

# Sustaining the legacy

**Middle East, South Asia and Caspian  
Family Business Summit - 2024**

Manama, Bahrain





# Welcome address



**Jamal Fakhro**

Managing Partner  
KPMG in Bahrain



# Introduction to the MESAC Family Business Summit



**Harish Gopinath**

Head of Family Business and Private Enterprise  
KPMG in the MESAC Region



# Introduction to the MESAC Family Business Summit

**Harish Gopinath, Partner**

Head of Family Business  
and Private Enterprise

KPMG MESAC Region





# Insight on sustaining the legacy

**Family Businesses  
are an integral part  
of most major  
economies in the  
MESAC region**

**According to a report  
by DHF Capital, about  
\$1 trillion in assets  
in the Middle East will  
be transitioned to the  
next generation  
by 2030**

**Most Family  
Businesses in the  
region will face a  
challenge in relation to  
succession-planning  
within the next  
decade**

**According to the  
preliminary findings  
of a recent KPMG  
survey, Family  
Businesses in the  
Middle East sustain  
the legacy for longer  
than their counterparts  
in other  
regions**

# About the event



- More than 500 Leaders representing Family Businesses have attended the KPMG Family Business Summits and Conferences
- Now in its 6<sup>th</sup> year, prior Summits were hosted in Riyadh, Dubai and in Bahrain.
- Renowned Family Business experts have participated as facilitators and speakers at our Summits.
- Interesting multi-generation perspectives from panel discussions with eminent Family Business leaders
- Global insights and latest survey reports from our Family Business surveys
- Great platform to network for Family Business leaders



# 2024 KPMG Family Business Summit Speakers



**H.E. Abdullah bin  
Adel Fakhro**

Minister of Industry and  
Commerce, Kingdom of Bahrain



**H.E. Dr. Ghassan  
Ahmed Al Sulaiman**

Founder and Chairman,  
ALSulaiman Group



**Hala Al Moayyed**

Executive Director,  
YK Almoayyed & Sons Group,  
Bahrain



**Omar Al- Ubaydali**

Director of Research, Bahrain Center  
for Strategic, International and Energy  
Studies (DERASAT)



**Dr. Basma Al Zamil**

Zamil Group,  
Saudi Arabia



**Abdulmohshin Alomran**

Chief Executive Officer,  
The Family Office



**Ameena Ziauddin**

President and Managing Director,  
Norfolk Foods (Pvt) Ltd., Sri Lanka

# 2024 KPMG Family Business Summit Speakers



## **Prof: Andrea Calabrò**

Professor of Family Business & Entrepreneurship, Co-Director of the IPAG Entrepreneurship & Family Business Center and Professor of Family Business & Entrepreneurship at IPAG Business School, France.



## **Jamal Fakhro**

Managing Partner,  
KPMG in Bahrain



## **Tom McGinness**

Global Leader of ESG for KPMG Private Enterprise, formerly Global Chair of Family Business, KPMG



## **Robyn Langsford**

Global Head of Family Business,  
KPMG Australia



## **Greg Limb**

Global Head of Family Office  
& Private Client, KPMG International



## **Nasser Sattar**

Chairman, KPMG in Portugal



## **Rui Goncalves**

Partner - Technology Consulting,  
KPMG in Portugal



# Agenda

Building and  
sustaining the  
Family Business  
Legacy



Reinventing the  
Family Business



Role of women  
in sustaining  
the legacy



Diversification  
with integration  
of core values



Transgenerational  
entrepreneurship



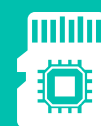
ESG for  
Family Business



Family Office  
Perspectives



Automation  
and digitization in  
Family Businesses



Global and regional  
economic overview



# Insight on sustaining the legacy



## 2024 Global family business survey report

Report launching 16<sup>th</sup> May 2024

Survey report based on responses from 2,743 Family Business leaders across 79 countries and territories, including 200 responses from the Middle East & Africa and over 500 responses from Asia & Oceania.

The theme of this year's report is the importance of legacy in Family Businesses and the interplay between the family's values, legacy, and entrepreneurship.



# Introducing our family business leaders



**Saudi Arabia**  
**Fuad Chapra**  
Partner  
KPMG in Saudi Arabia



**United Arab Emirates  
and Oman**  
**Raajeev Batra**, Partner  
KPMG Lower Gulf



**Jordan**  
**Hatem Kawasmy**  
Managing Partner  
KPMG in Jordan



**Pakistan**  
**Syed Ahson Shah**  
Partner  
KPMG in Pakistan



**Sri Lanka**  
**Thamali Rodrigo**  
Partner  
KPMG in Sri Lanka



**Qatar**  
**Yacoub Hobeika**  
Partner  
KPMG in Qatar



**Kuwait**  
**Aref Judeh**  
Partner  
KPMG in Kuwait



**Egypt**  
**Mohamed Tarek**  
Managing Partner  
KPMG in Egypt



**Lebanon**  
**Wissam Safwan**  
Partner  
KPMG in Lebanon



**Bangladesh**  
**Adeeb Khan**  
Senior Partner  
KPMG in Bangladesh



**Kazakhstan and Central Asia**  
**Saken Zhumashev**  
Managing Partner  
KPMG in the Caspian

# Family office perspectives



**Abdulmohshin Alomran**

Chief Executive Officer  
The Family Office



# Sustaining the Legacy of Families in the GCC

**Abdulmohsin AlOmran**  
Founder & CEO – The Family Office



With roots in the region and offices around the globe, we offer two decades of experience in wealth and asset management



6

global offices

\$2bn

AuM

750+

clients

20

years

160+

employees



# Our regulatory compliance extends across seven jurisdictions worldwide



## The Family Office



### Bahrain

The headquarters established in 2004, regulated by the Central Bank of Bahrain as a Category 1 investment firm



### Riyadh

Regulated by the Capital Markets Authority (CMA) since 2018. Authorized to carry out arranging and advisory activity, and managing investments and operating funds, with respect to securities



### Dubai

Regulated by the Dubai Financial Services Authority (DFSA) since 2022 as Category 4 to perform arranging and advisory services

## Petiole Asset Management



### Zurich

Regulated by the Swiss Financial Market Supervisory Authority (FINMA) since 2019



### New York

Regulated by the Securities and Exchange Commission since 2010, focusing on investment opportunities in the United States



### Hong Kong

Regulated by the Hong Kong Securities and Future Commission since 2010, focusing on investment opportunities in Asia

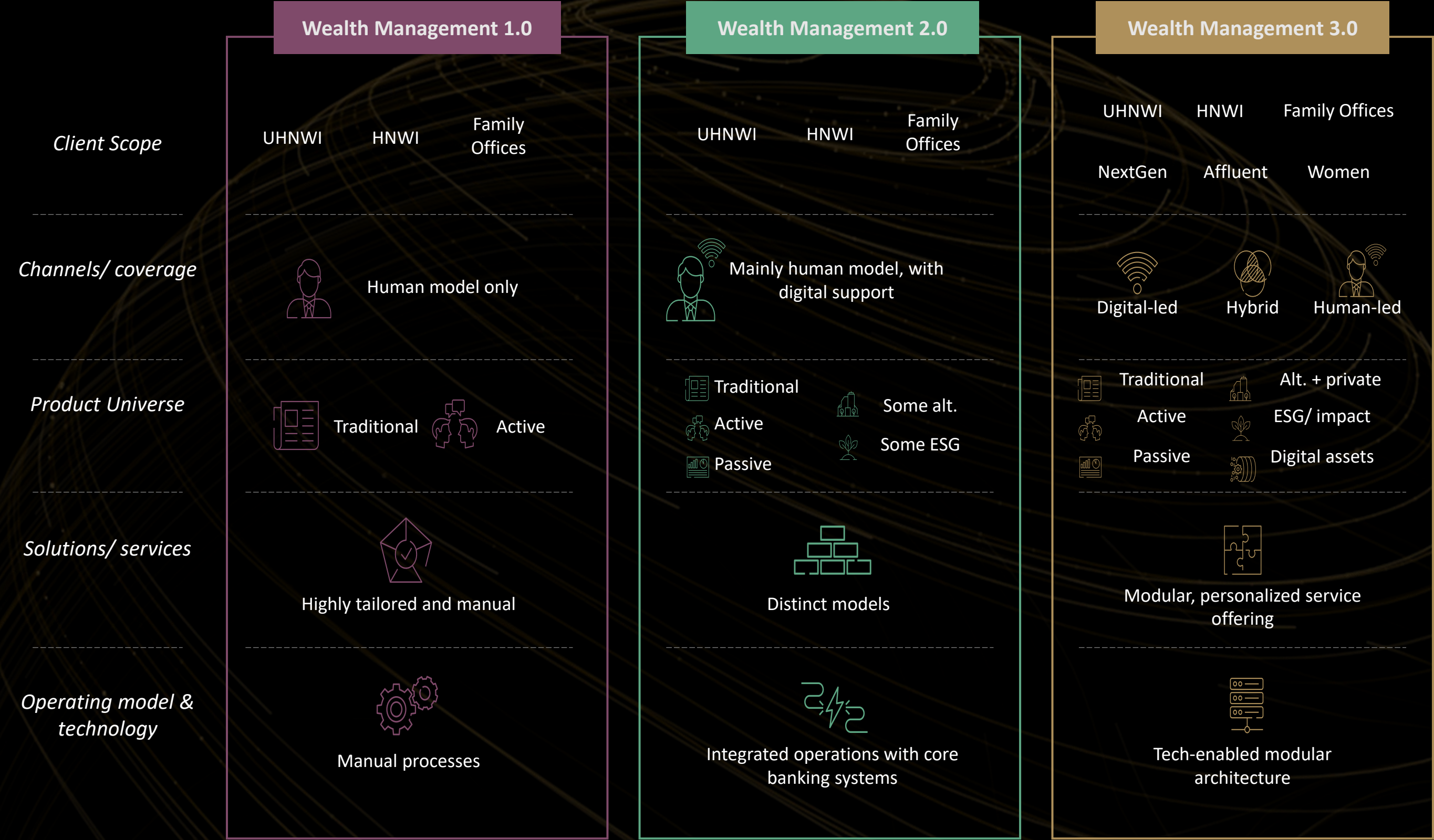


### Cayman Islands

Regulated by the Cayman Islands Monetary Authority (CIMA) since 2004, including updated regulations and licensing requirements in 2022



# The Wealth Management Industry is on the cusp of the next evolution stage



# The Family Office has broken the Wealth Management 3.0 barrier



## The Family Office Wealth Management 4.0



### Holistic Auto-Advice

Empower clients to make informed investment decisions through digital platform



### Personalized Solutions

Offer clients personalized investment solutions and services that cater to their needs



### Data-driven Operations

Embedded data throughout the wealth management value chain, from front office to back office

The Family Office is planning for Wealth Management 5.0



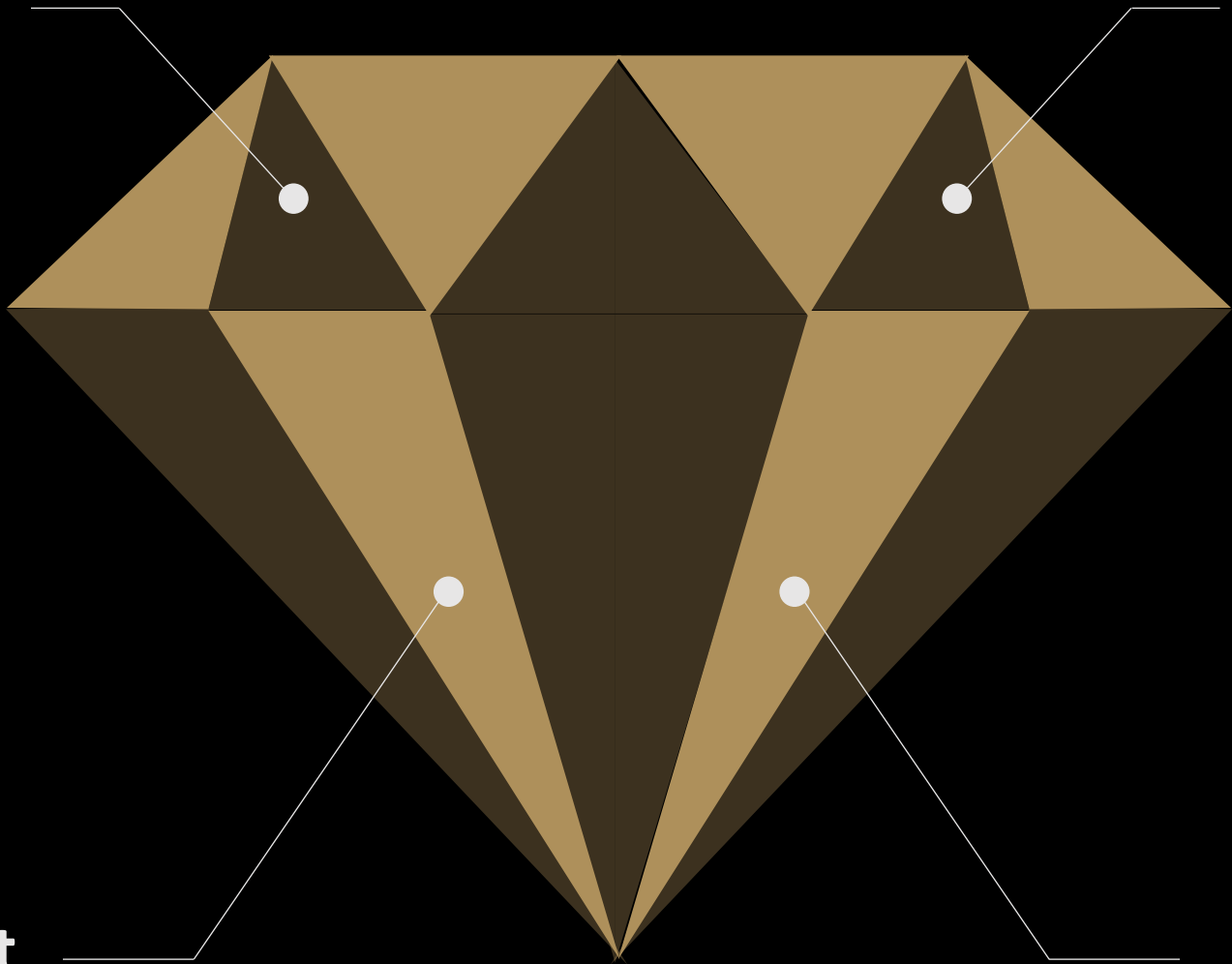
To achieve Wealth Management 4.0 with innovation in mind, the four Cs of digital transformation need to be considered

Commitment  
from senior  
management  
and the Board

Client-  
Centricity

Cost

Culture





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# Commitment from senior management and the Board



# Get your Board on board

## Leadership Alignment

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- Ensure that senior management and the board are fully committed to the digital transformation plan.
- This alignment sets the tone for the entire organization and demonstrates a united front in pursuing the new vision.



## Strategic Vision

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- Senior management and the board must be actively involved in defining & articulating the strategic vision for digital transformation.
- They need to provide clear direction on the desired outcomes and goals.





