



The Family Business

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Did you know?

- 80% of all businesses worldwide are owned by families
- 70% of new jobs are created by family businesses annually in Canada
- Approximately 60% of Canada's GDP is generated by family businesses
- 43% of entrepreneurs in their 60s or 70s have no exit strategy

Source: Family Business Centres & Sauder School of Business

Given those stats provided by the Family Business Centers & Sauder School of Business, it is obvious that family enterprises and family businesses are a very important part of our lives and those of the next generation.

Before we take a closer look, let's first make an important distinction:

- Family Business = consists of an operational unit or units
- Family Enterprise = consists of not only the operational units but also the financial, real estate, and philanthropic assets

There is a lot of supportive documentation out there on family businesses, and many have developed processes and resources to help families transition their wealth to the next generation without destruction or erosion of assets — but it takes work, and a lot of it.

One article, by Jane Hilburt-Davis et al., highlights some of the characteristics of a healthy family enterprise:

- Communications are open and clear
- Family has the ability to resolve conflict

- High trust between family members
- Goals and values of the family are clear
- Boundaries between family and business are clear
- Succession is planned early
- Functioning independent board of directors

If you're running a family enterprise, these characteristics may lead you to ask:

- How will your family business and/or family assets be managed in the future?
- Is the next generation involved in the business or management of your current assets?
- Do you find it difficult to know what to say and when to disclose your wealth to the next generation, for the fear that it will not be managed the way you wish?

We are working to strengthen our knowledge and expertise in the area of family enterprises and multi-generational wealth planning. If this topic of discussion is of interest to you, we would love to learn about your interests and needs so we may provide you with the information and answers you need.