



The Resilient Family Enterprise series

Beyond business: Unique characteristics of family enterprises that could position them to thrive

It has been widely stated that coronavirus does not recognize nationality, gender, religion, or wealth. Equally, it does not differentiate between the economies and markets it strikes. Every business has been impacted in some way irrespective of its size, sector, or ownership structure—from global powerhouses to the lone business owner. And in this respect, family businesses are not unique. Despite their reputation for resilience, optimism and agility, most family businesses have been under significant pressure to respond to the general health, safety, and welfare challenges introduced by the COVID-19 pandemic, along with the operational disruptions to their business.

Beyond these challenges, family businesses possess unique characteristics that may

position them to thrive as we emerge from the pandemic and play a significant role in the recovery of the economy.

The next generation

Take for example the next generation, a typically unique feature of a family business. While the threat of widespread business interruption may have brought fresh attention to succession planning, now could be an opportune time to engage with the next in line. It may be that they are a readily available “extra pair of hands” in a time when resources are either scarce or not available, as well as a valuable sounding board or source of fresh ideas. This could be particularly important when operating virtually, since many of the younger generation are considered digital natives. Not only does this give the next generation a

chance to prove themselves, but their active engagement in the business at this time could be the difference between success or failure.

Values and purpose

Alongside the millions of healthcare professionals and volunteers, some family businesses are being branded as “heroes” by their local and national communities in the current crisis. This often comes down to the family values that have been instilled for generations across the business, in family members and employees, and then ultimately imparted to customers.

For example, there have been numerous reports of family businesses nimbly adapting their operations and production lines, and redeploying staff to support the



The same traits that set family businesses apart are creating authentic opportunities for resilience, growth and recovery.

relief efforts—from the mass production of personal protective equipment (PPE), to offering accommodations for healthcare and other key workers. It is these inherent values and solid organizational purpose that can secure loyalty far beyond the crisis.

Legacy

Family value systems also often include a commitment to longevity and preserving generational legacy. For some, legacy includes the enduring or inherent value of the enterprise they've built, the people they've employed, and the impact they've made on their communities. For others, philanthropic efforts are also a measure of legacy, whether it be charitable donations or strategic investments. Private donors are making a crucial difference in redirecting their financial support to tackle the coronavirus—whether it's by funding scientific research into a vaccine or preparing to rebuild the future. Donors

are also stepping up to fund immediate relief for those hit hardest by the lockdown as well as those on the front line. Many privately funded charitable trusts and foundations are helping keep charities afloat with new strategies and larger contributions.

In some key respects, the same traits that set family businesses apart are creating authentic opportunities for resilience, growth and recovery.

The family business advantage

Through a series of short articles in the upcoming weeks, Deloitte Private will share the insights of our family enterprise consultants from around the world, taking a deeper dive into the issues unique to family businesses, the challenges and opportunities these present amidst the COVID-19 crisis, and how you can address these in your journey to recover and thrive.

In our future articles, we'll explore several topics, including:

- Purpose and trust
- Power and performance: The role of governance
- Beyond business: Philanthropy and strategic investing
- The post-COVID workplace
- Your family business: Planning with a 100-year horizon
- Well-being and health: The enterprise, the family and the individual
- What's next for family businesses?

Family businesses have long occupied a special place in the communities in which they operate. We believe many can emerge from this crisis with their inherent advantages intact if they can focus their energies in the right areas, share their collective wisdom, and push themselves to carve out a larger role beyond business as usual.

Global family enterprise leaders

William Chou

Partner
Deloitte China
wilchou@deloitte.com.cn

Andrea Circi

Partner
Deloitte Italy
acirci@sts.deloitte.it

Chinese family Enterprise leaders

Patrick Yip

Partner
Deloitte China
patyip@deloitte.com.hk

Clare Lu

Partner
Deloitte China
cllu@qinlilegal.com

Frank Leggio

Partner
Deloitte US
fleggio@deloitte.com

Michelle Osry

Partner
Deloitte Canada
mosry@deloitte.ca

Cynthia Chen

Director
Deloitte China
cynthichen@deloitte.com.cn

Francesca Chan

Associate Director
Deloitte China
frachan@deloitte.com.hk

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

The Deloitte brand entered the China market in 1917 with the opening of an office in Shanghai. Today, Deloitte China delivers a comprehensive range of audit & assurance, consulting, financial advisory, risk advisory and tax services to local, multinational and growth enterprise clients in China. Deloitte China has also made—and continues to make—substantial contributions to the development of China's accounting standards, taxation system and professional expertise. Deloitte China is a locally incorporated professional services organization, owned by its partners in China. To learn more about how Deloitte makes an Impact that Matters in China, please connect with our social media platforms at www2.deloitte.com/cn/en/social-media.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.