# Our Boards of Directors have supported the digital cause since the start



The Family Office Co.  
BSC (c)



Robert Castrignano  
Chairman



Pierre-André Genillard  
Vice Chairman



Vicky Wong  
Board Member



Abdulmohsin Al Omran  
Board Member and CEO



Adel Al Mangour  
Board Member



John Webley  
Board Member



The Family Office International  
Investment Company



John Webley  
Chairman



Khalid Al Sharif  
Deputy Chairman



Abdulaziz Al Rebdi  
Board Member



Abdulmohsin Al Omran  
Board Member



Ali Al Gwaiz  
Board Member



Robert Castrignano  
Board Member



Petiole Asset  
Management AG



Pierre-André Genillard  
Chairman



Holger Demuth  
Vice President



John Webley  
Board Member



Abdulmohsin Al Omran  
Board Member



Robert Castrignano  
Board Member



Massimo Calderan  
Board Member



# We have identified three key challenges that wealthy families face in the GCC

## The Wealth Challenge



### Struggle to Maintain Lifestyle

As the founder ages, the pool of wealth is subdivided among a greater number of heirs



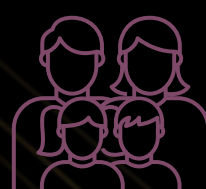
### Pressures on Sustained Living Standards

The cost of living extremely well has increased 10 times over the last 40 years



### Lack of True Diversification

True diversification can only be achieved through investment in non-correlated asset classes globally



### Maintaining Family Legacy Post the Patriarch Life

Managing and investing the inheritance to maintain family legacy to transition through generations

# Families are unable to preserve wealth across generations

**7 of 10**

wealthy families lose their fortune by the **second generation**



**9 of 10**

wealthy families lose their wealth by the **third generation**





# As market dynamics continue to evolve, they put clients' trust in their wealth managers to the test



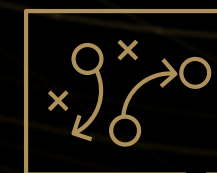
Increase adoption of digital channels



Increase client sophistication levels

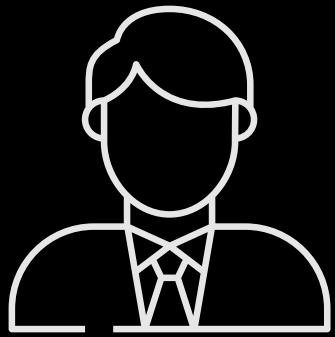


Changing demographics of clients as wealth transfers generations



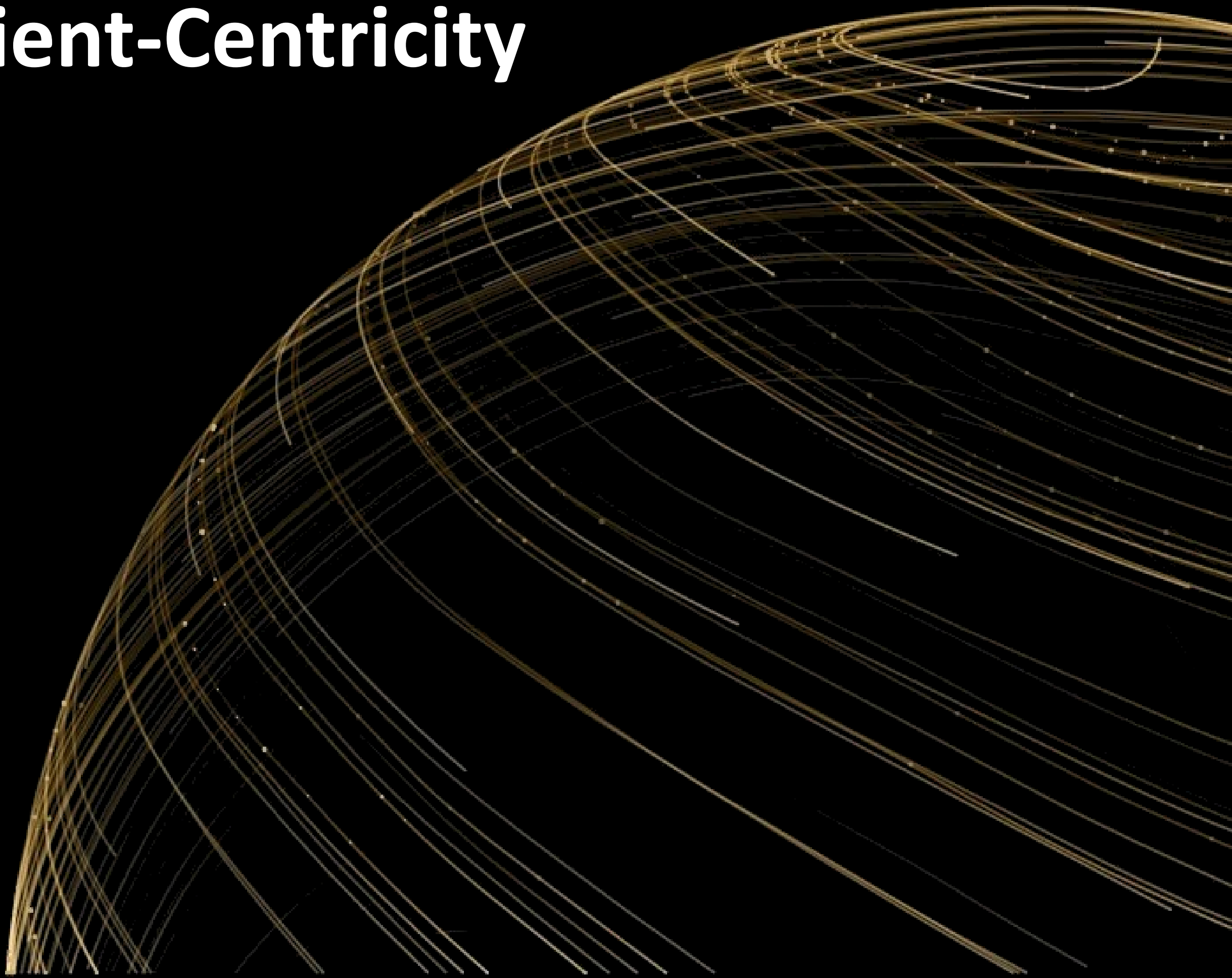
Global geopolitical instability

Gaining and maintaining client trust has become more important than ever



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# Client-Centricity





Clients should be at the heart of the digital transformation agenda



Innovation is less about producing something new and more about **enabling something important for customers**

- Clayton Christensen



Clients should be at the heart of the digital transformation agenda



You have to start with the **customer experience**, and work back toward the technology

- Steve Jobs





# A winning value proposition is client-focused



**Client-focused**

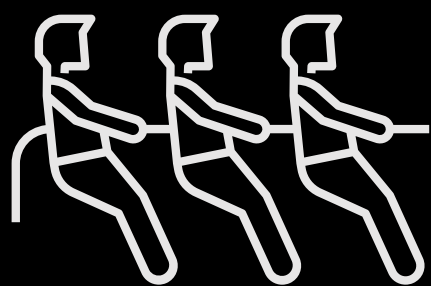


**Investment-  
driven**



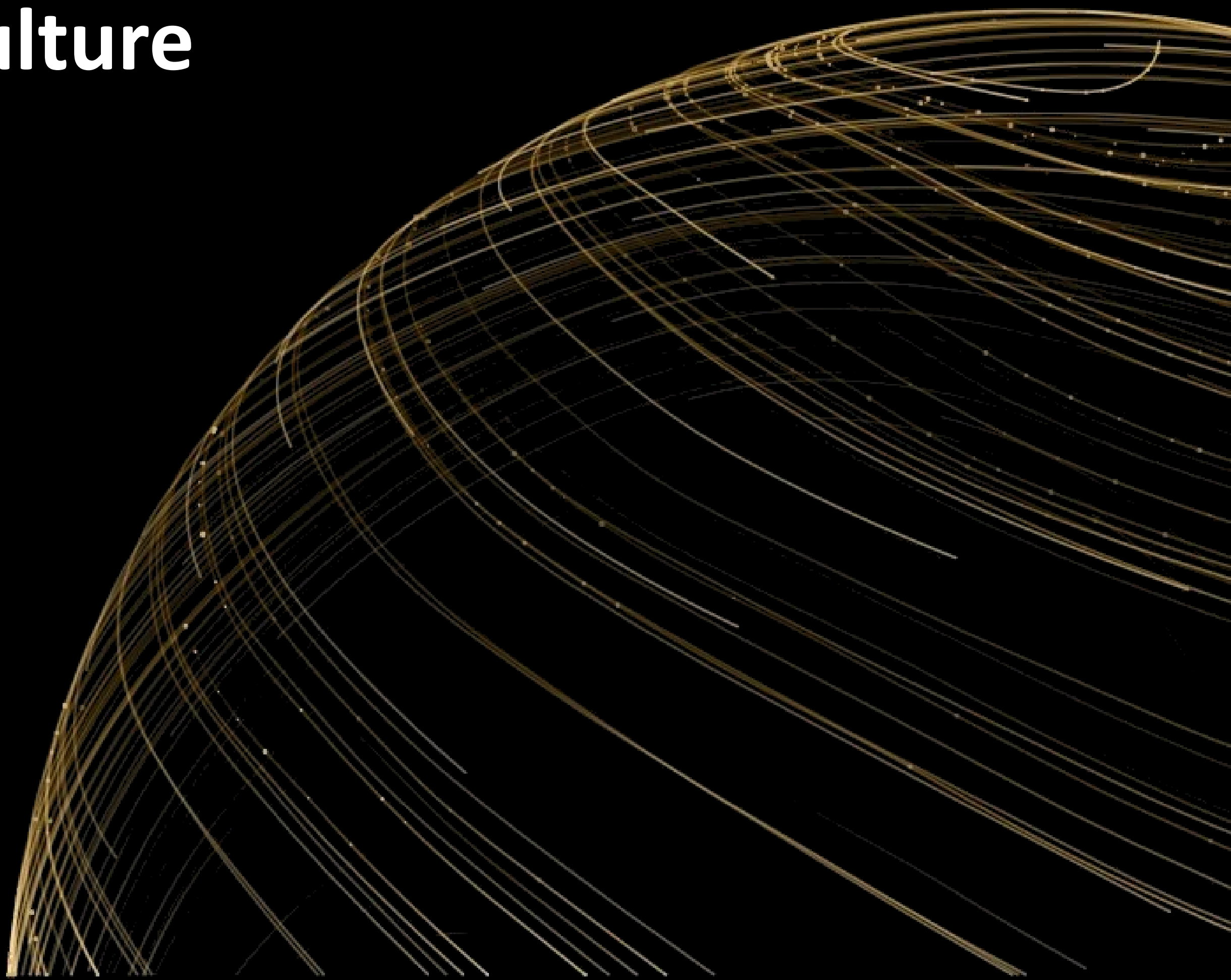
**Operationally-  
effective**



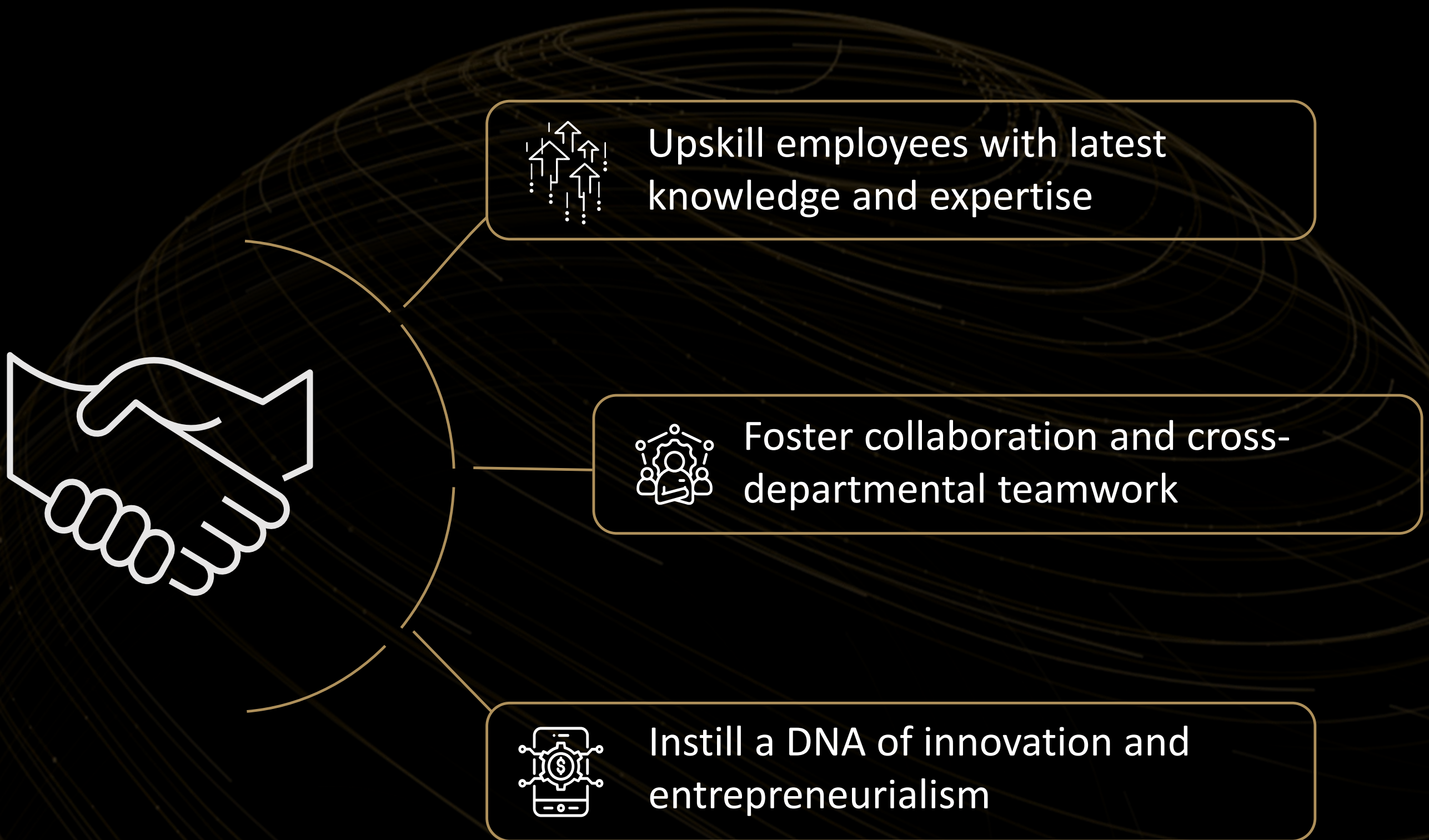


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# Culture



# It is imperative to build a culture that fosters knowledge, collaboration and innovation





# Establishing a resilient culture entails ongoing investments in both people and technology

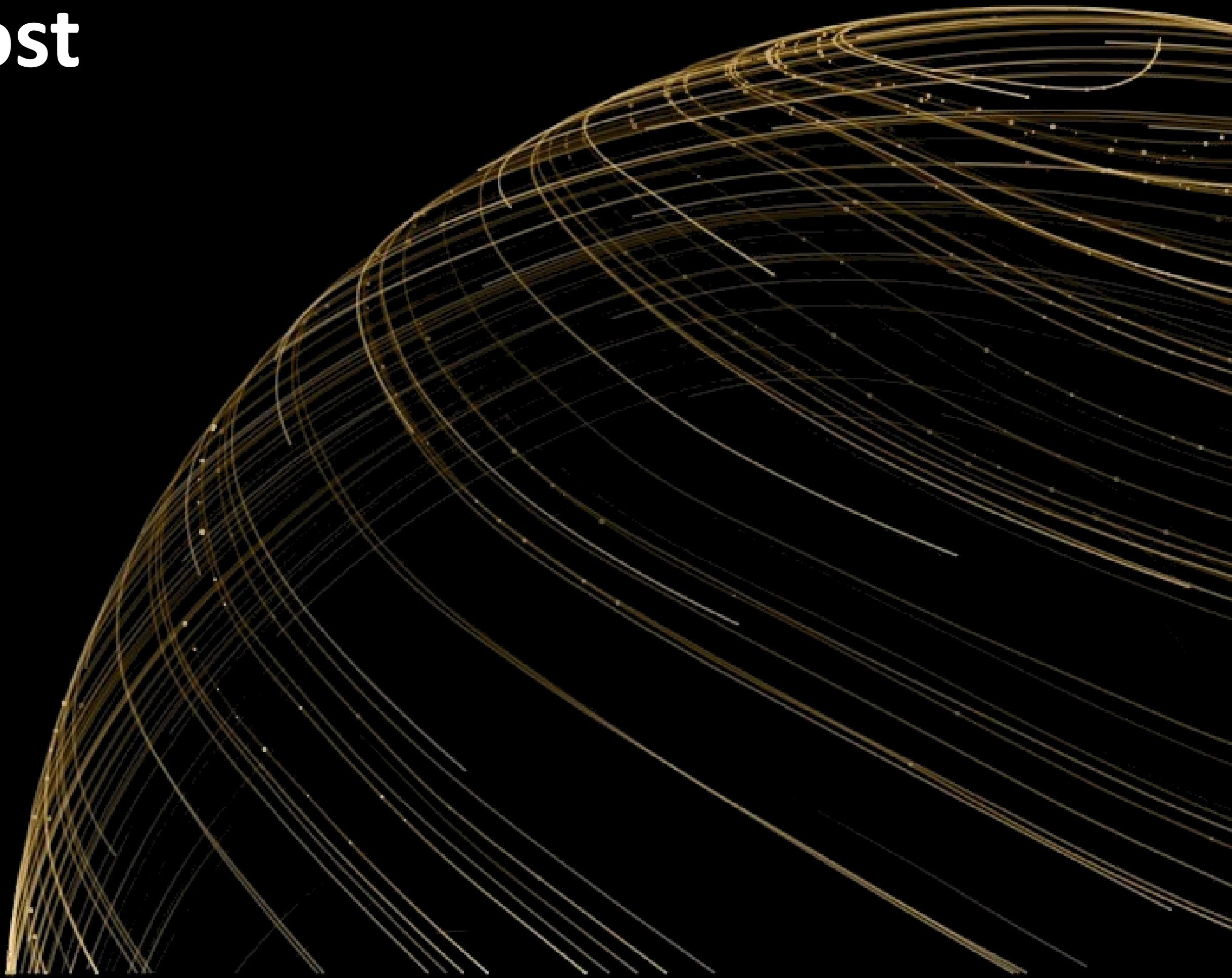


The Fintech Lab serves as an incubator-style hub, facilitating global team connectivity and propelling innovation throughout the entire client journey



