



Survey results bared

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SINGAPORE MANAGEMENT University's (SMU) Business Family Institute (BFI) has partnered with Deloitte Southeast Asia in a pioneering research on the "Asian Business Families Succession - Going the Distance with the Next Generation."

The comparative research survey conducted by BFI and SMU between August and October 2013 covered various countries in Asia, namely Singapore, Indonesia, Malaysia, Thailand, Philippines, and Vietnam.

The inaugural research survey, made possible by a research gift from Deloitte Southeast Asia, provides thought leadership on the current sentiments of business families, such as Ayala Corp. in the Philippines, on succession issues, as well as the strategies and structures related to the Next Generation Training and Non-Family Advisors facilitating such business transactions.

Nearly ninety percent (89%) of the business families surveyed indicated that Business Family Management Succession is important to them and 81% of them believe that their Next Generation will be able to succeed and manage the family business.

There was also generational consensus that the next generation should take over management control of the family business in their 30s and 40s.

When asked about their medium term (three to five years) priorities, the business families surveyed highlighted: Expanding into New Markets (80%), Growing New Lines of Business (70%), and Research and Development (61%). Mergers & Acquisitions features as a long term (five to 10 years) priority for 51% of the business families surveyed.

To facilitate the pursuit of their business priorities as well as management succession, business families felt that they would benefit from training and development in three broad areas of Family, Investments and Succession covering specific subjects such as Conflict and Communication, Family Governance, Family Leadership and Family Talent Development, Family Investments, Family Office, Trans-Generational Entrepreneurship and Succession Planning.

The research also found that Trusted Non-Family Advisors have a significant role to play in facilitating the succession of family businesses. Trusted Non-Family Advisors were viewed as a valuable resource to facilitate succession transition, for instance when there is a lack of internal family talent, to avoid potential family conflicts, to balance the needs of the business and the family, and also to effect change management for the business.

To access the full report, visit www.deloitte.com/ph.

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