

# Family Business Services

2020



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# Family and Family Business Specialised Services

To thrive in the 21st century, family businesses need to identify, understand and address unique issues relating to ownership continuity, management succession, legacy and wealth succession, governance, career development, non-family professional management, remuneration of family in the business and related recognition, generational conflict and future scenario planning.

Using a logical **G.E.N.E.R.A.T.I.O.N.S.** framework clients are exposed to the latest thinking and best practice.



SNG Grant Thornton head of family business services, Tony Balshaw, is one of South Africa's leading experts and consultants on family business. He is an internationally certified specialist Family Business Practitioner and author of the best seller book on family business entitled "Thrive! Making Family Business Work" and other published books.

Tony works extensively in a pragmatic fashion, with families and the businesses they control, both locally and internationally.

Tony's experience, expertise, knowledge, skills and reputation in the field of family businesses extends to companies of various sizes, types, life cycles and complexities, both in South Africa and internationally. He is also a regular speaker at local and international conferences, and is frequently quoted in the media.

# Dynamics of family controlled and closely-held businesses

There are a number of issues and dynamics facing families as controlling owners. This occurs in particular as the family and business go through predictable stages of development and growth in their respective life cycles.

These have a significant impact on the future success and growth of the business and family's wealth. The primary reason for the failure of owner-managed businesses (only 16% survive through each generation) is that the unique and complex interaction of problems faced are not anticipated, planned for or adequately addressed.

Despite privately-held businesses being the powerful champions and drivers of the world's economies, there is widespread ignorance of their unique characteristics and the issues they face.

The unity which gives these businesses their initial dynamism is often also the very cause of their fragility. In attempting to balance business pressures with, often, highly volatile family issues, a high proportion of family-owned and run businesses end up not surviving beyond the current ownership generation.

Specialist independent and unbiased family business services are therefore essential in maintaining the equilibrium between family and business, helping sustain the business and wealth for future generations.

## SNG Grant Thornton unique family business service offering

SNG Grant Thornton offers a unique family business specialist service to owners of family businesses, their spouses and adult children. The methodology is based on the premise that the issues arising in a family business cannot be viewed in isolation – one needs to take into account all the factors impacting on the family and the business. It is also important to accord each person the opportunity to influence the process.

We will identify the sources of potential conflict and the issues which need to be addressed in families and the businesses they control. The issues that typically need to be addressed include:

- Succession and continuity planning
- Life cycle forces influencing family businesses
- Remuneration and recognition
- Professionalisation of the family business
- Governance in the family and business
- Establishment of effective communication and decision-making structures
- Non-family executives
- Equity ownership for family members
- Strategic planning for a family business
- Family members entering the business
- Family wealth
- Retirement and estate planning
- Conflict resolution and mediation.

These family business service offerings include:

- Interactive family presentations
- Confidential interviews - information gathering

- Family meeting facilitation
- Implementation and review phases:
  - establishment of governance, communication and decision making structures; Family Shareowners' Committee, Board of Directors and Executive Committee
  - succession planning
  - developing a Chart of Authority
  - preparation of Family Creed, that includes:
    - family vision, values and philosophy
    - ownership philosophy
    - management philosophy and objectives
    - professional management
    - dividend/distribution of profit policy and funding/gearing
    - governance structures
    - Board of Directors and Board Chairman
    - Family Shareowners' Committee
    - Family Council/Table
    - employment and remuneration of family
    - process for family members to join a family controlled company
    - retirement
    - communication
    - financial information and confidentiality
    - conflicts of interest and dispute resolution
    - employees
    - family archives.

# Family in Business Programme

This programme is offered to family business owners and people who lead and work in family businesses.

Participants in the programme will learn, develop and be provided with the tools to better understand and address critical issues that families and the businesses they own and often manage face. The format is based on personal application. Using a logical **G.E.N.E.R.A.T.I.O.N.S.** framework participants are exposed to the latest thinking, best practice and solutions that work.

In addition to presentations and case studies of best practice, participants will work interactively with faculty to develop a personal family system (genogram) map; work through a detailed personal application workbook to leverage their understanding as well as to develop and define roles for key family and business governance structures.

## Key focus areas

- Introduction to family business dynamics
- Challenges for family in Business
- Application of G.E.N.E.R.A.T.I.O.N.S. framework
- Overlapping Family and Business systems
- Family business life cycles, development cycles and patterns
- Family system concepts
- Develop your own family systems map
- Succession planning
  - transfer of business ownership
  - management continuity
  - transitions
- Equity ownership for family members
- Family investors not involved in the business
- Conflict resolution
- Rules for smooth family functioning
- Issues families face and solutions that work
- Entering the family business
- Remuneration and recognition
- Non-family executives and their role
- Retirement and estate planning
- Strategic and scenario planning
- Governance of the family and business
- Documentation preparation, including Family Creed

This programme is guaranteed to have a profound impact on the future of both the family and the business.

## Methodology

SNG Grant Thornton process will provide a detailed perspective on the key issues facing a family business, drawing parallels from practical experience with family business, and facilitate a discussion of the specific issues that have arisen in the family.

