enterprise Advisory, KPMG Australia

"Effective ownership of a family business readily equates to responsible stewardship of the business. To be an effective owner you must set out the governance terms concerning the business and your ownership. There must be clarity and alignment of purpose between the owners and the executive management of the business.
Mercy Edukugho-Aminah
CEO, Fiduciary Services Ltd

"I think the theory is sound in terms of having a stewardship mindset, being active in terms of governance, committing to succession planning, resolving conflict, engaging with non-family stakeholders and strategic risk taking. A family business owner with an eye on continuity would struggle to be truly effective without a focus on these areas."
David Twiddle
Managing Partner, TWYD & Co

"I don't think that the important role of serving as a family owner has received enough attention. We have been mostly focused on family management and family governance, overlooking that serving as an effective owner is a very important role. Inheriting shares does not automatically make you a good owner and we should work on developing ownership competencies and preparing family members for this important role."
Alfredo de Massis
Professor of Entrepreneurship and Family Business, University of Chieti-Pescara and IMD Business School

"Successful long-term family transitions often are run by people who don't think themselves so much as 'owners' but rather as 'stewards@ of the entity that has generated generational wealth. I see a real breakdown when people lose sight of this fact."
Michael Schmitt
President and Founder, The Rubra Group LLC



PHILIP PRYOR

CEO AND FOUNDER, FAMILY BUSINESS CENTRAL

"Expectations need to be clear and this is one of the areas that members of the next generation need to be educated about and clear as to 'what exactly does it mean to be an owner of this business?'"

YES	NO	?
86%	10%	4%

Q14. IS IT IMPORTANT FOR OWNERS TO ALIGN ON HOW DEEPLY THEY SHOULD ENGAGE WITH THE FAMILY BUSINESS?

It is important for families in business together, particularly those that own shares in the business, to understand and appreciate their role and that of fellow shareholders. It is important for owners to understand different perspectives which enables them to recognise that some of the other owners may not want to be as engaged as others. Clarity is important and understanding the importance of ownership and what it means to be a responsible owner is important too.

THE THOUGHTS OF OUR 'THINK TANK' REPRESENTATIVES:

"Like any partnership, if there is no agreement as to an end goal, and no strategy to define how to achieve the end goal, failure is inevitable which will likely lead to conflict."
Walid S. Chiniara
Founder & Managing Director, Walid S. Chiniara Advisory

"It is always good to have clarity amongst owners of a family business about levels of engagement, especially when some want and are happy to provide a very deep level of engagement and others do not want the same level of engagement. Without clarity, it will lead to disputes over compensation, decision making etc."
Jean Santos
President, Business Consulting Resources

"It is important for them to align on how deeply they want to engage with the family business and what that means for the business."
Andrew Keyt
CEO, Generation6 Family Enterprise Advisers

"AK Mishra defines trust as on party's willingness to be vulnerable to another based on the belief that the other will be reliable, open, capable and concerned. Absent each of those behaviours and it becomes increasingly hard to communicate and make decisions, especially as the owner group evolves and grows over time."
Nick Di Loreto
Partner, BanyanGlobal

"Ownership roles can be wildly different from operational to passive. All is OK as long as defined and understood. That means that engagement depth can be very different and that is fine."
Mairi Mickel
Director and Founder, Mairi Mickels Business Families

OUR GLOBAL THINK TANK

Family Business United has brought together 109 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.

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

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.

Abdul Rehman Arif
Founder & CEO, MNBEC

Abirami Duraisamy
Executive Coach for Family Managed Businesses, Outshine Outplay

Adam Walsh
CEO, John Good Group

Adeoye O. Sonuga
Executive Vice President of Operations, Citi Asset Management Limited

Adib Rashid
Director, Dubai Centre for Family Business

Alessandro Cirillo
Associate Professor, FLAG (Family Business Lab on Accounting & Governance), University of Naples