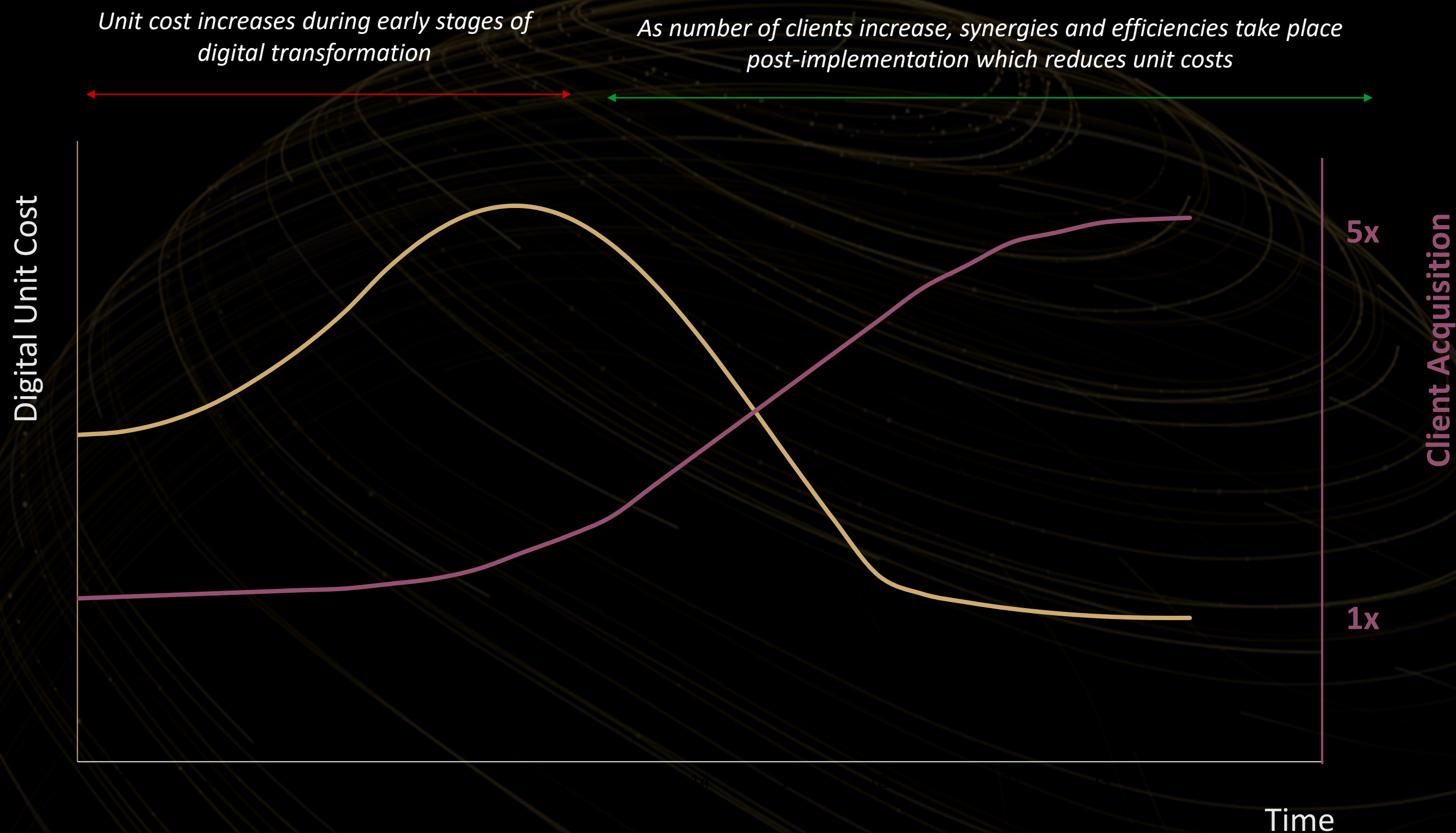
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# Cost





# Short-term costs may rise during digital transformation, but unit costs will subsequently decrease



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# Outcome





**Wealth Management 4.0 is a holistic and integrated digital solution suite that is centered around client needs**

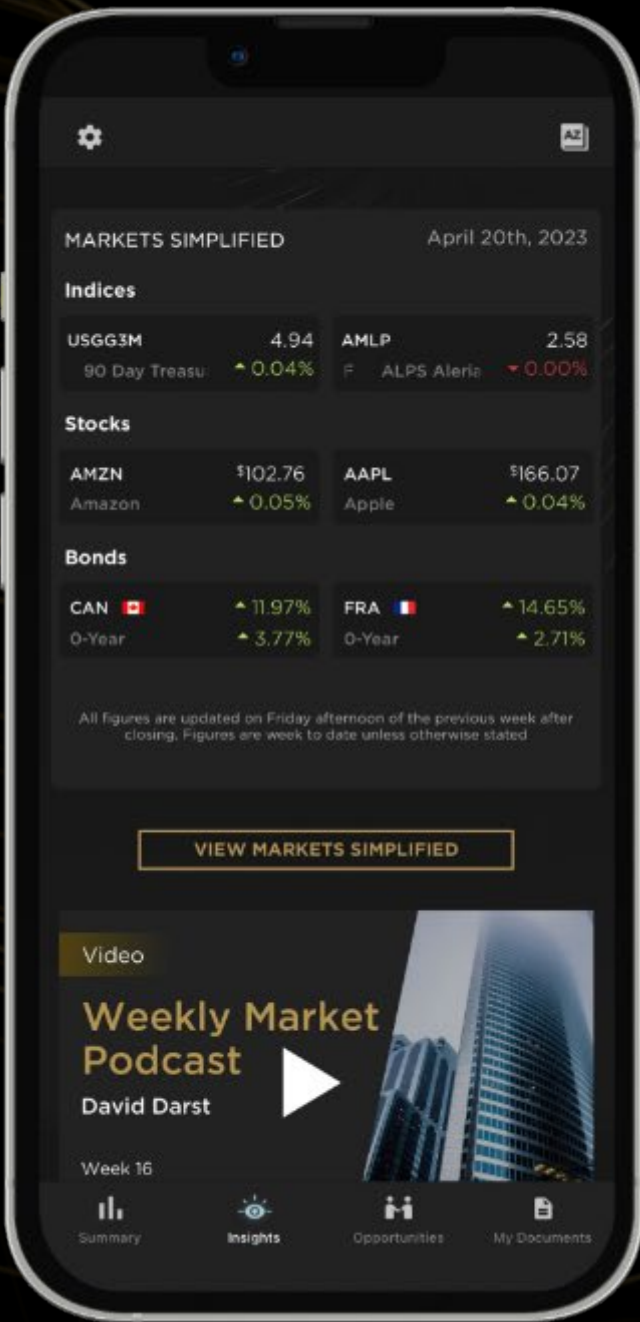
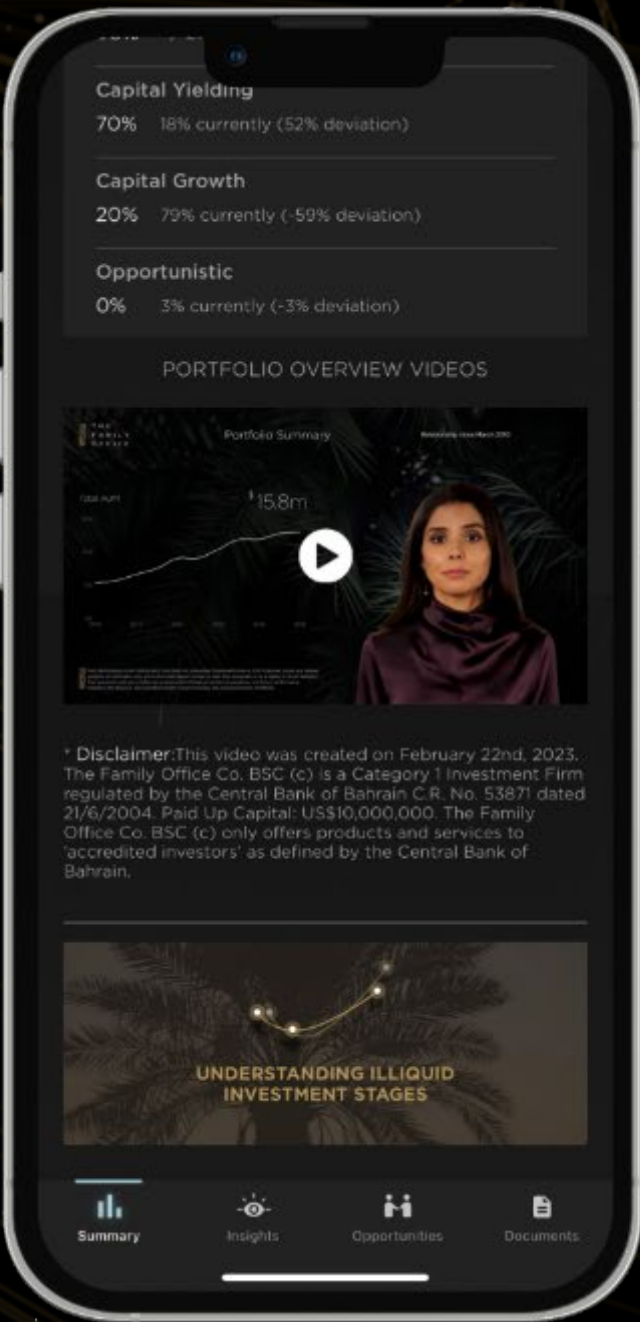
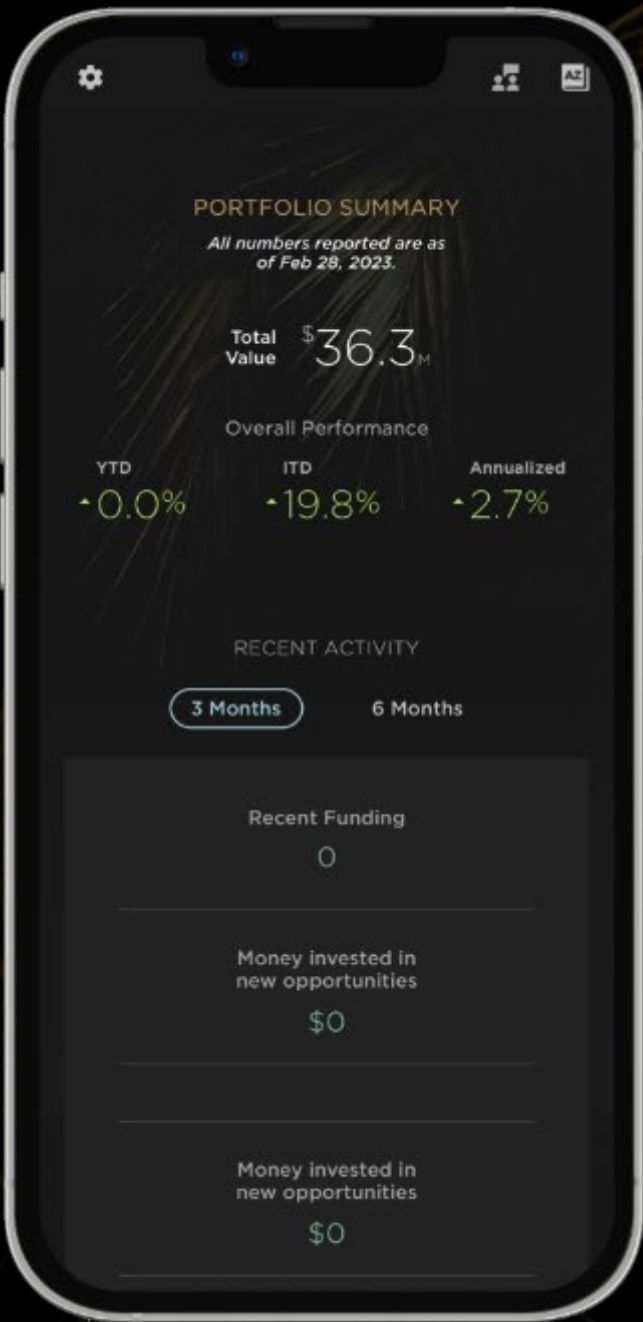


# The Family Office Mobile Application: One-Stop destination for all your portfolio and investment needs



## Opportunities

Browse all available deals and mark the ones you're interested in.



## Dashboard

Speak to experts, explore personalized news, educational resources, and investment opportunities.

## Documents

View monthly and quarterly reports and automated videos displaying portfolio updates.

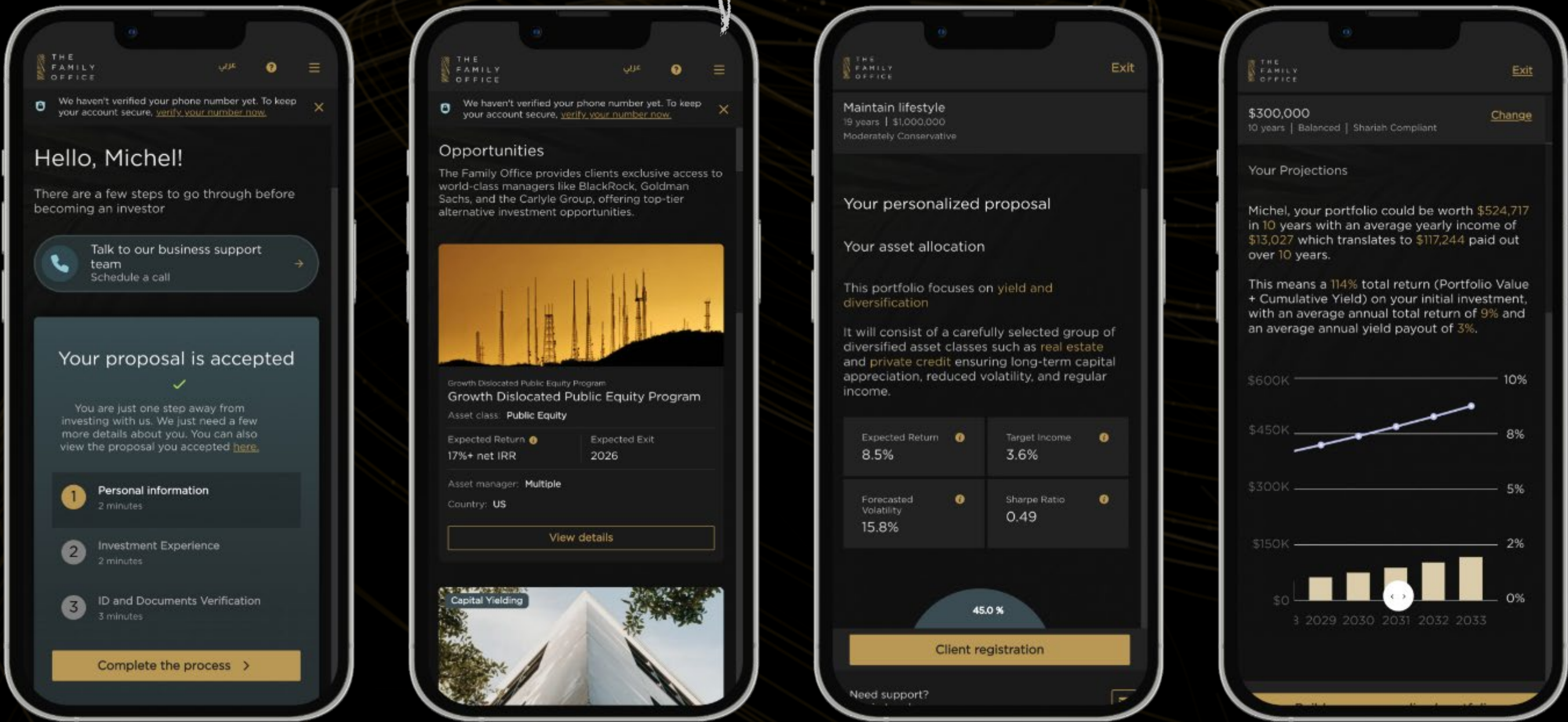


# Digital Investment Platform: Kick-start your investment journey digitally with the click of a button



## Seamless Experience

Simple step-by-step process: Define your goals, simulate your portfolio performance, and gain full view on how your investment will work.



## Visibility

A full view of our existing private market opportunities from around the world before you start investing.

## Convenience

End-to-end digital onboarding experience and a world-class platform that simplifies investing in private markets.