### Information Gathering

During this process each individual family member's personal objectives and perspective on family dynamics will be probed and assessed. Each of the aforementioned key issues will be raised and explored.



### Scenario Planning

The use of scenario planning has been particularly useful as a tool for assisting the family in working through complex issues affecting the future of the family and family business. The process includes establishing the rules of the game, key/pivotal uncertainties, scenarios - possible stories about the future, options available, and informed decision-making.



### Implementation and Review

A key outcome of our process is developing a Family Creed. The Family Creed is a confidential document that codifies the family's vision, philosophy, goals, policies and procedures. In addition, an implementation plan will also be agreed and initiated.



## Confidentiality

Information obtained during the course of working with the family and the family business is treated with utmost confidentiality.

## Why Choose SNG Grant Thornton

At SNG Grant Thornton we have unique expertise, with decades of experience available to service your family and family business needs. We recognise the value and contribution of family-owned businesses, and are committed to protecting their legacy. SNG Grant Thornton has a rich history of supporting the growth and sustainability of family-owned businesses. Our understanding that the dynamics which make a family work don't always translate into the business environment, ensures that we can help you make the best decisions for both your business and family.

## Our People

We are passionate about our clients and are committed to establishing enduring relationships with them. With SNG Grant Thornton you are guaranteed a personal, principled and professional service to help you achieve your goals.





# Profile of SNG Grant Thornton family business division head



Tony Balshaw CA(SA), B Compt (Hons), ACFBA, F.FFI, F.Inst.D.

Tony is an internationally acclaimed expert and leading consultant for over 20 years in the field of family business and author of a best seller book “Thrive! Making Family Business Work”. He was appointed a Fellow of the Family Firm Institute in 2013 - the most influential global network of thought-leaders in the field of family enterprise. Tony has authored a number of books and articles that are acknowledged as definitive works in the family business field in South Africa.

## Professional memberships

- Fellow of the Family Firm Institute (FFI)
- South African Institute of Chartered Accountants (SAICA)
- Fellow and Honorary Member of the Institute of Directors in Southern Africa. Tony served as a Council Member of the IoDSA from 2002 to 2010
- South African National Accreditation System (SANAS) accredited B-BBEE verification technical signatory
- Association of B-BBEE Professionals (ABP)

## Other relevant information

- Author of book entitled “Thrive! Making Family Business Work”. Published by Human & Rousseau
- He has been an auditor, accountant, business advisor and consultant for local and international clients across the spectrum of entities in the corporate, business and public sectors
- Tony has been quoted extensively in the King IV Report
- Author of book published by the Institute of Directors entitled “Governance in Family Business”
- Co-author of book entitled “Broad-Based Black Economic Empowerment: Definitive Amended Codes”. Published in October 2016
- Co-author of books on Broad-Based Black Economic Empowerment. Published by Tafelberg as well as Human & Rousseau
- Author of book entitled “Family Business and Broad-Based Black Economic Empowerment in South Africa”
- Author of numerous articles, including articles for Business Day and other print media.

## Family business experience

Based on the premise that the issues impacting the family and its business cannot be viewed in isolation, Tony developed a unique, practical system for working with families in business. Complementing the implementation of this unique approach are sound business principles and extensive business experience in assisting family controlled companies.

Tony has achieved an Advanced Certificate in Family Business Advising (ACFBA) from The Family Firm Institute (FFI) in Boston, USA, and has subsequently been admitted as a Fellow of the Family Firm Institute.

Tony was a key note speaker at the Family Business Network (FBN) 12th Annual World Conference in Rome. He has attended a number of FBN Annual Conferences and International Family Enterprise Research Academy (IFERA) Research Forums, including chairing a session at the IFERA World Academic Research Forum in Lausanne, Switzerland. He regularly attends and participates in the FFI Global Conferences in Europe and America.

Tony has conducted family business seminars and workshops for the Young Presidents’ Organization (YPO) Chapters in countries such as Pakistan, Egypt, Cyprus, Kenya, Nigeria, Turkey and South Africa. Other international speaking engagements in countries such as the USA, Italy, Switzerland and Greece include the topics “Family Owned Businesses as the Bedrock of a Sustainable Economy”, “Making Family Business Work with Professional Management” and “Transformation in South Africa: the impact of government’s Broad-Based Black Economic Empowerment (BEE) policies on family business”.

It is notable that Tony consults to families from diverse cultural backgrounds. His insights and experiences into various mainstream international communities is immensely valuable, particularly in relation to owner-managed entrepreneurial businesses. Tony has substantial family business consulting experience in growth orientated entrepreneurial businesses of which many are owner-managed. He also facilitates strategic planning and scenario planning workshops for family controlled businesses.







# Global Reach

We're a network of independent assurance, tax and advisory firms, made up of 53,000 people in 140 countries. And we're here to help dynamic organisations unlock their potential for growth.

