KPMG Private Enterprise

STEP PROJECT GLOBAL CONSORTIUM FOR FAMILY ENTERPRISING

Regeneration of Family Businesses in China:

Nurturing tomorrow's entrepreneurial leaders

December 2022

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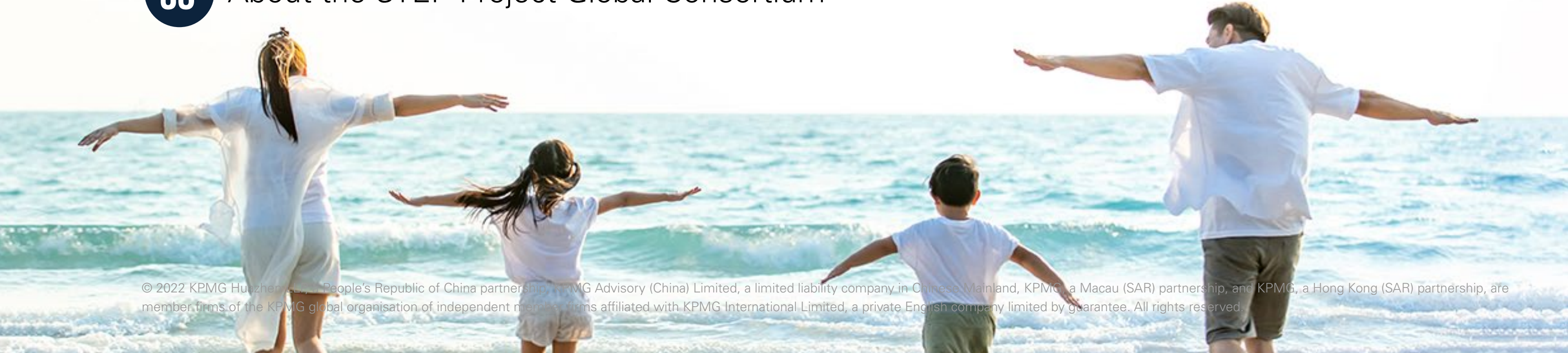
Contents



Foreword

For many years since it joined the World Trade Organisation, China has been a leader for economic growth. As the global economy has faced challenges due to the ongoing COVID-19 pandemic, heightened geopolitical tensions and the effects of climate change, family businesses in China have felt the effects as acutely as their counterparts in other Asian and Western countries. Speed is being replaced by resilience as the concern of family entrepreneurs.

As one of the backbones of growth in China, family businesses have been highly effective at leveraging their resources and know-how to grow with the country – developing new products and services, expanding their markets, capturing new opportunities, innovating to maintain their competitiveness, and training their executives and employees. With the onset of the pandemic and other disruptive changes, business continuity planning and strategic renewal have taken priority. The disruptions have also prompted family entrepreneurs to reconsider what preparations are needed to perpetuate the business and to rethink the family's role in the business.

Against the backdrop of the current challenges, family entrepreneurs in China continue to place innovation at the core of their businesses. The question is: how can they capitalise on the resources available, nurture their rising-generation members and their employees, while regenerating themselves to create new value? In this journey, family business leaders must navigate the apparent paradox between tradition and innovation, and rethink what to renew and what to preserve. Certain changes and transitions can take years or even decades to complete. Enterprises may no longer stay in one single industry and choose to diversify into an impact-driven portfolio. Meanwhile, love can serve as the glue that holds the family together and is the key to sustain the family's entrepreneurial advancement across generations. Through a global survey of family business leaders including the Chinese Mainland and Hong Kong (SAR), this report aims to provide insights to guide family enterprises through these turbulent times and empower the next generation of growth.

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About the study

Are family businesses well positioned to thrive amid ongoing disruptions? What is the secret to their capacity to grow successfully from decade to decade and from generation to generation? These questions point to the importance of how family businesses regenerate themselves.

As a collaborative effort of KPMG Private Enterprise and the STEP Project Global Consortium (SPGC), our exploration began with an in-depth survey of **2,439** family business leaders in **70 countries/jurisdictions** worldwide between September and November 2021, coupled with a series of roundtable discussions with leaders in the family business community in February 2022. We asked several key questions on the regenerative power of family businesses as the long-term value creator:

- What are the key factors in the regeneration of family businesses?
- How do they nurture and sustain their founders' entrepreneurial spirit?
- How do they lead and govern their business and their family?
- How do family businesses evaluate their own "value" and "success"?