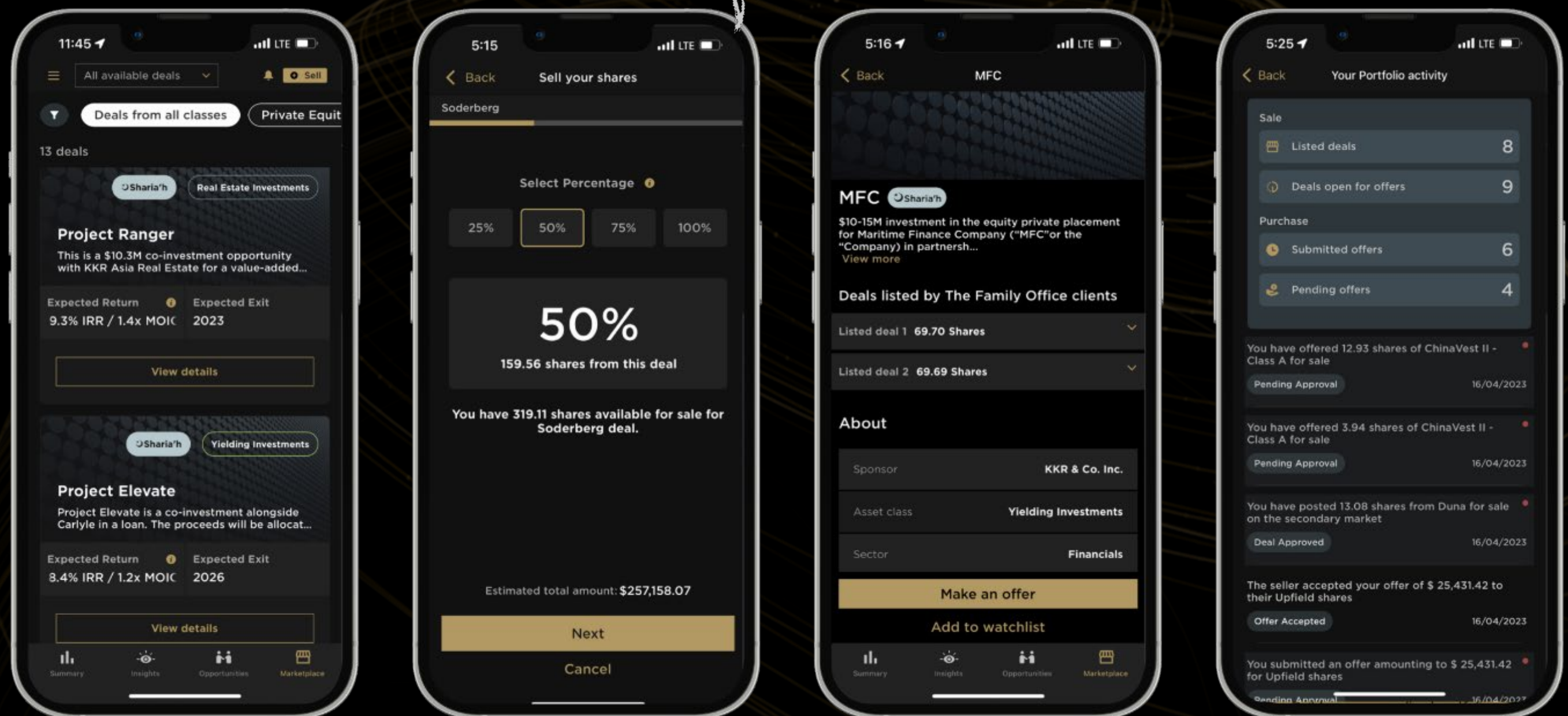


# Secondary Marketplace: control the liquidity of your private market portfolio



## Diverse asset classes

Investors can buy and sell illiquid investments including private equity, private credit and real estate.



## Comprehensive dashboard view

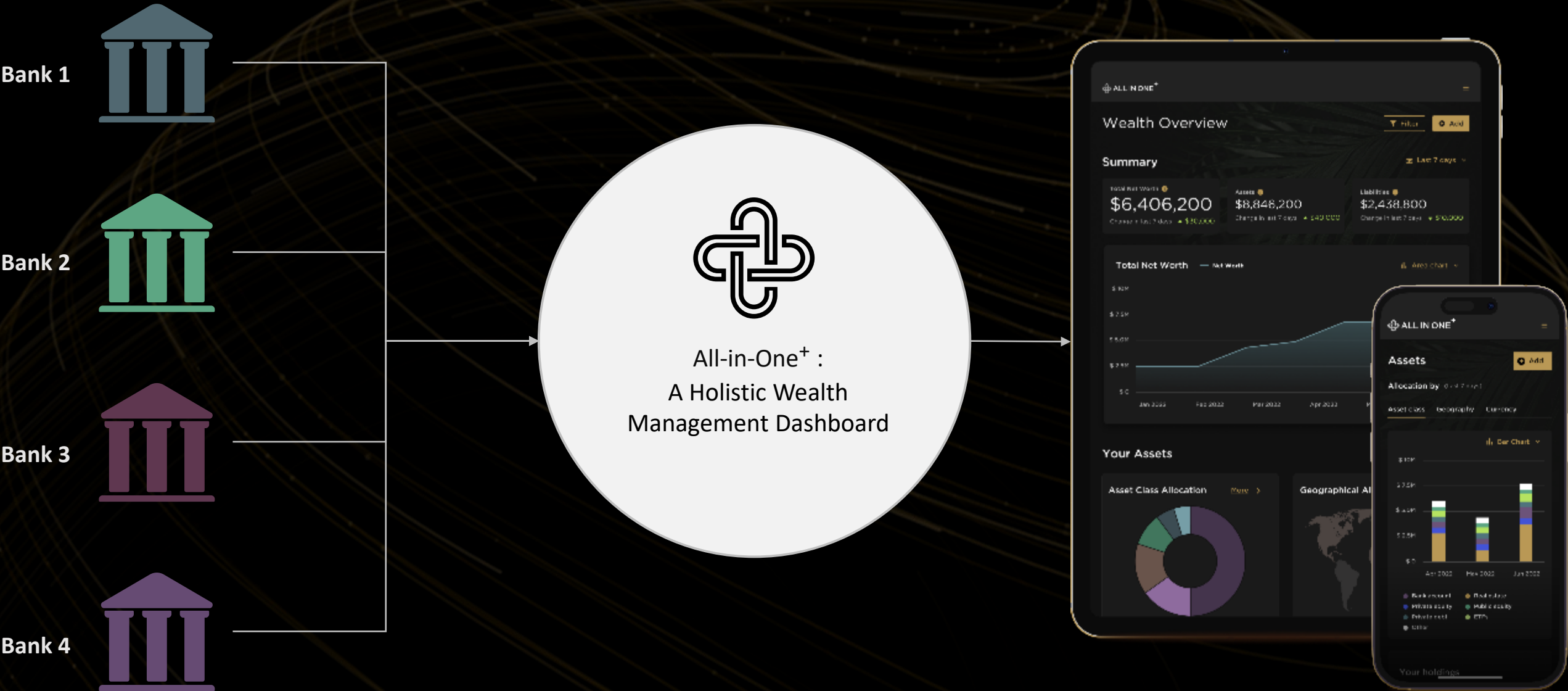
Comprehensive, up-to-date information about the opportunities available, including historical performance, expected returns and expected exit dates.

## Privacy and transparency

All transactions on the Marketplace are secure and anonymous.



# All-in-One+ combines your assets and investments in one platform

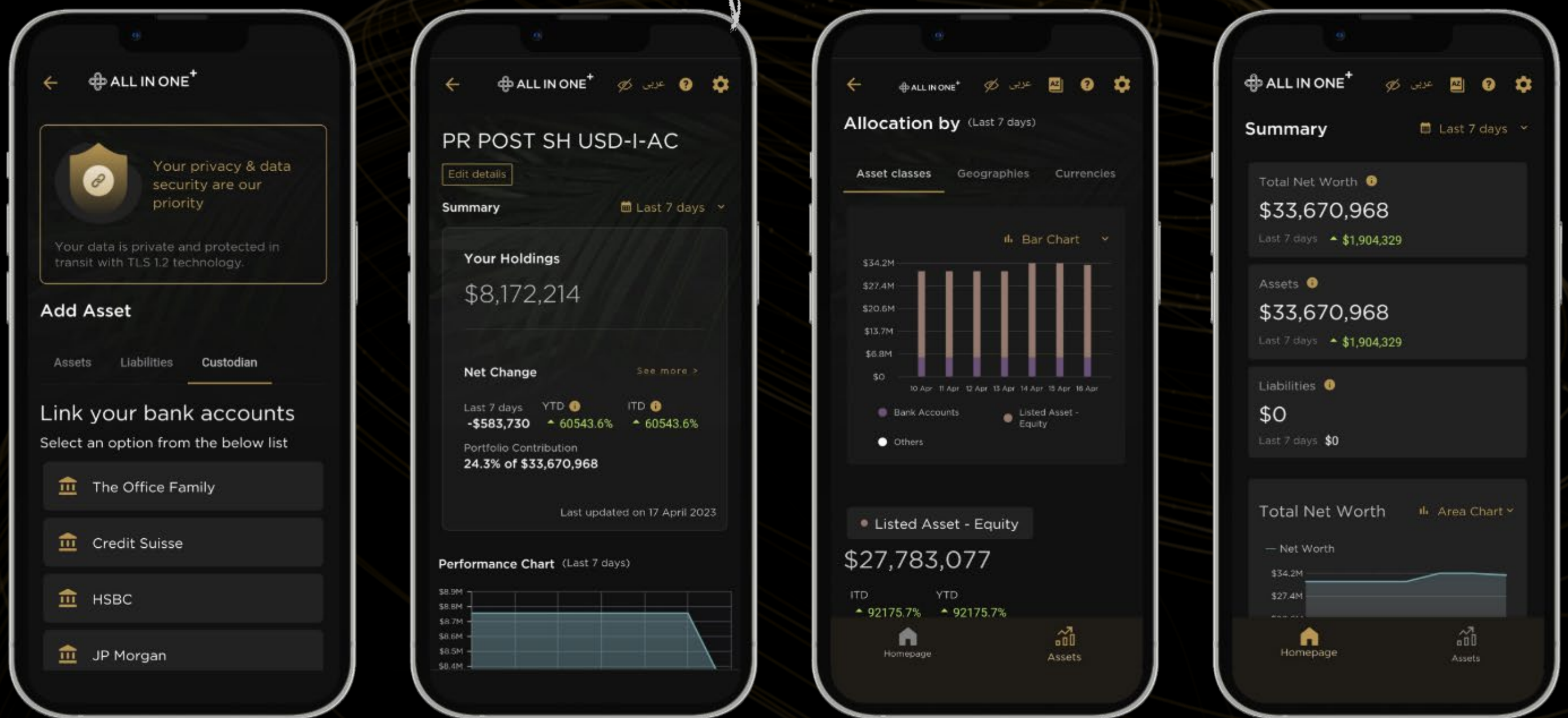


# All-in-One+ combines your assets and investments in one platform



## Asset details

Asset details include value, net change and portfolio contribution.



## Wealth overview

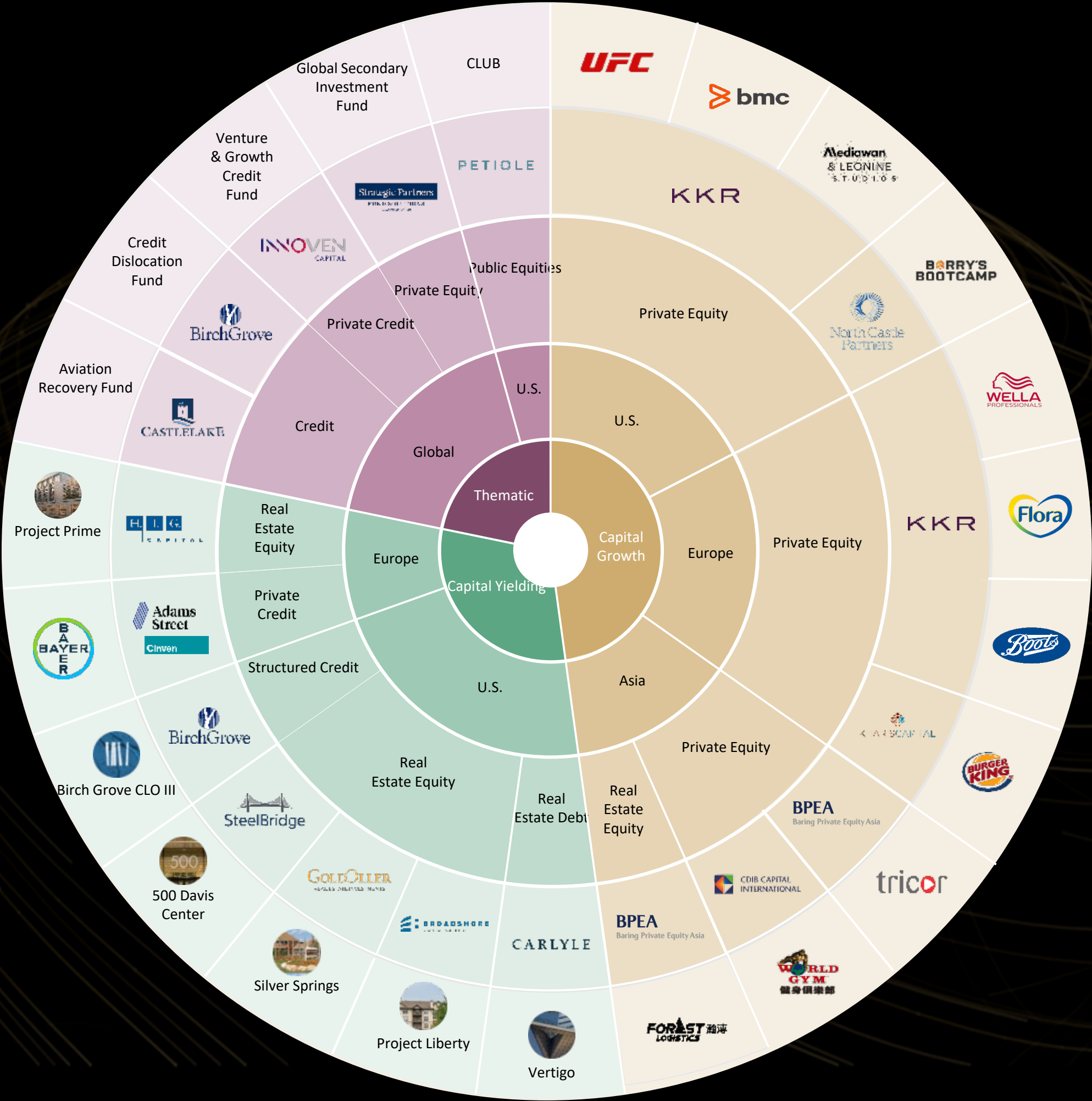
Wealth overview summarizes your assets by asset class and geography in different graphical formats.

## Performance reports

Performance data includes asset class performance, comparison to benchmarks and comparison of custodians.



# Wealth Management 4.0 – now accessible to you and your family



# Thank You

A large, abstract graphic in the bottom right corner of the slide. It consists of numerous thin, golden-yellow lines that curve and sweep upwards and outwards, creating a sense of motion and forming a large, dome-like or hemispherical shape against the black background.





Private Enterprise

# Keynote: Building and sustaining the family business legacy



## **Prof: Andrea Calabrò**

**Professor of Family Business & Entrepreneurship,  
Co-Director of IPAG Entrepreneurship & Family  
Business Center School,  
Global Academic Director of the STEP Project  
Global Consortium**

# Building and Sustaining the Family Business Legacy

**Prof. Andrea Calabrò**

[a.calabro@ipag.fr](mailto:a.calabro@ipag.fr)





# What is Legacy?



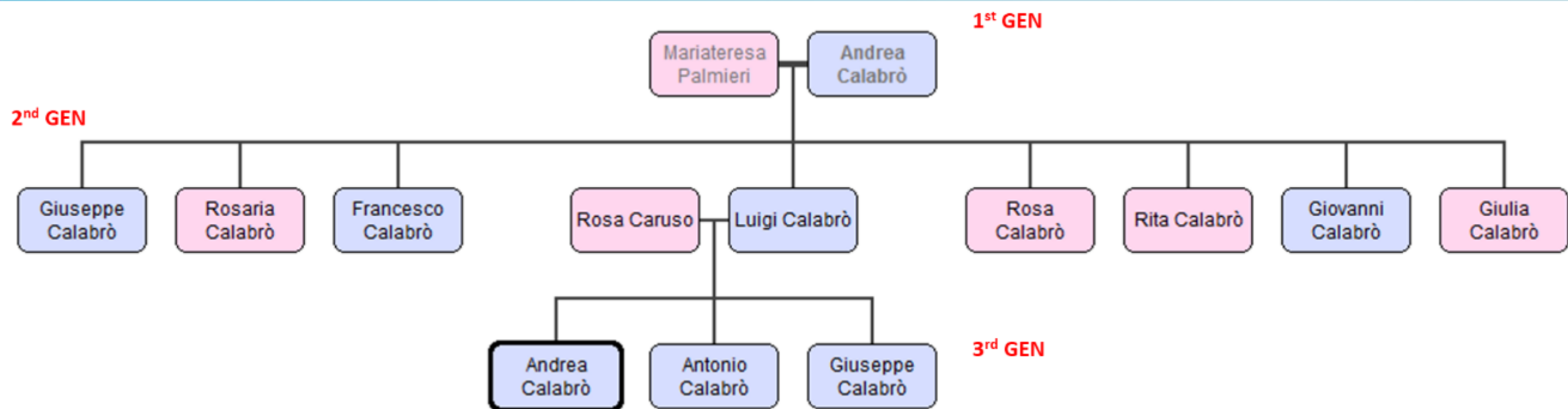


# What is Legacy?





# The Calabrò Family



# My Family Story is My Research

Received: 28 February 2015 | Revised: 11 November 2017 | Accepted: 27 November 2017 | Published on: 30 January 2018  
DOI: 10.1002/smj.2760

WILEY

STRATEGIC MANAGEMENT JOURNAL

RESEARCH ARTICLE

The courage to choose! Primogeniture and leadership succession in family firms

Andrea Calabro<sup>1,2</sup> | Alessandro Minichilli<sup>3</sup> | Mario Daniele Amore<sup>4</sup> | Marina Brogi<sup>5</sup>

STRATEGIC MANAGEMENT JOURNAL

Research Article  
Primogeniture and leadership succession in family firms: The role of socioemotional wealth  
Andrea Calabro, Alessandro Minichilli, Mario Daniele Amore, Marina Brogi  
Abstract  
This study examines the role of socioemotional wealth (SEW) in the selection of the successor in family firms. We propose that SEW moderates the relationship between primogeniture and leadership succession. Specifically, we argue that when SEW is high, the selection of the firstborn is more likely. Conversely, when SEW is low, the selection of the second or subsequent born is more likely. We test these hypotheses using data from 1,000 family firms in Italy. Our findings suggest that appointing a family firstborn sibling is more likely when there is a high degree of SEW endowment and the family firm has pre-succession performance below aspiration levels. Next, we find that appointing a second- or subsequent-born sibling has a positive and significant effect on post-succession firm profitability, particularly when the firm is in its second generation or later.