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

Alfredo Sanfeliz
Founding Partner, The Wise Company

Allie Taylor PhD
Owner & Business Psychologist, Orange Kiwi LLC

Amanda Simmonds
Senior Associate, Lupton Fawcett LLP

Amit Sharma
Partner, Goodman Jones LLP

Ana Rita Bittencourt
Partner, Une Sucessao e Governanca

Andre Diederichs
CEO, Family Business Association of South Africa

Andrew Keyt
CEO, Generation6

Andy Hall
Director, Barclays Corporate

Anneleen Michiels
Associate Professor & Advisor, Hasselt University & Generation6

Basar Ozbilen
Senior Adviser, OA Law Firm & IDEA Business Advisory

Ben Fowler
Managing Director, Western Pension Solutions

Beverley Mitchell
Founder & Director, Beverley Mitchell Consulting

Bill Winter
Family Business Advisor/ Mentor, Pointnorth

Charlie Leichtweis
Managing Director, Experts in HOW LLC

Christian Mancier
Partner, Gorvins Solicitors

Claire Seaman
Professor Emerita, Family Business, Queen Margaret University

Claudia Binz Astrachan
Advisor & Head of Governance, Generation 6

Creagh Sudding
Director, KPMG Private Enterprise

Daniel Kertesz
Integrated Family Advisor, Kertesz AG

Daniel Trimarchi
Director, Family Enterprise Advisory, KPMG Australia

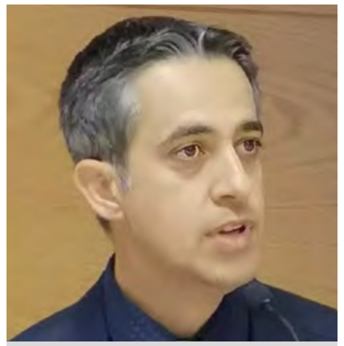
David Krajicek
Founder, Family Business Hub

David Twiddle
Managing Partner, TWYD & Co

David Werdiger
Managing Director, Nathanson Pearson Pty Ltd

Dennis Jaffe
Senior research Fellow, Banyan Global

Dennis Owusu Oteng
CEO, Ravens Consulting GH



Elias Hadjielias
Assistant Professor, Cyprus University of Technology

Emily Bouchard
Founder, Bouchard Bespoke Consulting

Enzo Calamo
CEO, Lugen Family Office Inc.

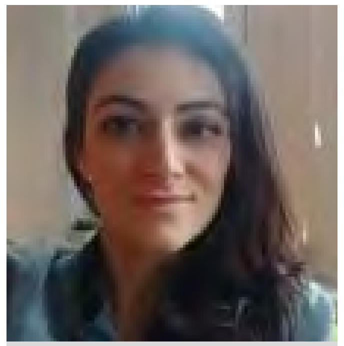
Dr Fabian Bernhard
Professor, EDHEC Business School

Feisal Alibhai
Founder, Qineticare

Franco Lombardo
Founder & Managing Director, Veritage International

Francois De Visscher
Founder, de Visscher Advisors

George A Isaac
Founder, GAI Capital Ltd



Giulia Giunti
Associate Lecturer, St. Andrews Business School

Gonzalo Jimenez-Seminario
CEO, Proteus Management & Governance

Graham Lamont
Chief Executive, Lamont Pridmore

Grant Georgiades
Managing Director,
The Plan Group Ltd

Guillermo Salazar
Managing Director, Exaudi
Family Business Consulting

Hakim Benbadra
CEO,
Tigritud

Hamza Nidaazzi
Assistant Professor,
Cadi Ayyad University

Heather Matthews
Managing Director,
Little's Chauffeur Drive Ltd

Hitesh Shukla
Professor, Saurashtra
University Rajkot

Howard Hackney
Partner, Howard Hackney LLP

Ian Beaumont
Former KPMG Partner

Dr Ian Smyth
Director, Centre for
Sustainable Family Enterprise

Inigo Landeta
Director & Board Advisor,
COR Business

Isabel Botero
George E. and Mary
Lee Fischer Chair in
Entrepreneurship, University
of Louisville

Jacqueline Schwartz
CEO & Founder,
Legado ConSentido

Jaime Ale
Director, Ale & Associates

Jane Wylie-Roberts
Chief Executive,
Stafffinders

Jasper Brinkerink
Lecturer in Entrepreneurship
& Innovation, University of
Edinburgh