In this report, we took an in-depth look into how family businesses in China interpreted and nurtured this regenerative power. We compared data from China to those in other world regions to learn from global peers. Data from Chinese Mainland and Hong Kong (SAR) family businesses was analysed separately as businesses in these two markets exhibited different characteristics. Finally, we contextualised regenerative practices in China, through in-depth case studies conducted in the second half of 2022.

Executive summary

Regeneration is critical for family businesses to flourish amid ongoing disruptions. In this report co-sponsored by KPMG Private Enterprise and the STEP Project Global Consortium (SPGC), it was found that the regenerative power of family businesses is a combination of strong entrepreneurial capabilities and positive influence of family business owners to drive financial and non-financial performance. Our deep dive into the regeneration of family businesses in China observed the following trends:

Our survey suggests that family businesses in the Chinese Mainland possess world-leading entrepreneurial orientation, especially in terms of their innovativeness. In comparison, family businesses in Hong Kong (SAR) only demonstrated an average level of entrepreneurial orientation. However, the strong entrepreneurial orientation in mainland family businesses was not fully translated into financial and non-financial performance. We suggest that entrepreneurs reinforce the emotional value of family ownership.

Chinese Mainland family businesses had the youngest group of CEOs, who were more inclined to take risks. They tended to practice a more authoritarian style of leadership, which could be replicating a similar style as that of the earlier generation and from other workplaces common in China. Ironically, this style could be something they criticised before they assumed the CEO position. Family business leaders should reflect to what extent they are exhibiting the leadership style they previously "disliked".

Surprisingly, family businesses in the Chinese Mainland surveyed showed a low level of socioemotional wealth in their family businesses compared to other regions/ jurisdictions. Meanwhile, family businesses in Hong Kong (SAR) showed only a slightly higher level of socioemotional wealth than their mainland counterparts. This trend is somewhat concerning, given that socioemotional wealth is what binds and drives families forward towards achieving their goals. The intention of the younger generation of potential leaders to exit from the legacy business may call for the development of a new anchor of the family identity before a liquidity event occurs. Instead of focusing on the legacy business, the entrepreneurial family can sustain the regenerative power via the family portfolio, possibly supported by their family offices as we discuss in case studies included in this report.

Regeneration is oftentimes a highly sensitive matter in the owning family and the business. While many family businesses in Hong Kong (SAR) (and comparatively fewer in the Chinese Mainland) have established a formal board of directors to make strategic business decisions, a very small number of families-in-business polled have established a family council to make strategic family decisions. Family members may complicate board discussions if they choose to voice their personal or familial concerns in board meetings. It is possible to reduce the level of complexity by setting up separate forums for the family and the business.

Global wisdom

Our global study findings suggested that the **regenerative power** of family businesses is a combination of (i) **strong entrepreneurial capabilities** and (ii) **positive influence of the owning families** to drive (iii) **performance** (Figure 1). The entrepreneurial capabilities were captured by entrepreneurial orientation (i.e., how family businesses are oriented towards innovation, proactively exploring new opportunities, and risk-taking) and entrepreneurial leadership (i.e., how CEOs lead the family businesses to enact on the entrepreneurial opportunities). The influence of the owning families was reflected on their control over strategic decisions and key personnel, the emotional attachment of family members to their business, and the identification of family members with the business. A key differentiator of family business performance was their pursuit of a diverse set of socioemotional goals, in addition to the financial outcomes.

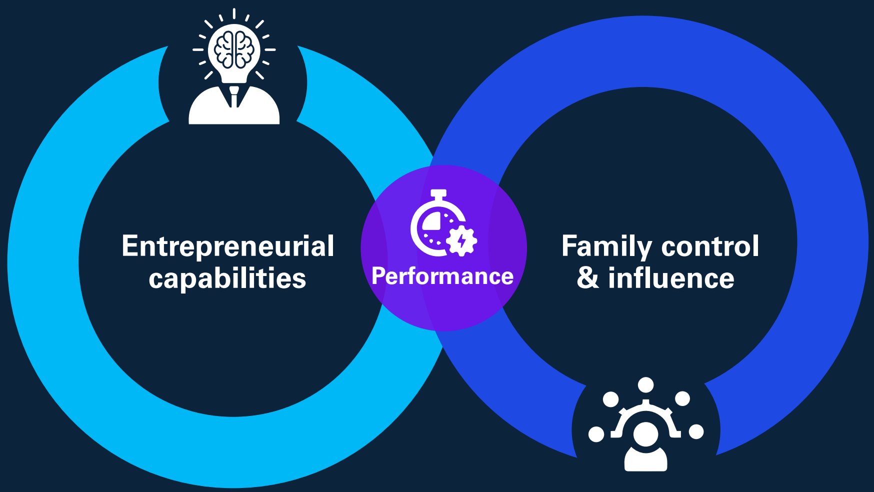
The global study has proposed five strategies to advance the regenerative power of global family businesses:

- Keep the founder's entrepreneurial spirit alive.
- Embrace a motivational style of leadership.
- Encourage the rising generation to be proactive, innovative, and taking calculated risk.
- Reinforce the emotional value of owning and managing the family business beyond financial wealth.
- Make business and family success equal priorities.