## Firstborn

ACHIEVERS

CLOSER TO  
PARENTS

CREATIVE

CHALLENGE THE  
STATUS QUO

INNOVATIVE



# My Family Story is My Research

## THE WALL STREET JOURNAL.

**Family-Business Owners, Beware: The Oldest Perhaps Should Not Be First**

Companies that pick later-born children as CEOs show better performance,



The Roy children in an episode of HBO's "Succession." (Kieran Culkin, Jeremy Strong, Alan Ruck, Sarah Snook)

PHOTO: PETER KRAMER/HBO

**MY LEARNING:** Sticking to Traditions and Preserving Social Norms to Perpetuate Family Legacy Can Sometimes Lead to Problems!

# Legacy: A Journey Through Time and Meaning

## DEFINING LEGACY

Derived from Latin “**legatus**,” signifying an ambassador’s duty to pass on messages



## LEGACY IN MODERN TIMES

- Legacy as a reflection of one’s impact and contributions to future generations



## HISTORICAL CONTEXT

Legal origins in Roman law as “**legatum**,” a bequest in a will



## BEYOND TANGIBLE ASSETS

- Intangible elements such as traditions, culture, values, and knowledge





# When Does Individual Legacy Start?

## GENERATIVITY

### CONCERN

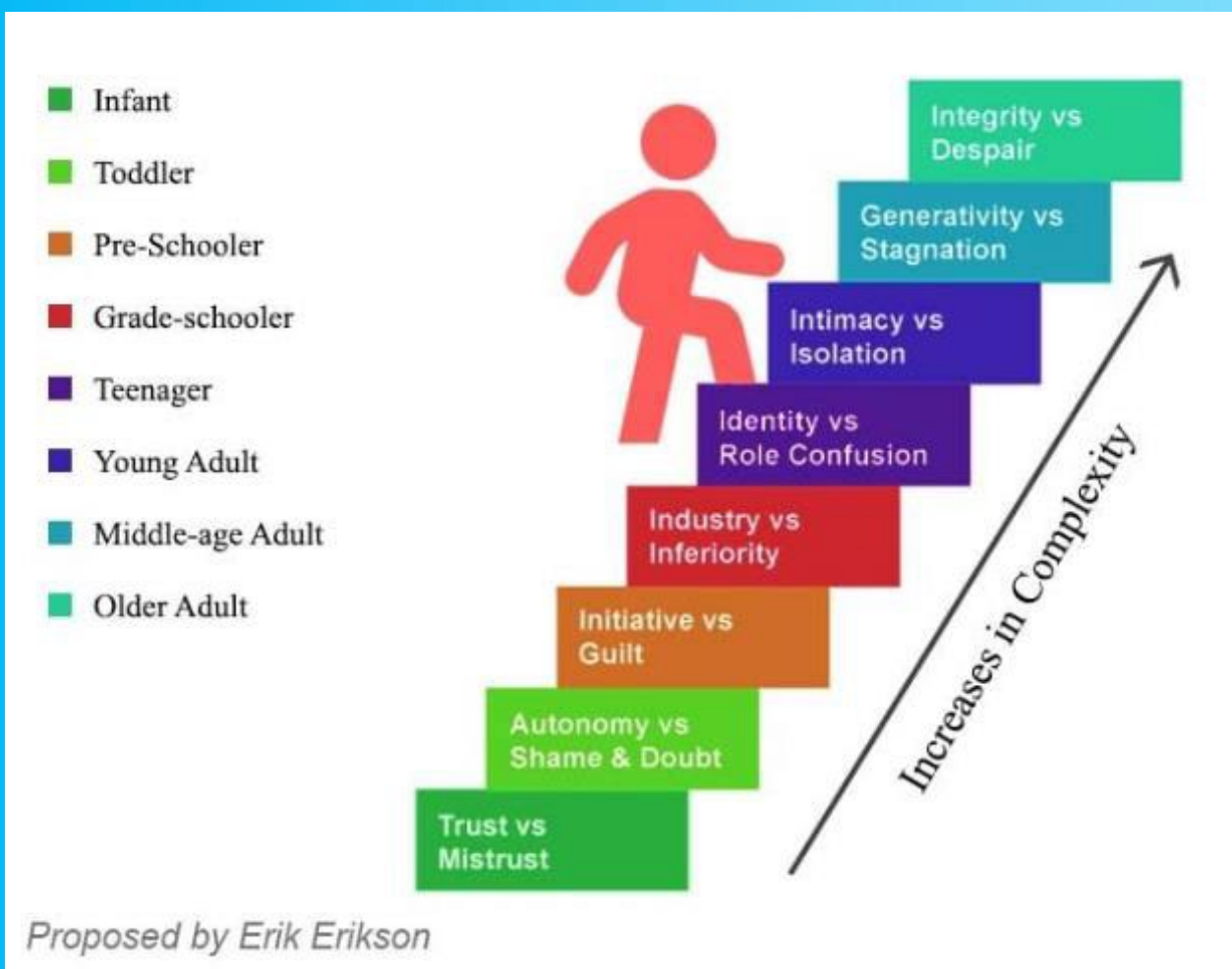
Contribute to the welfare and development of future generations

### ACTION

Nurturing, mentoring creating, and ensuring the growth of others

### NARRATION

It extends one's values into the future, beyond personal existence.



# Which Legacy Actors?

SENDER(S)

RECEIVER(R)





# Types of Legacy



## BIOLOGICAL

Preserving the family name and bloodline and a commitment to the well-being of others connected to the firm.



## MATERIAL

Physical items that have sentimental value, such as heirlooms, property, family wealth.



## IDENTITY

Shared family stories, rituals that weave the family's identity, values and history into the business.



## SOCIAL

The family's focus on community relationships and in making the world a better place.

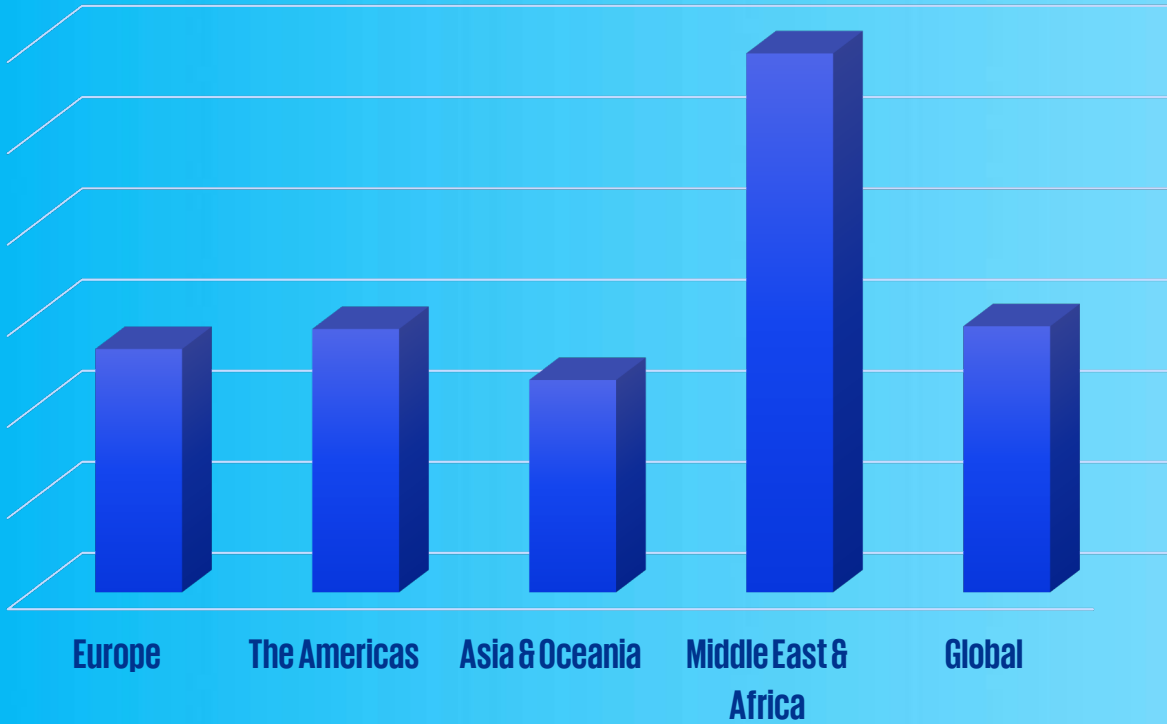


## ENTREPRENEURIAL

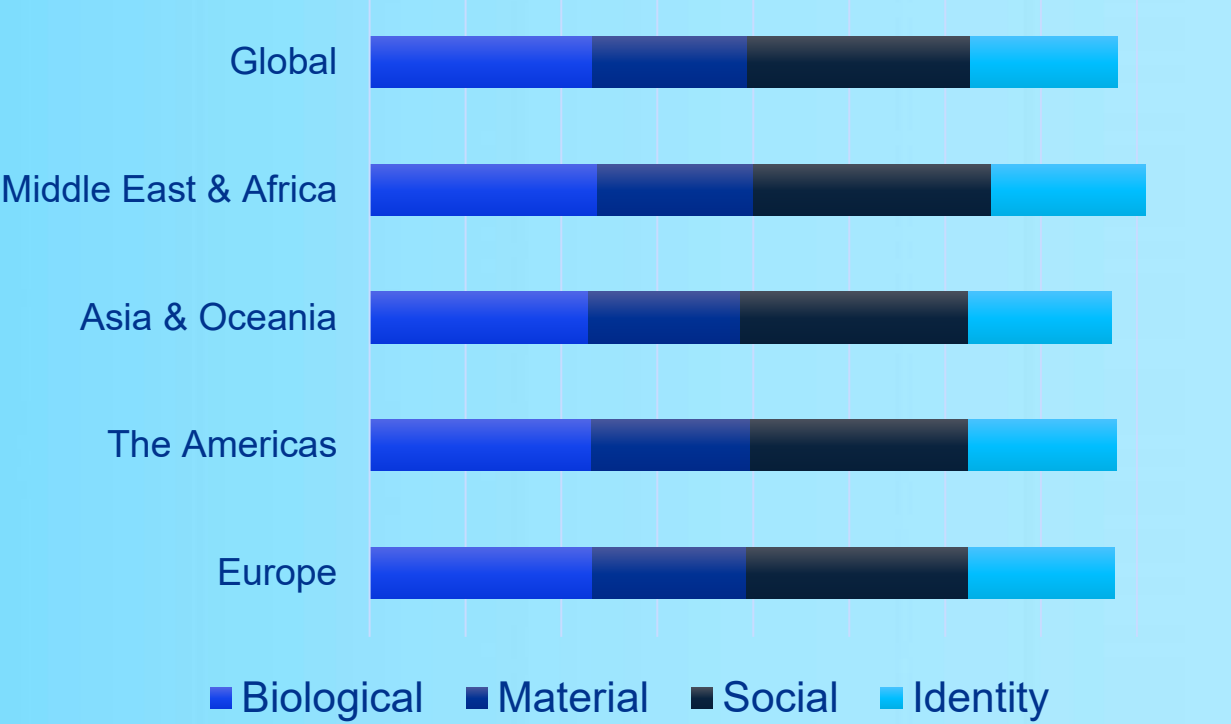
The family's rhetorical reconstruction of past entrepreneurial achievements or resilience.

# The STEP Project-KPMG Global FB Survey 2023

Legacy

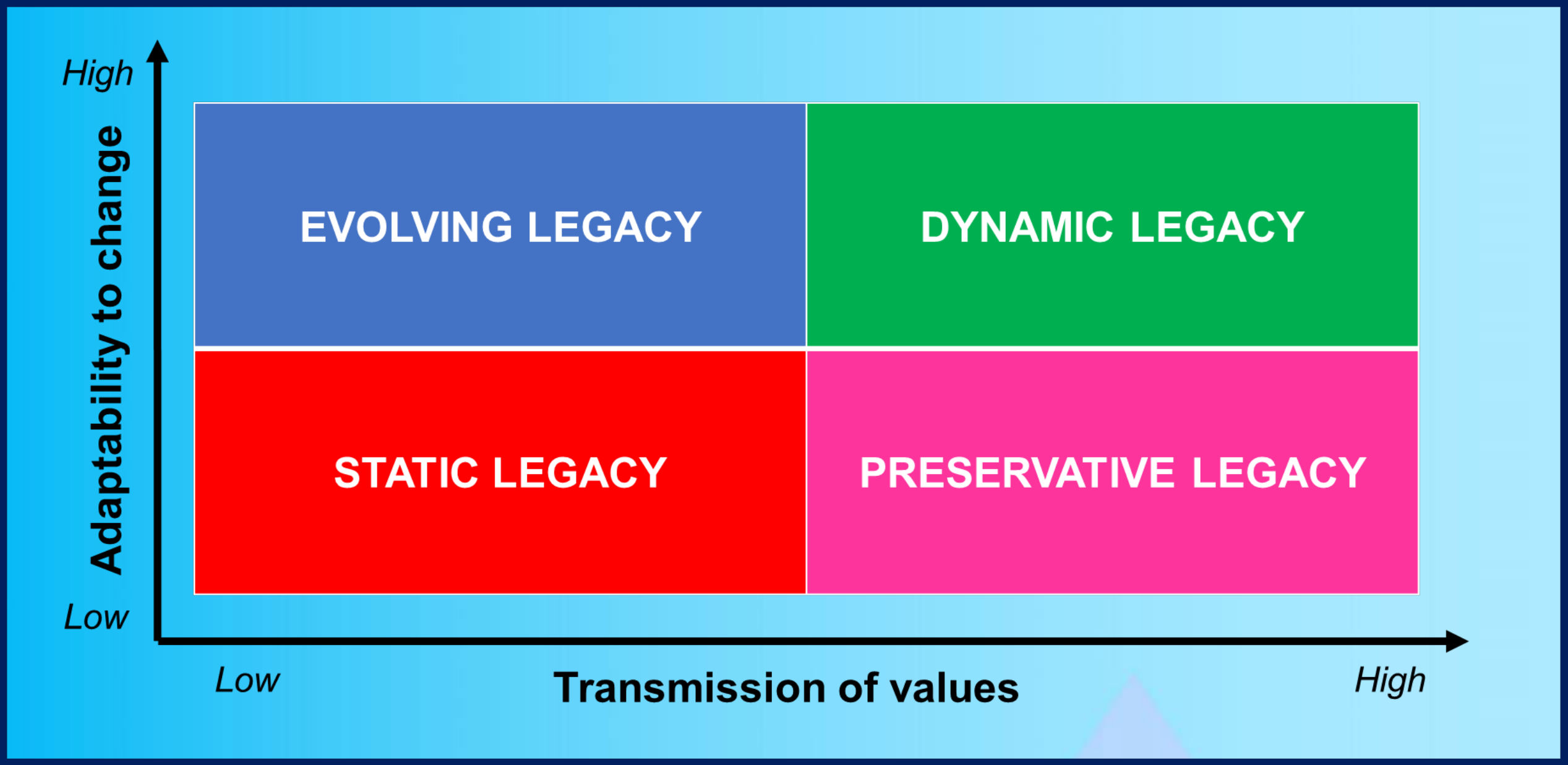


Legacy Components





# The Legacy Matrix



# Legacy Examples



**Country:** Germany

**Year the business was started:** 1876

**Name of the founder:** Fritz Henkel  
(1848–1930)

**Activity/industry sector:** Consumer brands and technologies, laundry and home care, cosmetics/toiletries and adhesives.

*Fritz Henkel*

*Düsseldorf, December 22, 1899*

*My Dear Fritz,*

With this letter I confer in you the power of attorney in our company, and I have no doubt in my mind that it will fill you with pride just as it fills me with pride to hand it over to you. You know, my dear son, that your duties are many and your responsibility is almost as great as mine. You are now called to work at expanding our business and removing part of my job from my tired shoulders.

I feel sincerely happy and relieved to have found a devoted employee in you.

