

Building A **Sustainable** **Family Business**



What is a Family Business?

According to Family Business Network, Family businesses constitute 70-80% of businesses worldwide. Pakistan too has seen a significant increase in family businesses in recent times. In addition, many of the existing family businesses are now reaching a level of maturity where the older generation needs to start planning the transition to the next generation. Family-owned businesses are characterized as organizations /firms in which the majority of the shareholders belong to the same family and participate substantially in the management, direction, and operation of the company.

What Features Are Unique To Family Businesses?

A business is a Family Business if it has the following features:

- Ownership Rights lie with the family
- Governed/managed by members of the Family

In addition to the normal challenges of operating a business, family businesses need to cope with all of the dynamics of family/personal relationships.



**Of Family Business Survive
Into The 2nd Generation**

The Family Business: Key Issues Conflict Within Family Members

Conflict amongst family members is a key issue in family businesses. Disputes arise over:

- Business Strategy
- Sharing of Responsibility & Rewards
- Timetable for change
- Personality Clashes

Lack of Planning and Communication contribute significantly to these disputes. Managing conflict is the key not just to the survival of the business, but to the survival of the family itself.

Continuity Planning Issues

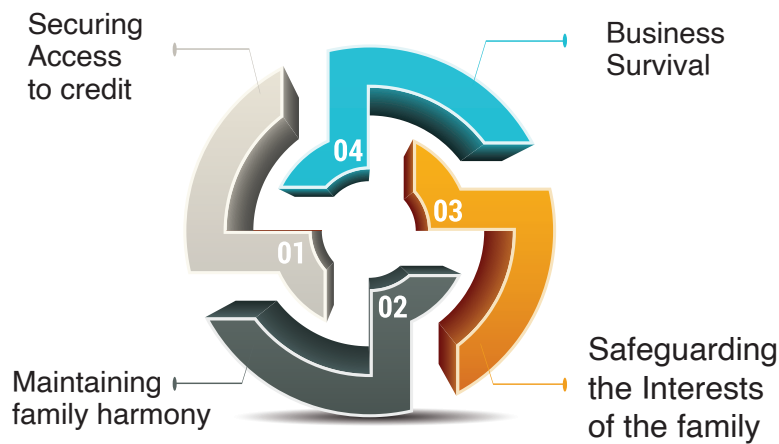
It is important that each family has a vision for the future and is fully committed to the success of the business. It is very easy for family members of the next generation to have conflicting objectives. These can lead to serious challenges and breakdowns in both business and family relationships. It is essential for all family members to agree on an overall vision as well as remain true to their family's values.

Succession Planning

One of the biggest challenges facing family businesses is that of Succession Planning. Succession planning is all about planning for the future and safeguarding the interests of your family. Its aim is to help you develop a plan, that will not only protect the business in the event of any sudden events that could potentially cause great turmoil and disruption to your business but allow you to transition the business from one generation to another in an organized and coherent manner.

Succession Planning is critical to family businesses for:

- Business Survival
- Safeguarding the Interests of the family
- Securing Access to credit
- Maintaining family harmony



QCT's team understands that it is vital that your business model reflects the culture and values of your family. Drawing from our vast experience we can help you identify and apply the best-suited strategy for your business. Our innovative and unique parallel approach combines succession planning with strategic planning to provide you with a strategic roadmap for a successful and sustainable business and a harmonious family.





How Can QCT Help?

Pakistan's landscape is inundated with Family-Owned Businesses many of whom have never actually considered issues related to succession planning. Succession planning ensures that businesses continue to run smoothly after the business's most important people move on to new opportunities, retire or pass away.

Our team has helped several businesses, locally and internationally, to navigate the succession planning process. Our comprehensive succession planning approach not only develops an outline for a Family Constitution & Shareholders' Agreement but also provides assistance with the implementation of the governance frameworks to ensure the sustainability of the family business.

We can also assist with the development of a plan for Coaching & Mentoring of the younger family members to ensure that they are being groomed to take on greater responsibilities in the future.

We have the experience of working with a range of leading companies from UAE, Australia & Pakistan. We have worked on projects not only pertaining to Succession Planning but also tackled issues most commonly associated with Family Business e.g. Corporate Governance, Business Plan Review, Strategic Planning, to name a few.

Additionally, QCT can provide a range of other services that can help improve the current status of and ensure the long-term success of your business. Following are some of those services:

- Internal Audit
- Successor Development: Coaching & Mentoring & Development of the younger generation
- Development of Policies and Procedures
- Strategic Review



