



## Family businesses: demonstrating sustainable leadership

**Sustainability** means meeting our own needs without compromising the ability of future generations to meet their own needs. As well as the use of natural resources, social and economic resources are employed in a way that results in continued, sustainable prosperity. In many ways, family businesses are ideally suited to a 'sustainable' concept, being created and maintained with future generations in mind, balancing economic growth with the protection of legacy in mind.

Many non-family businesses face the challenge of balancing and reflecting competing stakeholder demands made by shareholders, consumers, suppliers, employees, regulators and capital providers. While family businesses may be better able to manage their stakeholder expectations and quickly develop their strategy around their inherent purpose, that of building business for successive generations.

Sustainability, however, is an umbrella term for a wider range of business activities to support the future prosperity of the company, involving the development of governance processes to assist the long term strategic direction, identifying both risks and new opportunities, increased information collation and reporting and capital raising initiatives, which reflect the central purpose. Whilst family businesses may be ideally suited to bringing in change quickly, society is demanding increased transparency of operations reflecting their concerns for companies' impact on the environment and society. To survive, family businesses will need to be comfortable with increased levels of scrutiny and accountability.

"Whilst non-family businesses struggle to embed a sustainable strategy alongside business strategy, because of their inherent strengths and succession structure, family businesses are more able to merge the two so there is a single sustainable business strategy" - Scott Whalan, Financial Advisory Family Office Leader, Valuation & Modeling Partner.

As a starting point, many companies benefit from aligning their business strategy with the United Nations Sustainability Development Goals (UN-SDG) which provides an excellent framework together with key performance indications that help to develop targets and report progress. From this approach, business initiatives will quickly develop, bringing changes to governance and reporting.

"Those family businesses which can best adapt their internal processes to a changing world, with an eye on the development of legacy and succession, demonstrate strong sustainable leadership and are more likely to withstand future challenges and identify future opportunities"- Damian Regan, Deloitte Middle East Reporting & Assurance Leader for Sustainability.

**Our dedicated Deloitte Private team and Sustainability Practice** serves companies who seek to achieve their long-term objectives through better structures in their businesses and wider enterprises. At Deloitte, we are committed to driving change and creating an impact that matters. We are well equipped to provide you with innovative approaches and solutions that will empower you to contribute to a sustainable future.

### Why Deloitte?

#### Right Team



- Our team brings together the specialised expertise from our regional and global practices to deliver the most impactful solution
- We will leverage our global scale and already tested global project ideas to deliver and excel
- We have extensive experience in delivering successful Sustainability engagements in the Middle East and around the world

#### Right Approach



- Create long term impact through aligning business purpose with strategy, governance and reporting
- Day-to-day collaboration with the management and various other teams to ensure consistent progress
- Strong focus on stakeholder management and involvement with the aim of creating a legacy within the organisation

### Your local contacts

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