With all my love,

*Your father*



*Fritz Henkel Sr., 1876*



*Fritz Henkel Jr., 1893*



# Legacy Examples



**Country:** Spain

**Year the business was started:** 1958

**Name of the founder:** Enric Bernat Fontlladosa

**Activity/industry sector:** Confectionery brands, Chupa Chups, Smint, Crazy Planet.

*Enric Bernat Fontlladosa to his children*

*To My Dear Children,*

Always try to bear in mind what your parents, in all modesty, have done: we have loved you dearly and respected your opinions. That's how we have managed to keep us united for fifty years of joy and prosperity. As each of you reached adulthood, we gave you 10% of the family patrimony in order to create a bond with it. Obviously, as each of you came into the family business, your characters started taking shape. During this period, to keep you all united, I had many long conversations with your mother, deciding, in some cases, to create related companies for some of you to manage or, in other cases, distributing separate responsibilities in the family business.

The purpose of a business should be to create wealth, prosperity and happiness for all family members. You know I always say, "satisfaction comes from a job well done." Time will tell whether we, the founders, have been wise in preparing the future and the continuity of Chupa Chups, our family business.

*Papa*

# Legacy Examples

## Khalid Abunayyan, Chairman

Abunayyan Holding Company, Saudi Arabia — An enduring sense of purpose to support a sustainable future



**“I want to make sure this is an institution that will continue for the next 100 years.”**

## Giuseppe Lavazza, Deputy Chair

Lavazza Group – A legacy built on timeless values



**“We sit on the shoulders of the giants who came before us, and we are part of a story that is bigger than us.”**

## Alfonso Urrea Martin, CEO

Grupo Urrea (Tools and Locksmith Division) – Preserving the family's social legacy



**“The tradition of caring for the well-being of employees has always been maintained.”**

## Margaret Hirsch, Executive Director

Hirsch's, South Africa — A champion for women in family business



**“The Hirsch siblings are free to build their own legacy.”**



# 'To Dos' to Build Family Business Legacy

ROOTS	Define/nurture values, beliefs, traditions & stories.
CULTURE OF CONTNUITY	Develop sense of purpose and belonging, rituals & family governance structures & mechanisms.
NAVIGATING THE LEGACY PARADOX	Honoring the past while embracing the future.
STRATEGIES TO CULTIVATE LEGACY	Intentionality and effort. Define, communicate and live your legacy.

# 'To Dos' to Build Family Business Legacy



STEP PROJECT  
GLOBAL CONSORTIUM  
FOR FAMILY ENTERPRISING



GLOBAL  
FAMILY  
BUSINESS  
SUMMIT  
15 | 17 Maggio 2024  
Lloyd's Baia Hotel, Vietri sul Mare (SA)  
COSTIERA AMALFITANA

THE PATHWAY TO GOOD  
Sustaining Family Business  
Legacy for Wellbeing



UNIVERSITÀ DEGLI STUDI  
DI SALERNO



FONDAZIONE PER LO SVILUPPO  
ECONOMICO E SOCIALE



CREDITO ITALIANO  
BANCHE E SERVIZI PER LE IMPRESE



CONFINDUSTRIA  
SALERNO

**GLOBAL FAMILY BUSINESS SUMMIT**  
15 | 17 Maggio 2024  
Lloyd's Baia Hotel, Vietri sul Mare (SA)

THE PATHWAY TO GOOD.  
Sustaining the Legacy of Family Businesses  
for Wellbeing.

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**Fondazione per lo Sviluppo Economico e Sociale**

  
**UNIONCAMERE**

  
**FamilyBusiness**



# Patron's discourse



**H.E. Abdullah bin Adel Fakhro**

Minister of Industry and Commerce  
Kingdom of Bahrain

# Panel discussion: Sustaining the legacy of family business



**H.E. Dr. Ghassan Al-Sulaiman**

Founder and Chairman, Ghassan Ahmed  
Al-Sulaiman and Partners Group,  
Kingdom of Saudi Arabia



**Hala F. Al Moayed**

Executive Director, Y.K. Almoayyed &  
Sons Group,  
Kingdom of Bahrain



**Ameena Mariam Ziauddin**

President (Managing Director), Norfolk  
Foods (Pvt) Ltd.,  
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**Dr. Basma Al Zamil**

Zamil Group,  
Kingdom of Saudi Arabia

Moderated by:



**Prof. Andrea Calabrò**

Professor of Family Business &  
Entrepreneurship,





# ESG for Family Business



**Tom McGinness**

Global Leader of ESG, KPMG Private Enterprise  
formerly Global Chair of Family Business, KPMG

# ESG for Business Families

## **Tom McGinness**

Global Leader of ESG,  
KPMG Private Enterprise,  
formerly Global Chair of Family Business





# Environment

## Regulation

Regulatory change will impact 75% of KPMG Private Enterprise clients globally, for example CSRD ( Corporate Reporting Sustainability Directive) reporting in the EU by 2025.

## Customer choice

Clear evidence that customers are making buying decisions based on a Business Family's environmental strategy and tender optimisation is key.

## Supply Chain

Supply chains give rise to climate and social risks worldwide. Business Families are under pressure from regulators, consumers and investors to ensure their supply chains are sustainable, without this they run the risk of not being able to grow their business.

## Access to capital

Business Families have the opportunity to invest family wealth, for example in R&D to innovate new materials, processes and minimise waste and explore renewables.

## Innovation & Diversification

Digital innovation is being driven by Next Gen and diversification into adjacent sectors with greater margin being driven by family capital requirements.

# Social

## Community

Many Business Families already exhibit a high social value for their communities and have a strong sense of purpose and work with charitable organizations.

## Employees

Business Families can drive differentiation to attract and retain employee talent in a resource constrained market place.

## Supply Chain

Business Families need to be able to prove to their stakeholders that their supply chain is ethical. Organizations must act now to integrate respect for human rights in their supply chains and to protect their reputations, business relationships, and access to markets.

## B-Corp

B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.

## Philanthropy

Charitable foundations are increasingly being reviewed to ensure the objectives support the ESG strategy.

## Diversity & Inclusion

Increasing focus on the role of women in Business Families and the observance of human rights in supply chains.



# Governance

## Structure

Business families need to understand the tax implications & importance of governance structures & family dynamics as they look to transition and diversify their wealth.

## Risk

Risk management is a top priority for Business Families. Business Families need to ensure they have the right governance processes and people in place to identify and mitigate against risks.

## Tax governance

Every change to the operating model will have direct and indirect tax consequences, good governance includes paying the right amount of tax. There are also tax incentives to take into account, for example R&D incentives.

## Succession

In addition to having succession and contingency plans in place, Business Families are focusing on how to develop responsible owners ensuring they have the skills they need to lead and grow a sustainable business.

# A Business Family's ESG story





# Session – 3: Working session on Building and Sustaining YOUR Legacy

Facilitated by:



**Prof: Andrea Calabrò**  
Professor of Family Business &  
Entrepreneurship



**Robyn Langsford**  
Global Head of Family Business  
KPMG Australia



**Tom McGinness**  
Global Leader of ESG,  
KPMG Private Enterprise.



# Task 1: Reflect & Define What Legacy Means to You



- Select a single image that reflects your view of legacy.
- Discuss your selection and reasoning with your group.
- Together, formulate a unified definition of legacy, limiting it to a maximum of 20 words.



# Task 2:

## Discussing & Prioritizing Legacy Dimensions



### BIOLOGICAL

Preserving the family name and bloodline and a commitment to the well-being of others connected to the firm.



### MATERIAL

Physical items that have sentimental value, such as heirlooms, property, family wealth.



### IDENTITY

Shared family stories, rituals that weave the family's identity, values and history into the business.



### SOCIAL

The family's focus on community relationships and in making the world a better place.



### ENTREPRENEURIAL

The family's rhetorical reconstruction of past entrepreneurial achievements or resilience.

- Discuss the various types/ dimensions of legacy, drawing from your personal and family business experiences.
  - Who champions sustaining the legacy in your family business?
  - How is the legacy championed?
  - Are there differing views across generations?
  - Consider also whether the legacy may be a liability for some family businesses, if not considered/ managed appropriately.
- Work together to identify two key types of legacy crucial for the sustainability and success of your family business.
- On the flipchart, rank the different dimensions of legacy in order of priority, from 1 (highest priority) to 5 (lowest priority).

# Global and regional economic overview



**Omar Al-Ubaydali**

Director of Research

Bahrain Center for Strategic, International  
and Energy Studies (DERASAT)



# Gulf Family Businesses in 2024: An Economist's Perspective

**Omar Al-Ubaydli**

Bahrain Center for Strategic,  
International and Energy Studies (Derasat)





# Family businesses have been the spine of the Gulf private sector for decades





# **Innovation was not a central element of the business model**



# Low-cost expatriate labor as a key input

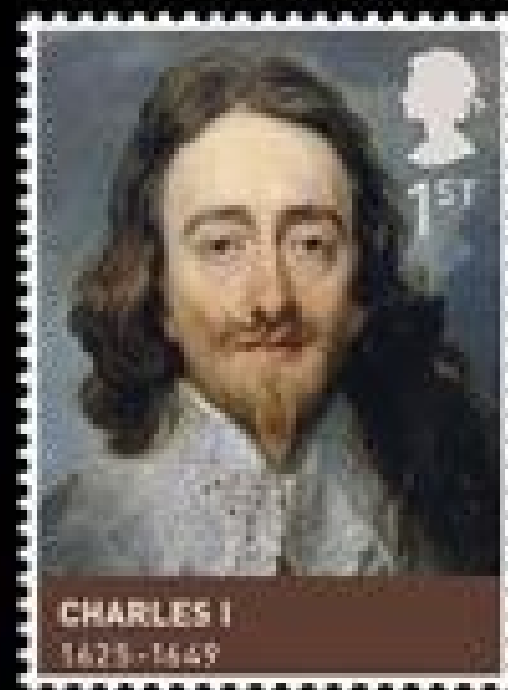




**Not a problem as main growth driver was  
hydrocarbon income**



# Why family businesses struggle to grow



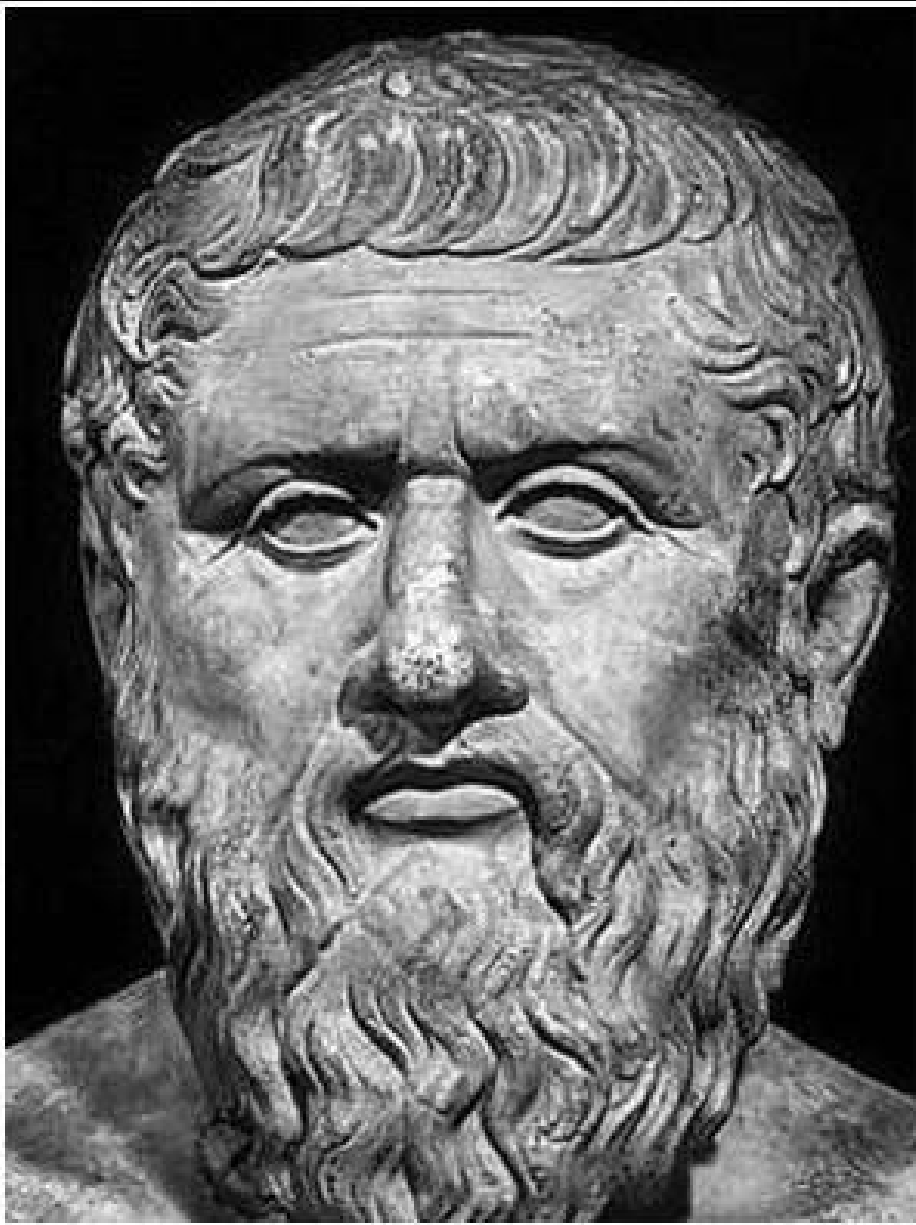
The House of Stuart  
15 June 2010



# Why things are different in the Gulf in 2024



# The need for a new business model



Necessity is literally the mother of invention.

— *Plato* —

AZ QUOTES



# Key barriers to innovation in family businesses





# Where do the best opportunities lie in the Gulf?





# Automation and digitization in family businesses



**Nasser Sattar**  
Partner – Head of Advisory  
KPMG in Portugal



**Rui Goncalves**  
Partner - Technology Consulting  
KPMG in Portugal

# Digitization and Automation for family businesses

**Nasser Sattar**

Chairman KPMG Portugal

**Rui Goncalves**

Global Low Code and Automation CoE Lead





# Headlines for 30 mins about Tech, Digitization and Automation

- 01** Tech, Digitization and Automation in today's business landscape
- 02** Digital and Automation can address family businesses challenges effectively
- 03** “Digitization is confusing”... and other things we hear from our customers .
- 04** our thoughts on the priorities to move forward with accelerated digital adoption
- 05** Enhance Digitization and Automation with AI
- 06** Some Closing Remarks... Proper technology is an essential enabler but digital ambition goes beyond tech adoption

# Some highlights

## KPMG Global Tech Report 2023

### Emerging techs

2 years

expected timeframe for most businesses to embrace key emerging-technology platforms

### Digital transformation

99%

of executives have generated returns from digital investments.

### Talent Shortages

#1

challenge complicating the adoption of digital technologies.

### Cloud adoption

9 in 10

businesses indicate they are advanced in their adoption of cloud systems.

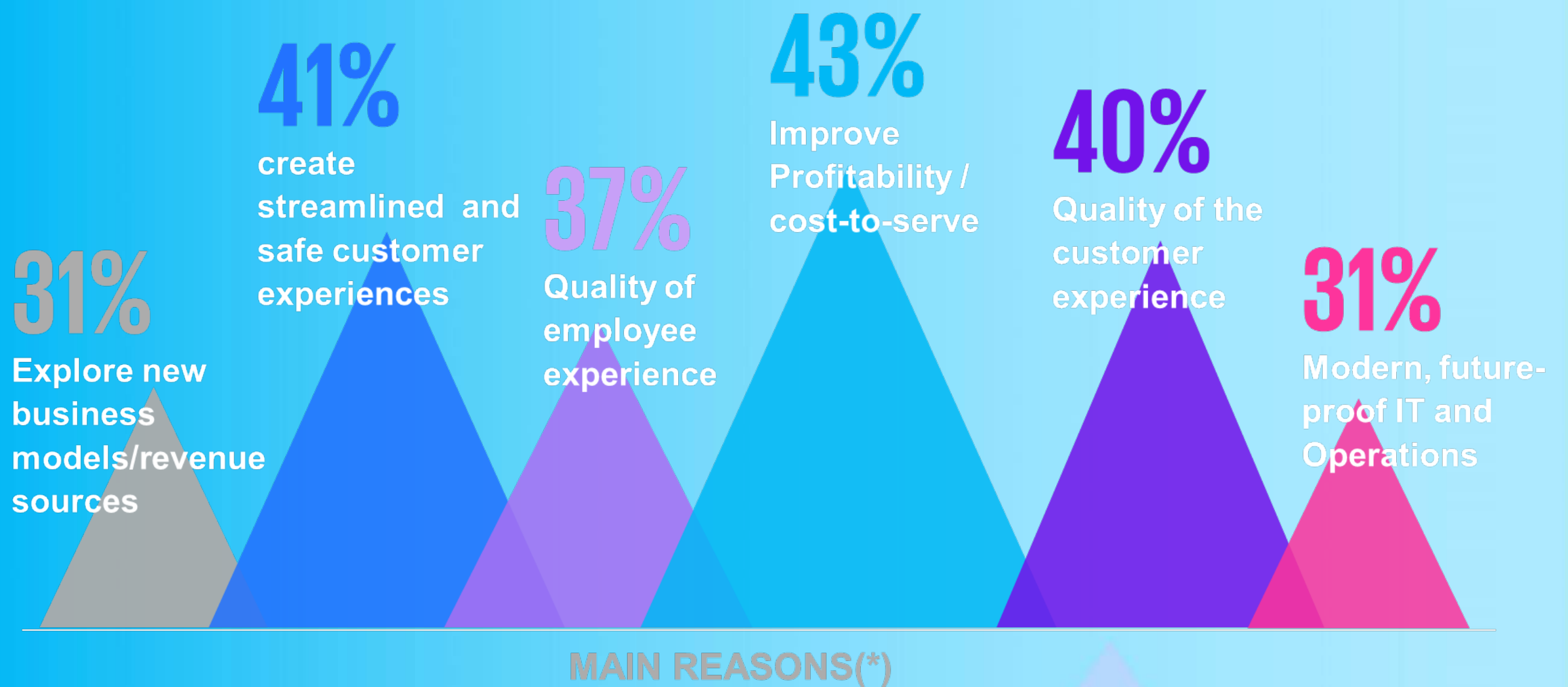
### Cybersecurity

58%

of cyber security teams admit that they are behind schedule.



