

4: Family business challenges and characteristics (3)

Definitions:

- 1- ownership control by members of a family
- 2- It could be Consortium of families
3. Strategic influence of a family in the management of the firm
4. Concern for family relationships
5. Family succession

15
WEDNESDAY

characteristics of Successful family business

16
THURSDAY

- 1- Shared vision, values and goals
- 2- A well-formulated Strategic plan → Succession planning
3. well written Procedures and expectations regarding family Participation in the business → planning
4. Guidelines for succession
5. Participation by outside advisors and board members.
6. Family time and family union
7. Professional management
8. Proper governance structures
9. Business first policy
10. Future Diversification plan

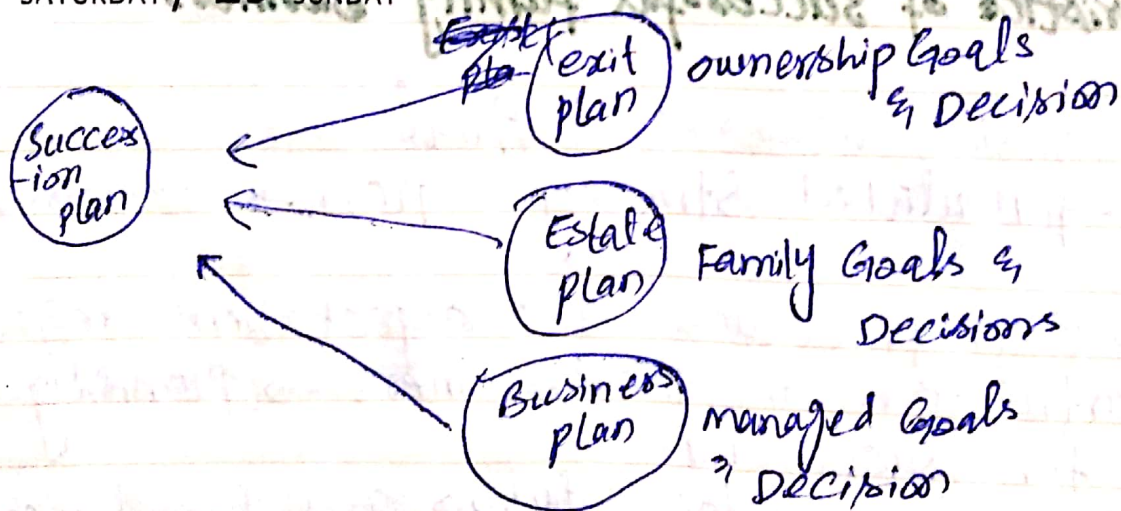
Evening

Challenges of family owned business

- ① Family rivalry
- ② Glass ceiling (female family members)
- ③ Difficulty of multiple roles
- ④ parent vs. Professional roles
↳ Different management styles.
- ⑤ Financial accountability
- ⑥ Too much family involvement
- ⑦ Succession delays.

17 شعبان ۲۲
FRIDAY

18 شعبان ۲۵ / 19 شعبان ۲۶
SATURDAY / SUNDAY



- ⑧ Fear of death
- ⑨ Reluctance to release control & power
- ⑩ Boundaries among family, ownership, management system may become blurred
- ⑪ Easy come easy go → lack of interest in family business

APRIL 2023

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MARCH 2023

25: Family Business challenges and characteristics

Family Business:

A company that two or more members of the same family own or operate together or in succession.

In world : 80% of the businesses are family businesses
30 to 40% business transfer into 2nd generation
about 10 to 15% business goes to 3rd/4th generation.

Family Businesses are the unique entity

Family & Business overlap

شعبان ٢٠ MONDAY 20

شعبان ٢١ TUESDAY 21

Family Concerns

- care and nurturing of family members
- Employment and advancement in the firm
- Loyalty to the family

Business Concerns

- Production and distribution of goods and/or services
- Need for Professional management
- Effective and efficient operation of the firm

Evening

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MARCH 2023

MARCH 2023

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V26: Family business Advantages

Advantages of a family business

- 1- Strength of family relationships during challenging periods of business change.
- 2- Financial sacrifices that family members make for the good of the firm.
3. operation as a family business distinguishes the firm from its competitors
- 4- Higher levels of concern for its community and non-family employees.
5. capability to plan and prepare for the long run
- 6- emphasis on quality and value

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MARCH 2023

V27: The family Business : value and commitment

The Founder's Imprint on the culture:-

- The founder's core values become a transmitted part of the culture (for better or worse)

organizational culture:

- patterns of behaviors and beliefs that characterize a particular firm.