Based on this global framework, we highlighted key characteristics of regeneration of family businesses in China and explored how they might venture into a different journey of regeneration. **By comparing your business with other peers in China and around the world, you will be able to identify areas for development as well as those areas where you may already have a competitive advantage to sustain**.

Figure 1. Key factors of regeneration of global family businesses

Strong entrepreneurial capabilities + the family's positive influence = strong business, social and family performance

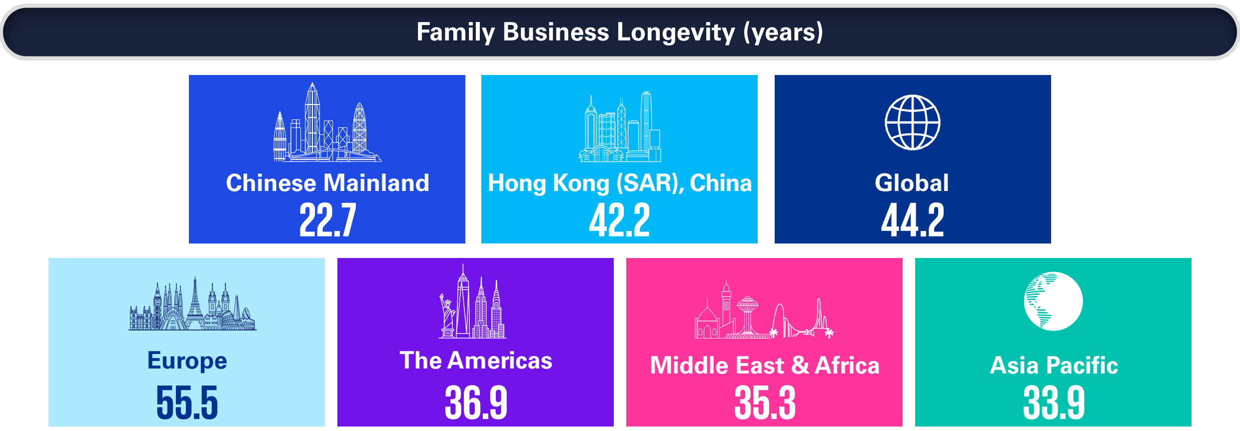


Source: KPMG International and STEP Project Global Consortium

Understanding family businesses in China

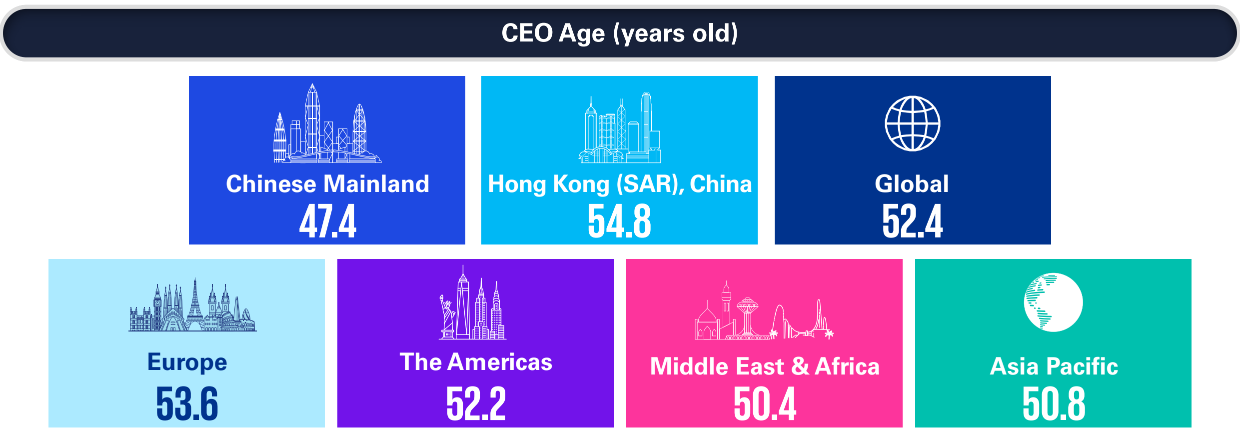
Our country analysis was based on a sample of **184 family business leaders** with their corporate headquarters based in China. Among them, **126 were based in the Chinese Mainland while 58 in Hong Kong (SAR)**. Understandably, mainland-based family businesses had a different development trajectory given that the private sector in the Chinese Mainland has existed in modern times only in the past four decades. The sampled family businesses in the Chinese Mainland had a significantly shorter history of around 22.7 years, compared with 42.2 years in Hong Kong. Converging with the briefer business history, CEOs of mainland family businesses were also significantly younger (47.4 years old) than those in Hong Kong (54.8 years old). **Indeed, Chinese Mainland had the youngest businesses and the youngest CEOs amongst all the regions/jurisdictions studied** (Figures 2 and 3). About two-third of the mainland family businesses were managed by the first generation; while roughly the same portion of their Hong Kong counterparts were already run by the second generation (Figure 4 on p10). Entrepreneurship was a relatively young phenomenon in the mainland, so more founding entrepreneurs were still behind the helm. Very similar to what was observed globally, 68% of mainland businesses were actively managed by a single generation and 32% involved multiple generations (Figure 5 on p10). **Meanwhile, Hong Kong family businesses were more of an exception to the norm, with 58% of its businesses showing multi-generational involvement**.