# Why invest in digitization and automation?



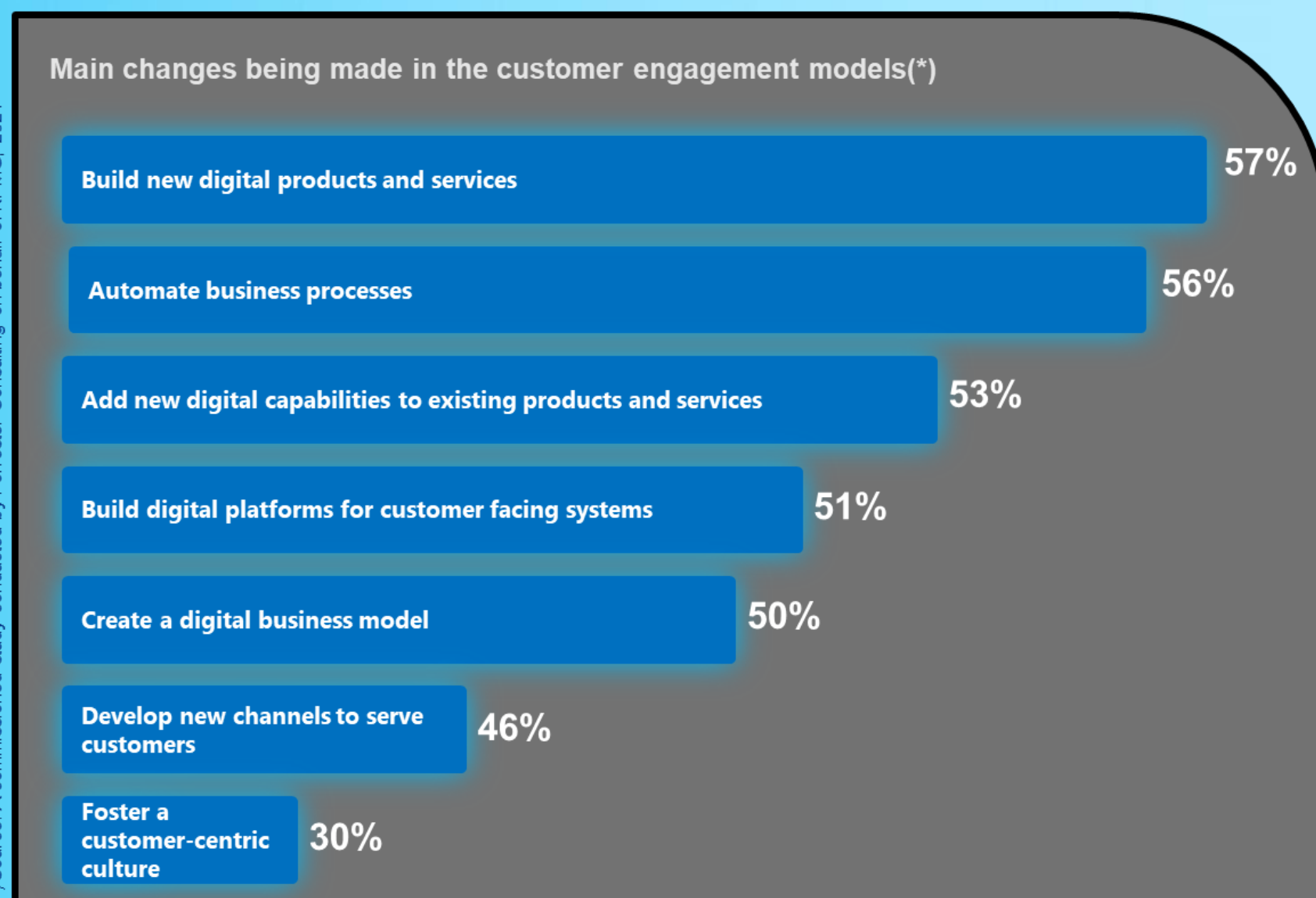
(\*) A commissioned study conducted by Forrester Consulting on behalf of KPMG , 2023

# Automation and digitization are in the core of customer engagement strategies for banking industry players

New digital products and services and business process automation are the key changes that are underpinning customer engagement strategies

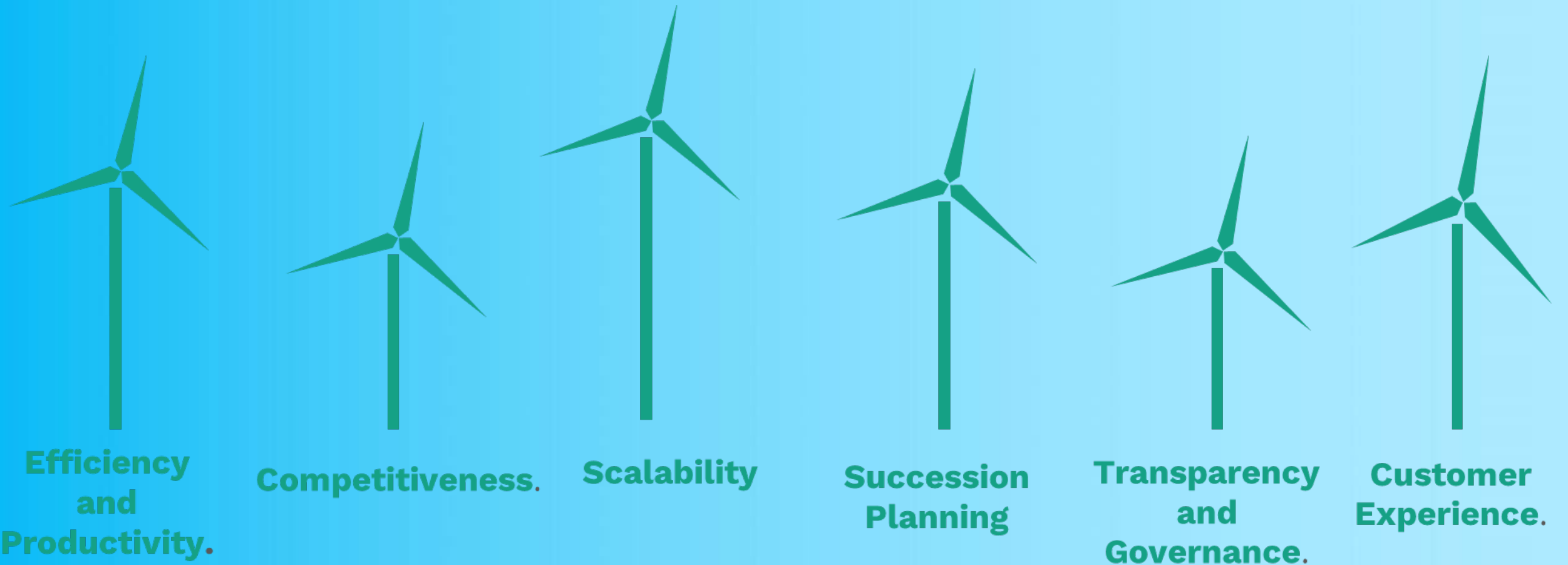
(\*) A commissioned study conducted by Forrester Consulting on behalf of KPMG, 2021

(\*) Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, 2021



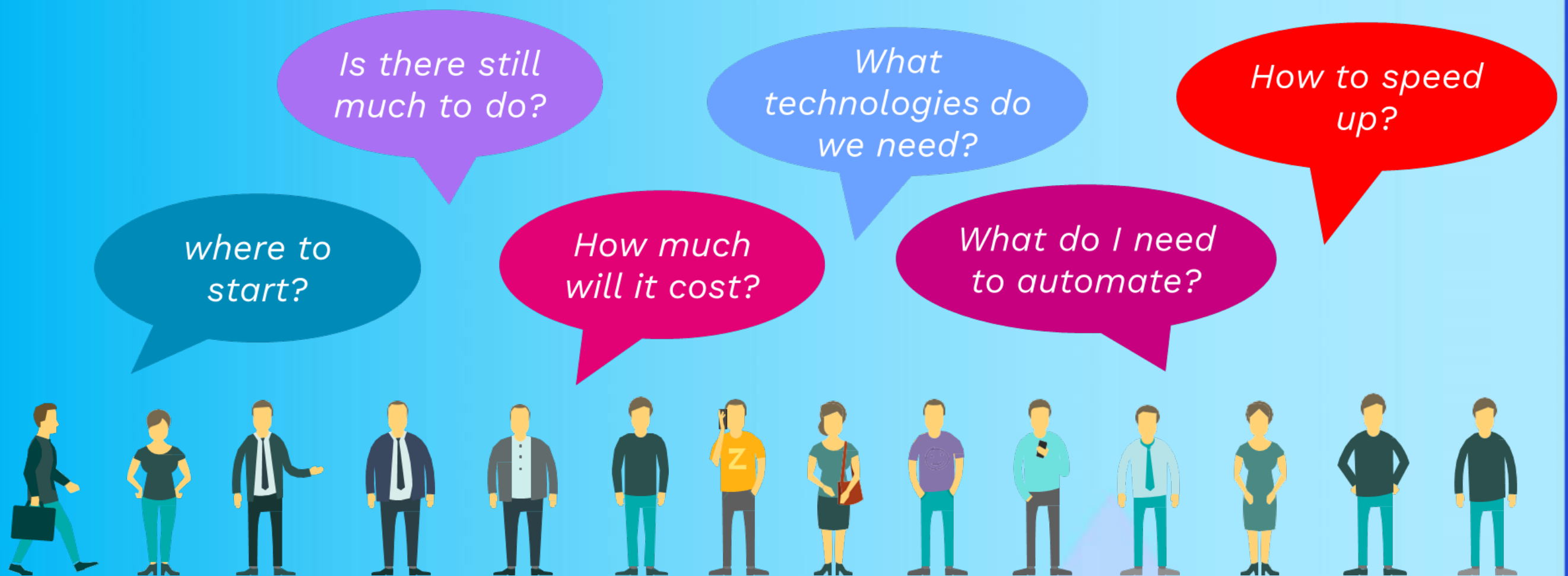


# ...and to address the specific challenges of family businesses?



***Remain competitive - achieve operational excellence- ensure long-term sustainability - overcome challenges - seize opportunities - thrive in an increasingly digital world.***

# “Digital transformation is confusing” ... and other things we hear from our customers regarding digital adoption





# For KPMG, digitally modernize depends on articulate two central themes



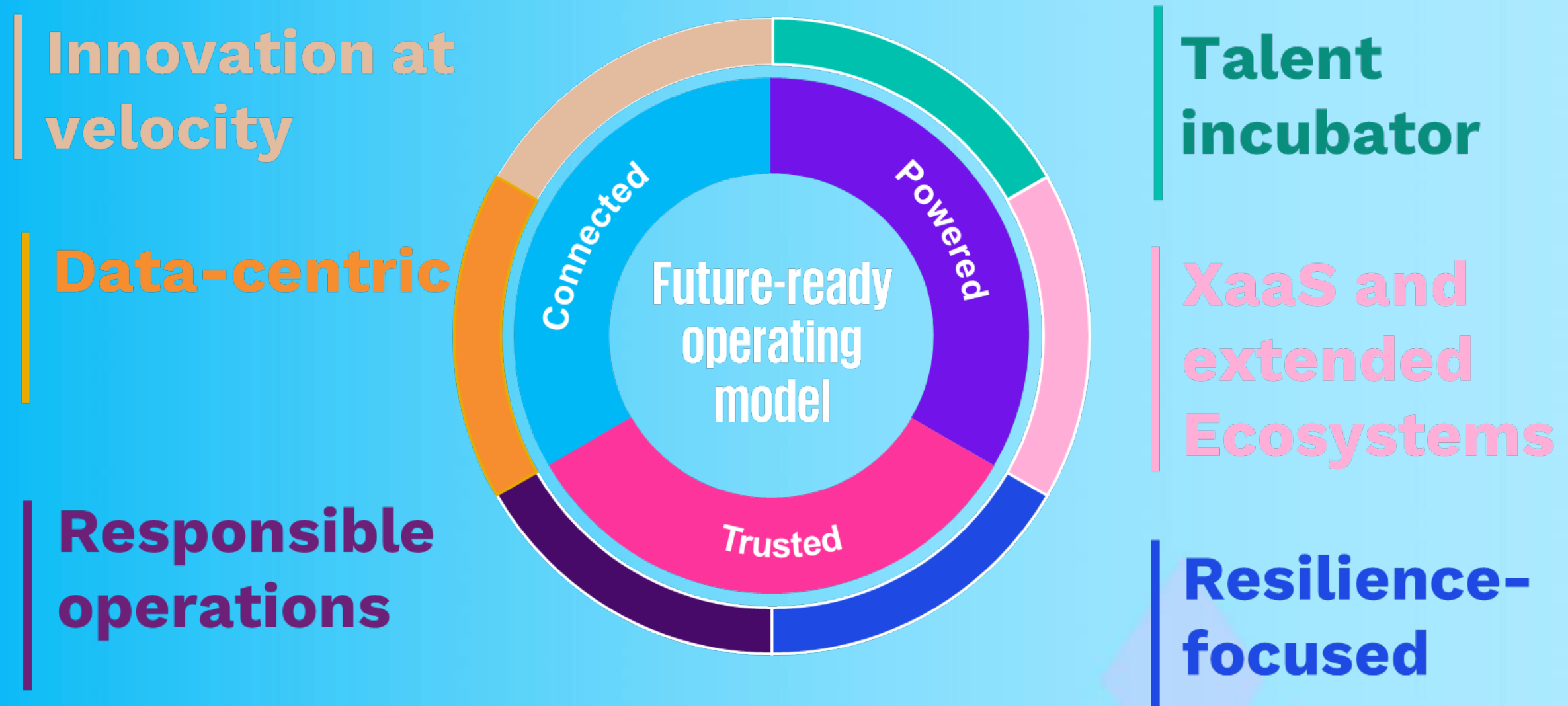
**Business model participation strategy**



**Accelerate operating model components execution**

**Operating model components** - how win in the market through: people, processes, technology stack, data, governance, and delivery routines (e.g. how will work)