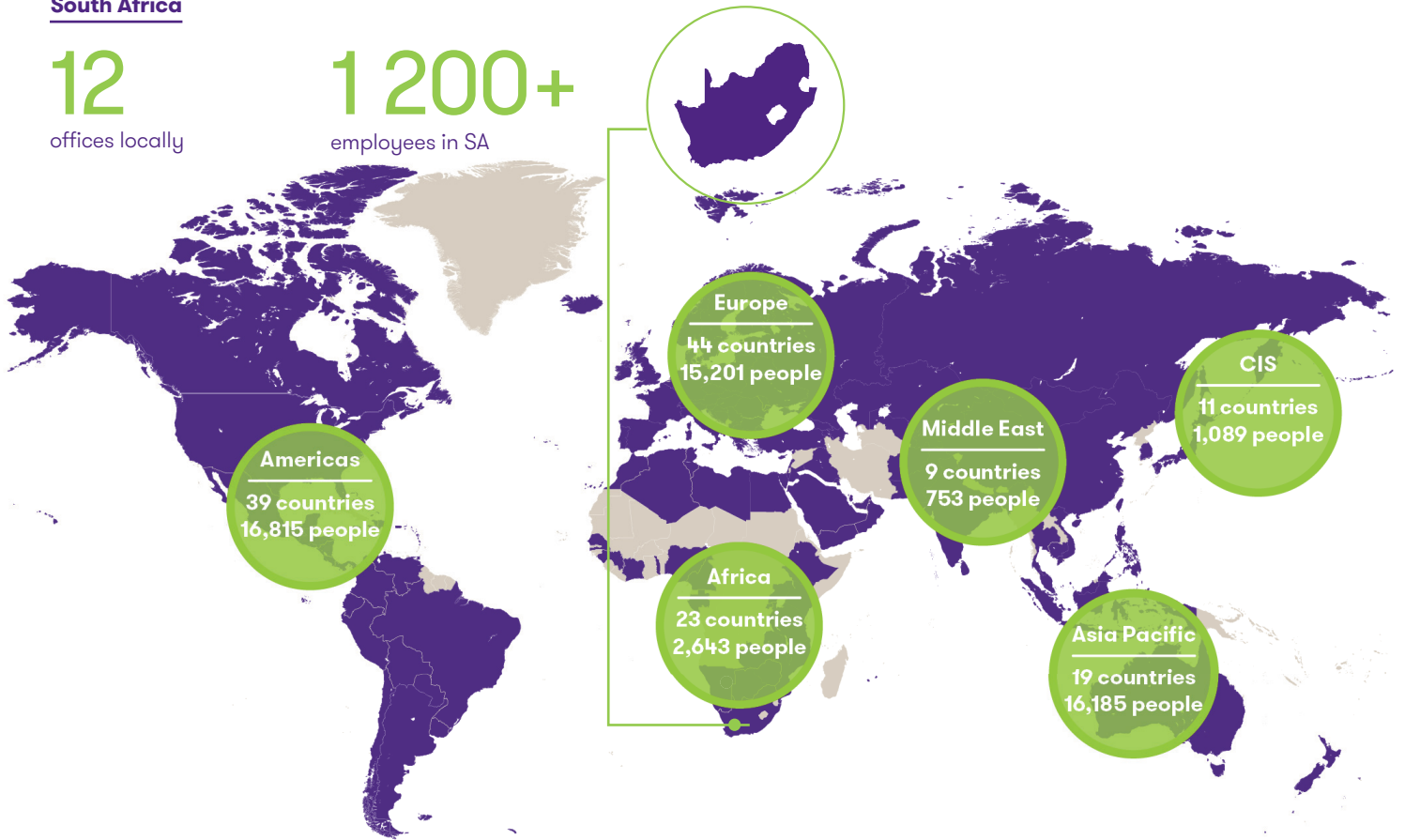
For more than 100 years, we have helped dynamic organisations realise their strategic ambitions. Whether you're looking to finance growth, manage risk and regulation, optimise your operations or realise stakeholder value, we can help you.

We've got scale, combined with local market understanding. That means we're everywhere you are, as well as where you want to be.

## South Africa

**12**  
offices locally

**1 200+**  
employees in SA



Our distinctive client experience sets us apart



USD5.45bn  
(2018 revenue)



53,000+  
people



700+  
offices



140+  
countries

# Local feel, global team

Being established in 1985, we have progressed expeditiously in every aspect.



**Victor Sekese**  
Chief Executive  
SNG Grant Thornton

## A focus on SNG Grant Thornton

SNG Grant Thornton is the South African member firm of Grant Thornton International Ltd. We have progressed expeditiously in every aspect ever since our establishment in 1985.

Our aim is to help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice. Proactive teams led by our approachable partners, use insights, experience, and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions.

Our teams and member firms worldwide work and train together, sharing industry experience, technical expertise, and a commitment to excellence.

Whatever the geographic location, we apply the same insight, flexibility and relevant experience. We examine each transaction objectively and work to involve all parties to ensure you receive the highest quality advice, providing a truly distinctive client experience.



# Contact us

Find out how SNG Grant Thornton can help you unlock the potential for growth for your business.



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