

## Quiz: what do you know about family businesses?

True/False

The majority of businesses around the world are family/privately-controlled.

70% of family businesses do not survive the transition from first to second generation.

On stock markets, widely traded companies outperform the family-controlled firms.

The purpose of family business planning is to ensure the business' success.

Parents should split their shares equally among their children to avoid conflicts.

Family-owned businesses cannot easily do long-range planning because of family issues.

Communication in a family-owned business should be limited to business topics and leave out emotions between members of the family.

Family members who are not in the business should not be included in business discussions.

The current CEO should choose the most competent child to be his/her successor.

Research demonstrates that independent boards of directors, family meetings, family constitutions and the use of outside consultants improve performance.

## Did you know?

1. Family businesses generate an estimated 70-90% of global GDP annually.
2. Two-thirds of private sector firms in the UK are family businesses.
3. In the UK, 9.4 million people (39% of employment in private sector) work in family businesses.
4. 33% of the Fortune Global 500 is family or founder controlled.
5. 30% of UK GDP is generated by family businesses with a combined turnover of GBP 1.1 trillion and they paid GBP 102 billion in tax last year.
6. An academic research study shows that the top 10 families in Europe control 24% of Portugal's market cap and 29% of that for France and Switzerland.
7. In emerging markets, 60% of private sector companies with revenues over USD 1bn are family-owned.
8. 41% of family businesses intend to pass on both ownership and management of their business to the next generation.
9. 25% of family business owners employ professional managers, while they transfer their holdings to the next generation.
10. Only 30% of family businesses reach the second generation.
11. Only 13% of family businesses survive through the third generation.
12. 60-70% of family businesses have no succession plan.
13. The average period of employment of the CEO of a regular company is four years, whereas in family businesses this is 24 years.

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Family Business

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## Family Business

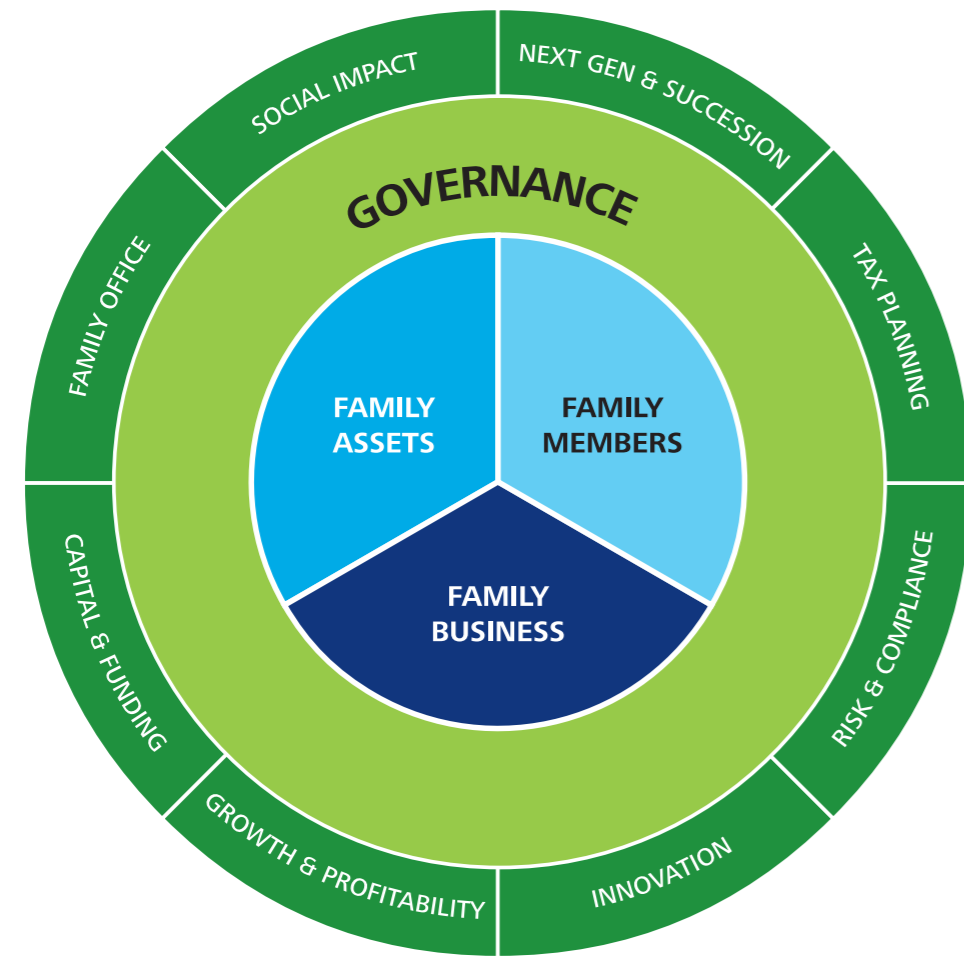
In it together

Family Business

“Our experience with both large and small family businesses has made it clear that when we talk to these types of businesses, we need both their mind and heart in the process. We need to help them to develop a business, but we will also greatly contribute to the family.”

**Mennolt Beelen**  
Family Business Leader – Europe, Middle East and Africa region

We truly understand your unique challenges and can tailor a wide range of services to your needs.



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Family businesses make up more than 90% of the world’s companies. They are often referred to as the backbone of the economy and will remain an important feature of the global economy in the foreseeable future.

Family businesses face specific challenges, such as dealing with the complex interplay of business and investment decisions, ownership issues and family relationships. Deloitte provides advice to families to help them navigate these challenges and organise themselves in a positive and constructive way.

**Typical characteristics of family business:**

- Prudent approach to capital expenditure
- Leaner cost structures
- Cautious approach to debt
- Preference for organic growth
- Challenges around talent attraction and retention
- Driven by family values
- Decision-making impacted by family dynamics
- Longer employee tenures for senior management
- Complex and challenging governance

Family Business



**Our families**

Private enterprises with significant family ownership

Next generation family business leaders

High-net worth and ultra-high net worth individuals

**Our focus**

As a global leader in professional services, Deloitte has been proudly serving tens of thousands of family owned companies, family offices and high-net worth individuals; large and small across the world for many years.

Deloitte provides a dedicated central point of contact for family-related services and wants to be recognised a trusted advisor which understands your business as well as the needs of your family.

Whilst most of our core service offerings (Audit, Tax & Legal, Consulting and Financial Advisory) will be relevant to your family business, we have a rich portfolio of family business-specific solutions that will help you address your most pressing issues.

We'll help your business reach its full potential by working with you to create a culture of entrepreneurship, balancing risk-taking with clear accountability and the authority to act.

**Our professionals**

Our international network is composed of local specialists from various countries fully dedicated to family-owned companies and seamlessly supporting family companies across borders.

Our professionals are eminent in the field of family businesses – from market specialists to university professors. They contribute continuously to the study and development of services most beneficial to family businesses.

**Our values**



CARE

We offer personalised solutions based on the family's short and long-term business and professional goals and objectives.



TRUST

Recognised as trusted advisor with a fundamental understanding of the business as well as of family related issues.



FORWARD LOOKING

Enabling a culture of entrepreneurship, balancing risk-taking with a clear future path.

Family Business