Jean Santos
President, Business
Consulting Resources

Jeff Noble
Director, Private Wealth Family
Office, BDO Canada LLP

Jennifer Leeder
Partner,
Birketts LLP

John Anderson
Founder,
Rock Ventures Limited

John Broons
Managing Director,
John Broons Advisory

Joseph Astrachan
Chairman, Generation6
Family Enterprise Advisors

Josh Baron
Senior Lecturer,
Harvard Business School

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

Julien Lescs
Founder,
KIMPA Impact Investing

Kavil Ramachandran
Professor of Entrepreneurship
& Family Business, Indian
School of Business

Kedge Martin
Founder & CEO,
KM Advisory Ltd

Kim Schneider-Malek
Founder/Consultant.
Family Enterprise Alliance

Kim-Adele Randall
CEO, Kim Adele Ltd

Kirby Rosplock
CEO & Founder,
Tamarind Partners

Kirsten Taylor-Martin
National Head of Family
Business Consulting, Grant
Thornton Australia Limited

Kirsty Ross
Family Business Director,
Turcan Connell

Kyler Gilbert
Vice President & Consultant,
Business Consulting Resources

Lise Moller
International Director, The Ownership Company

Louise Brown
Family Business Leadership & Team Performance Coach

Mairi Mickel
Founder, Mairi Mickel's Business Families

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Managing Director Europe, Nielsen-Massey Vanillas

Mercy Edukugho-Aminah
Director, Fiduciary Services Ltd

Mette Ballari
CEO & Family Business Adviser, Nordic Family Office

Mike Kane
Partner, Turcan Connell

Mike Schmitt
Founder & President, The Rubra Group LLC

Mohammad Hossein Abbasi Esbourezi
PhD Candidate, Family Business Consultant, Lancaster University

Nandini Varshney
Family Business Researcher, Entrepreneurship Development Institute of India

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Managing Director, Eisner Amper

Naveen Khajanchi
CEO, NKH Foundation Pvt Ltd

Nick Di Loreto
Partner, BanyanGlobal

Nick Mayhew
Managing Director, Alembic Strategy

Nilesh Arora
Founder & Partner

Norma Stewart
Partner, Azets

Nupur Pavan Bang
Director cum Dean, Centre of Excellence (Hyderabad)

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Professor & Researcher, ESCA Ecole de Management

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Associate Professor & Director, EDHEC Family Business

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CEO, Rob Begg Consulting

Robert Powell
Founder & Director, Family Boards

Robyn Langsford
Partner

Rogerio Fae Rodrigues
Co-Founder & Consultant, UNE Succession and Governance

Ruschelle Khanna
Family Therapist & Consultant, Ruschelle Khanna Consulting

Salvatore Sciascia
Professor & Co-Director of FABULA (Family Business Lab), Cattaneo University

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Founder, Sandesh Vasant Mestry

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Stuart McLean
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Tim Yeung
Advisor,
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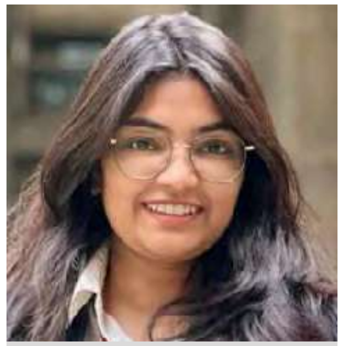
Tom Rusen
CEO,
WIFU-Foundation

Torri Hawley
Director of Learning
Experience, Tamarind Learning

Valentina Lorenzon
Career & Business Strategist

Walid S. Chiniara
Founder & Managing Director,
Walid S. Chiniara Advisory

Xavier Cambra Verges
President, Transmmission



Yashsvi Pancholi
PhD Scholar, FORE School of
Management, New Delhi

Zografia Bika
Professor of Entrepreneurship,
University of East Anglia

FAMILY BUSINESS UNITED fbu

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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.

FAMILYBUSINESSUNITED.COM/MEMBERSHIP