



# Asian Business Families

*How to prevent falling prey to common  
succession planning problems?*

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# Topics

- Asian context
- Why succession planning fails?
- Family Business System
- Best approach to succession planning



# *Asia's Challenging Road Ahead*



# Asia's Challenging Road Ahead

- 富不过三代 Wealth does not pass three generations
- Only 30% success rate
- Majority businesses in Asia family owned/controlled
- Demographic development



# Why Business Families fail to do Succession Planning?



# Why succession planning fails\*

- No urgency
- Always easier not to change/push back
- How to undertake?
- Lack of shared vision
- Lack of courage next generation leaders
- It costs too much!

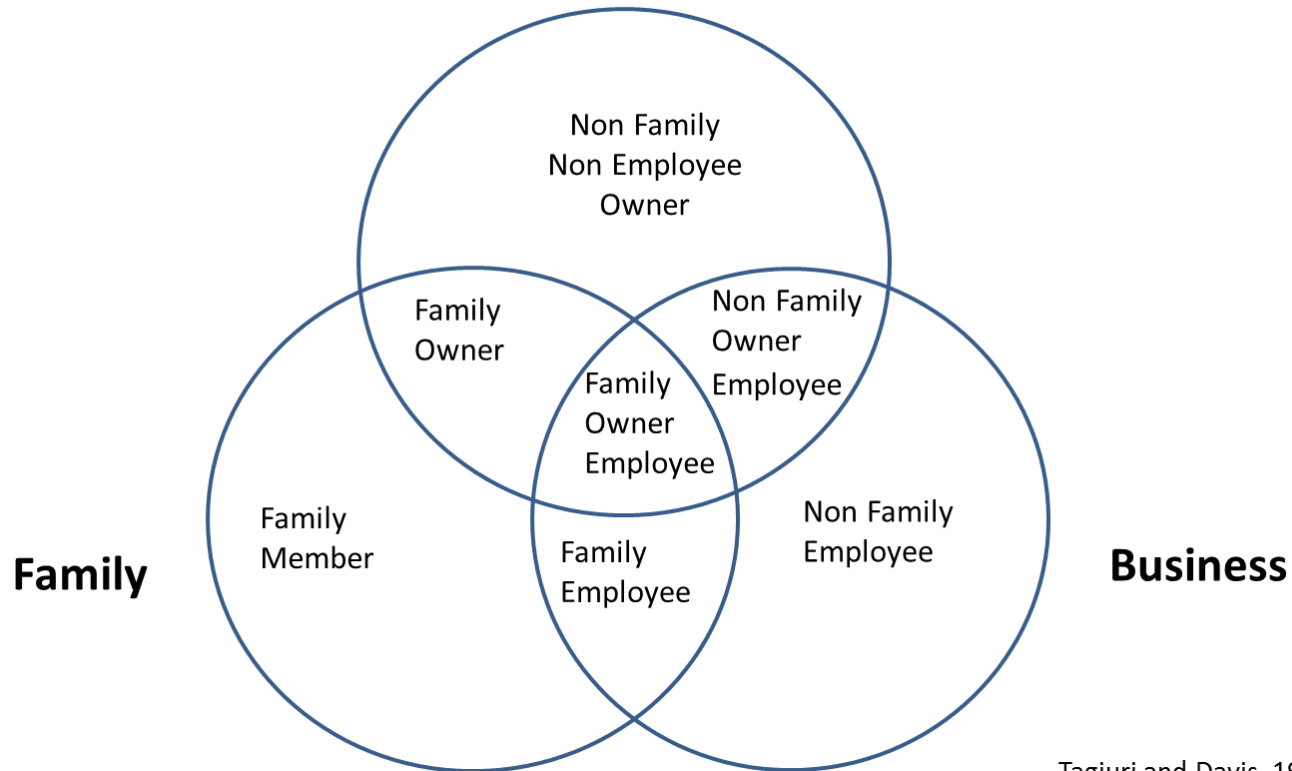


# ***The Family Business System***



# Family Business System

## Ownership







# How to best approach Succession Planning?



# Independent Holistic Advice

- Provide families with toolkit to work collectively together. How?
- Facilitate family meetings
  - Jointly agree on values, vision and shared purpose
  - Design governance structures for both family and business and ownership
  - Enhance communication
- Independent advisor can overlook the entire family business system



# Business Family Succession Model



Family Council  
Family Assembly  
Family Consultation

Business Family  
Succession Planning

Board of Directors  
Shareholders Agreements  
Shareholders Assembly



# Conclusion and Takeaways

- Succession Planning is a **Process**, not an event!
- Poor planning leads to reputation damage and value destruction
- Timely addressing predictable conflicts will improve success rate
- Management, Family and Ownership succession in parallel
- Independence of advice