Family Business Cultural values

→ mutual respect

→ Integrity

→ wise use of resources

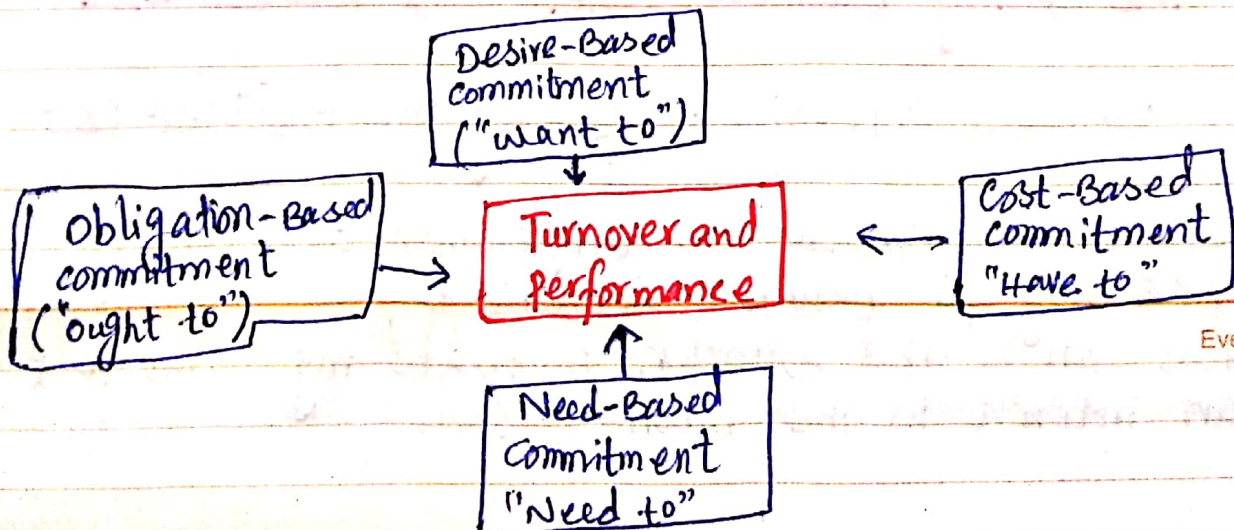
→ personal responsibility

→ Fun

١ رمضان 24
FRIDAY

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SATURDAY SUNDAY

Four types of commitment in a family Business Member



Evening

V28: The family Business: Professional Management

Professional management of the family Firm

The Need for good management:

Best Practices:

- Stimulate new thinking and fresh strategic insights.
- solicit outsiders' input to keep perspective
- Attract and retain excellent managers.
- create a flexible, creative organization
- Create and Conserve Capital
- Prepare Successors for leadership
- Exploit unique advantages of family ownership

V29: The Family Business: Roles and relationships

Parental concerns in passing the Business on:

- Does my child possess the temperament and ability necessary for business leadership?
- How can I, the founder, motivate my child to take an interest in the business?

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MARCH 2023

- what type of education and expertise will be most helpful in preparing my child for leadership?
- what ^{time} table should I follow in employing and promoting my child?
- How can I avoid favoritism in managing and developing my child?
- How can I prevent the business relationship from damaging or destroying the parent-child relationship?

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WEDNESDAY 29

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THURSDAY 30

V30: The Family Business: Family Conflict Resolution

Family Retreats:

A gathering of family members, usually at a remote location, to discuss family business matters.

Family Councils:

- An organized group of family members who gather periodically to discuss family-related business issues
- Represent the family to board of directors
- useful in developing family harmony
- increases understanding of family traditions and interest

Evening

Family Business Constitution

A Statement of Principles intended to guide a family firm through times of crisis and change.

31 رمضان
FRIDAY

01 رمضان 9 / 02 رمضان 10
SATURDAY / SUNDAY

V31: The Family Business: Family & non-family members.

- competition with family members for advancement

Getting caught in the crossfire
~~Political~~

- Politics of family competition within the firm

Expert Suggestions:

- Identify family-only reserved positions in advance.

Evening

- Treat both family and non-family employees fairly in matters of reward and Promotion

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V32: The Family Business: Successful: Succession

Conditions Favoring successful leadership succession in a Family Firm

- A Sound, Profitable business
- Stable, healthy family relationships
- Advance planning for leadership ~~and~~ succession
- positive family leadership and a team-oriented management structure.
- Presentation of career opportunities without pressure
- open communication & on family business issues

رمضان ١١

MONDAY

03

رمضان ١٢

TUESDAY

04

Five stage of succession in a family Business

5. Declaration of Succession
4. Formal start in business
3. Proof of competence
2. Education and personal development
1. Pre-business involvement

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V33: The Family Business : Successful Succession

Reluctant parents and Ambitious children

1- Transfer of ownership

Passing ownership of a family business to the next generation.

- who will inherit the family firm? when?
- Should each heir receive an equal share?
- Should ownership be transferred gradually?
- How are tax considerations to be handled?

05 ١٣ رمضان
WEDNESDAY

→ what to do with other wealth and assets of

06 ١٤ رمضان
THURSDAY

the founding entrepreneur?

V34: The Family Business : Team

Family Roles and Relationships

1- Husband-wife Teams:

- opportunity to share more in each other's lives.
- Business differences interfere with family life.
- work doesnot leave time for family life.
- Sharing family responsibilities eases the load.

Evening

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APRIL 2023

2. Sons and Daughters

- Personal Preferences different from the business
- Personal Qualifications insufficient to assume role in business
- Desire for Personal freedom to Choose another Career.

3. Sibling Cooperation, Sibling Rivalry

Best Case:

Siblings work as a team, each contributing services according to his/her abilities.

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FRIDAY 07

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SATURDAY 08 / ١٧ رمضان
SUNDAY 09

Worst Case:

Siblings Compete as rivalry and disagree about their business roles.

4. In-Laws In and Out of the Business:

Disagreements about how to treat and reward in-laws and family members/ children.

- Assign to different branches or to different business roles

Evening