

# Challenges in advising business families

*Shanker Iyer, founder and chairman of Iyer Practice Advisers, discusses the common challenges faced by business families, and the demands placed on advisers to meet these.*

To advise a successful family business inevitably involves a set of challenges that any good adviser needs to be aware of, prepared for and overcome.

These can be broken into four key areas, according to Shanker Iyer of Iyer Practice Advisers: governance; confidentiality and trust; inter- and intra-generational tensions; and what clients demand of their advisers.

## CHALLENGES TO CONFRONT

In general, Iyer says he has found that successful business people around the world might not pay enough attention to their personal wealth. "Organisational issues are common among entrepreneurs," he explains. As a result, the general lack of governance is one of the issues to address.

On the issue of confidentiality and trust, Iyer says that it takes time and patience for a client to feel comfortable enough to tell their adviser the full picture in

terms of their assets. "Advisers need to persuade them to tell them everything, otherwise they can only propose a half-baked solution," he says.

In relation to inter- and intra-generational tensions, the culture in Asia tends to be that the patriarch wants to control the assets and the direction of the business. But as things move towards the next generation, more discussion needs to be focused on what the future will look like. "A lot needs to be done to persuade clients about the need to focus more on succession," says Iyer.

The final challenge is for the adviser to deal with the demands of the client. Since successful entrepreneurs in general have high expectations, advisers need high levels of knowledge to handle their questions – or at least have the network in place to find the answers for them.

The time commitment advisers need to give clients is also significant, he adds. ■



**SHANKER IYER**  
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