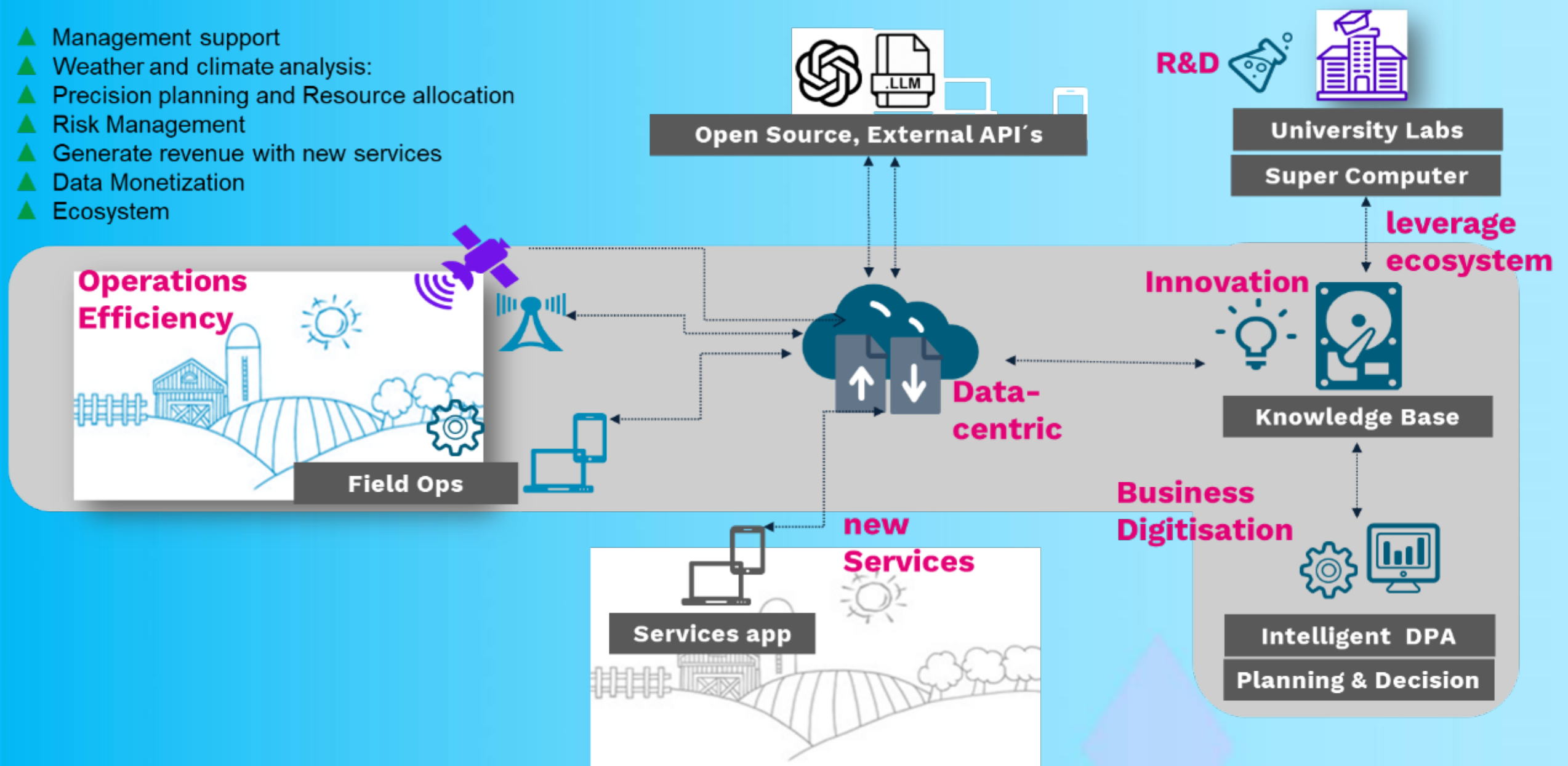
# Lets cut the chase... here are our thoughts on some of the priorities to move forward with accelerated digital adoption





# Enhance Digitization and Automation with Low Code and AI in Vineyard Management

- ▲ Management support
- ▲ Weather and climate analysis:
- ▲ Precision planning and Resource allocation
- ▲ Risk Management
- ▲ Generate revenue with new services
- ▲ Data Monetization
- ▲ Ecosystem

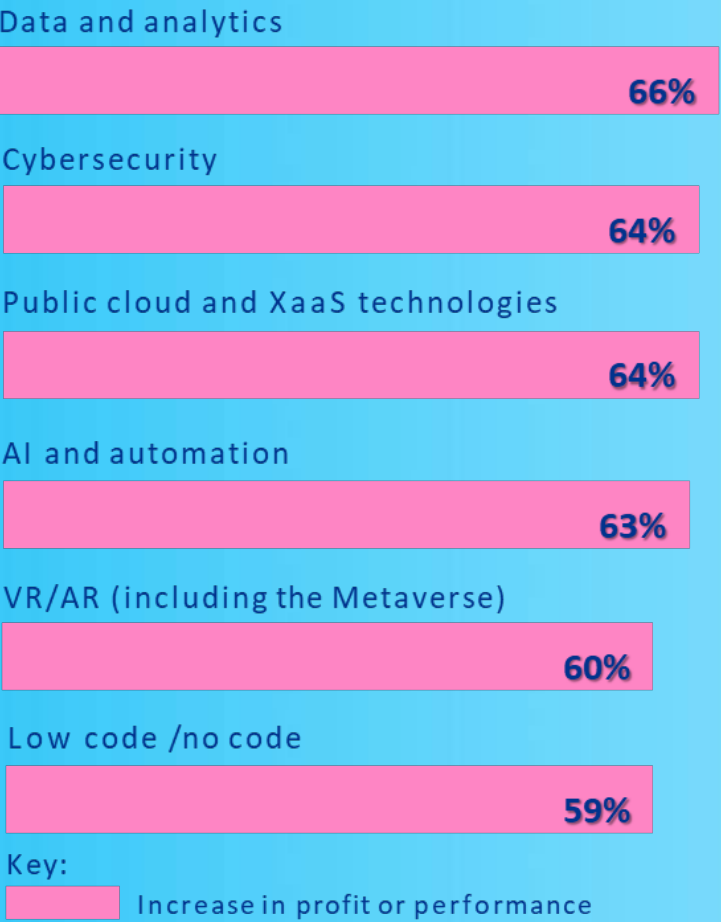


# Proper technology is an essential enabler

## New technologies are improving organizations' profitability or performance

Over the past 24 months, have your digital transformation efforts with the following technologies positively impacted profitability or performance?

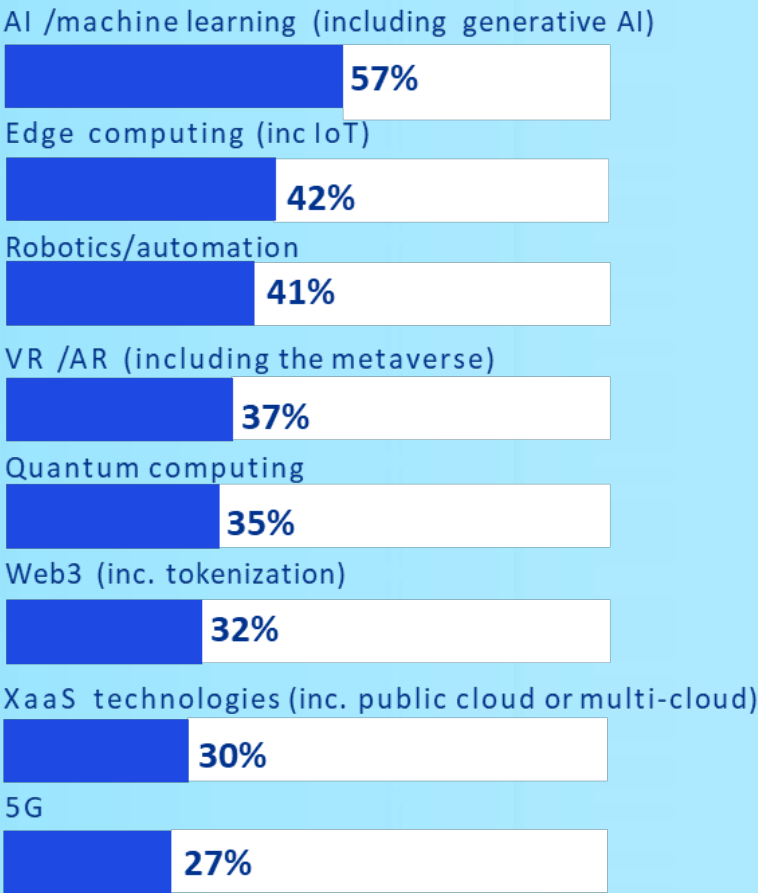
Source: KPMG global tech report, October 2023



## AI and machine learning are key to delivering on short-term ambitions

Of the following technologies, which do you think will be most important in helping your business achieve its short-term ambitions (over the next 0-3 years)?

Source: KPMG global tech report, October 2023



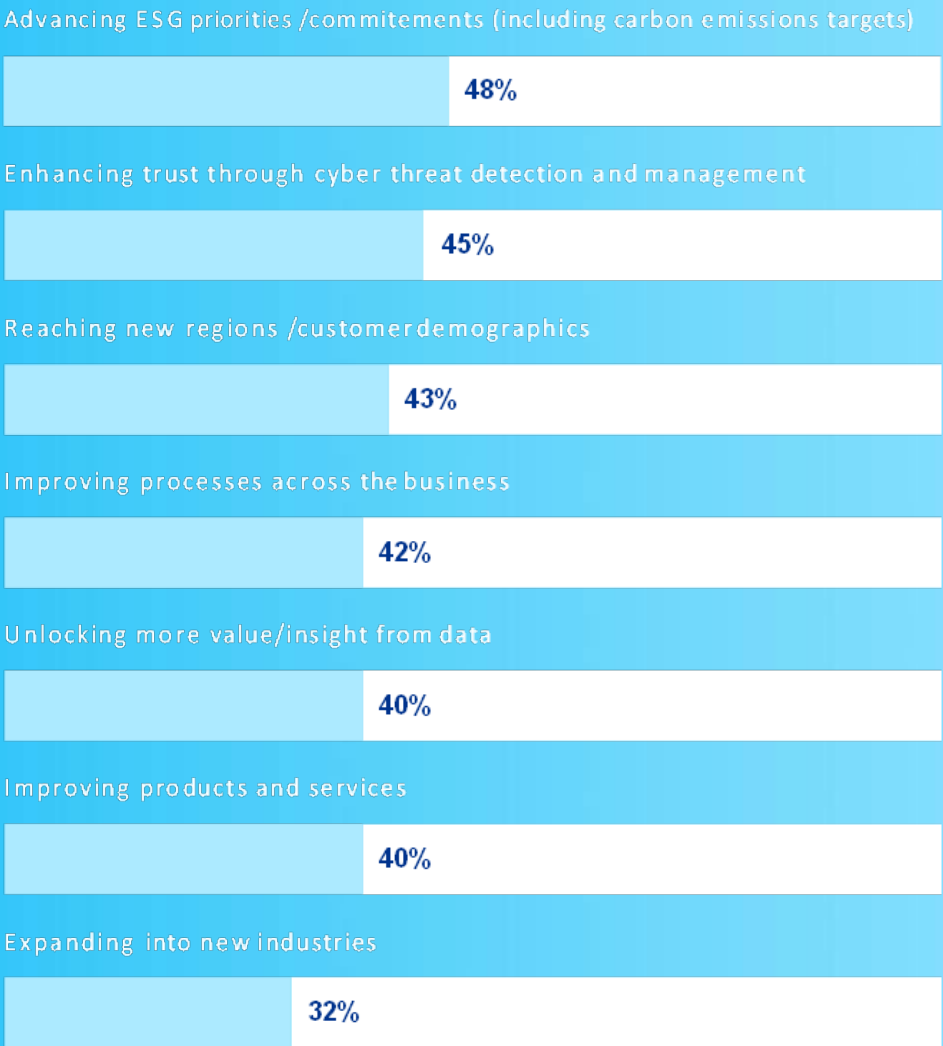


# But Digital ambition goes far beyond technology adoption

## Tech functions are increasingly contributing toward ESG priorities

Which of the following innovation goals will your tech function primarily contribute towards in the next two years?

Source: KPMG global tech report, October 2023



## Three most common benefits from the utilization of AI on automation

Source: KPMG global tech report, October 2023

01



Supported new business development

02



Enhanced customer engagement

03



Raised employee satisfaction levels



# Family Office and Legal Structure



**Greg Limb**

Global Head of Family Office & Private Client,  
KPMG International



# Family Offices – Sustaining the family legacy

**Greg Limb**

Partner,  
Global Head of Family Office and  
Private Client



# FO&PC Global Team



**Greg Limb**

Global Head Family  
Office and Private  
Client, UK Tax Partner  
KPMG International



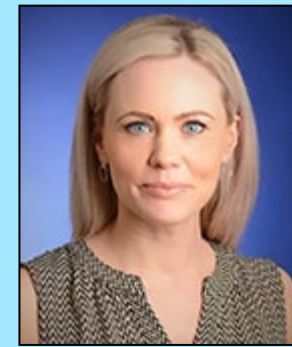
**Ona Ike**

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**Nike Olakunri**

Senior Manager  
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Market & Channels  
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**Jacquelyn Wrightson**

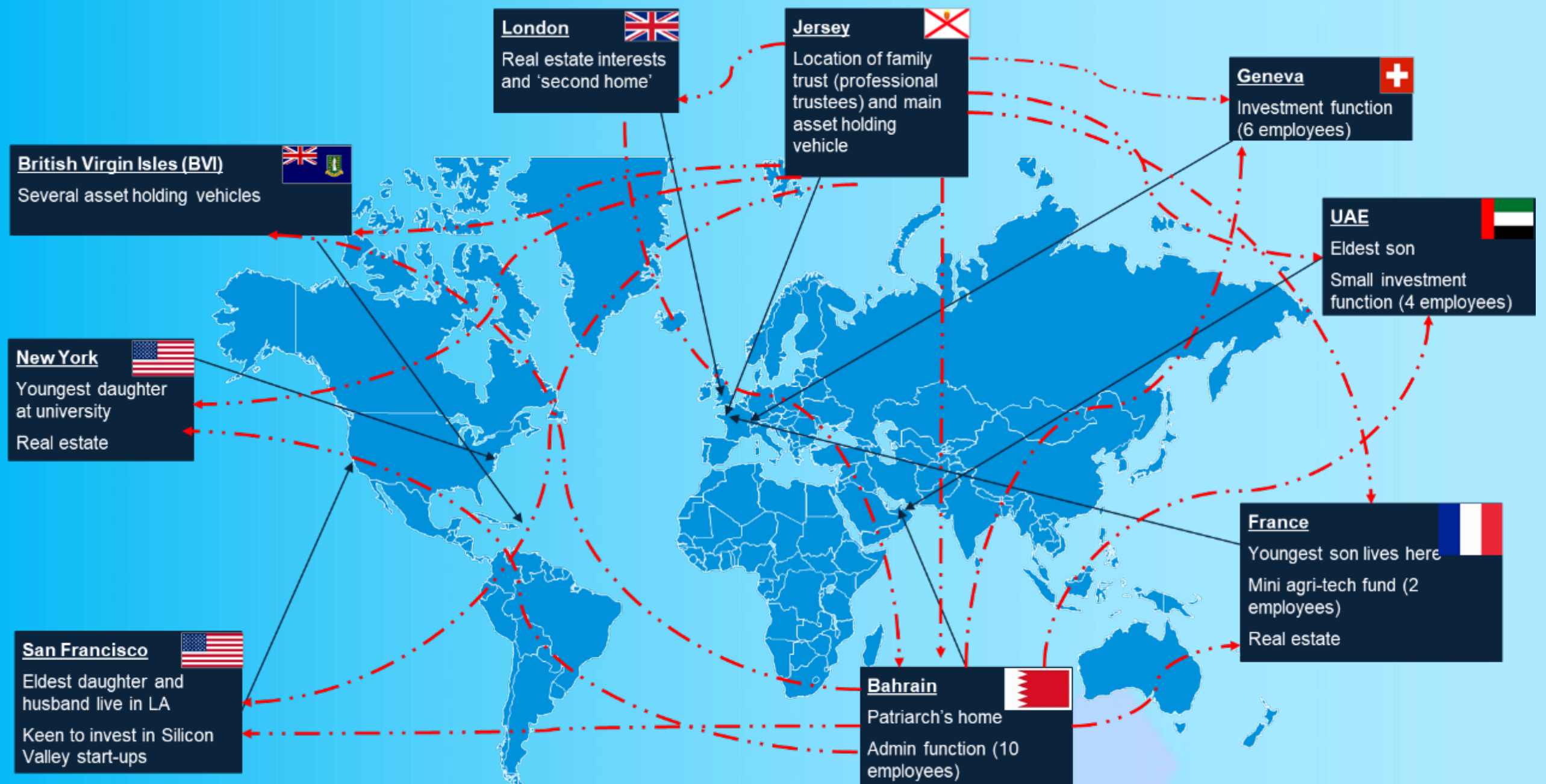
Practice Manager  
Family Office &  
Private Client  
KPMG International



# Typical Family Office Structure



# The Abboud Family





# What role does the Family Office play?

**Keeping the family together over generations requires:**



## **Highly structured governance**

- Adoption of a formal governance structure



## **A strong entrepreneurial mindset**

- Professionalising the Family Office to achieve their purpose as a family



## **Leadership and defined roles and responsibilities**

- Preparing the next generation to take leadership positions and be good custodians of wealth in the event of a sale

**For best practice it can also be important to have:**

### **Dispersed family ownership:**

Keeping it all in the family is not always the best option especially if the sustainability of the business requires substantial restructuring.

### **Having a balance of family and non family:**

In certain circumstances, good governance in general requires both family and non family members with the requisite expertise.

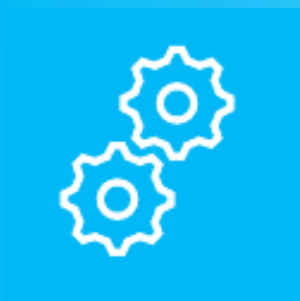
# Family Office cornerstones to sustain the legacy



Intergenerational Wealth Management



Values and Purpose



Philanthropy and Social Impact



Communication and Transparency



# Key takeaways

1

Do you have a clear succession plan in place?

2

What role could a family office play in building your family legacy?

3

How did your family office evolve?

4

What are your family values and how could or would the family office be used to embed these values among family members?

5

When did you last holistically review your family office?



# Closing remarks



**Harish Gopinath**

Head of Family Business and Private Enterprise  
KPMG in the MESAC Region



# Sustaining the legacy