Figure 2: Family business longevity across regions/jurisdictions



Source: KPMG International and STEP Project Global Consortium survey analysis

Figure 3: CEO age across regions/jurisdictions

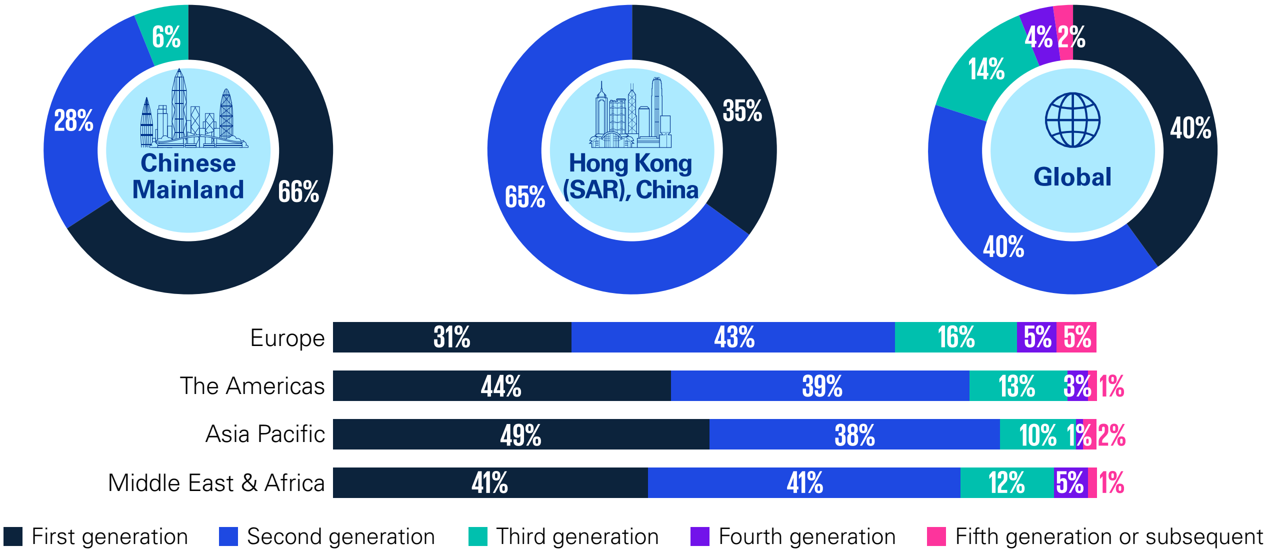


Source: KPMG International and STEP Project Global Consortium survey analysis

Across the globe, families maintained tight control over shareholdings of their businesses. Mainland China and Hong Kong (SAR) families were of no exception, owning 80% and 85% of their businesses respectively (Figure 6 on p11). However, the level of dispersion of family shares was much different between mainland and Hong Kong family businesses. **Compared with the global average of having 5.2 family shareholders, our sampled Hong Kong businesses had 8.0 family shareholders, which was higher than the mainland counterparts with 3.5 family shareholders** (Figure 7 on p11). Arguably, the level of complexity associated with ownership issues could be higher in Hong Kong-based family businesses. The last finding also echoed our prediction that smaller families were common in the Chinese Mainland due to its prior one-child policy. All these differences warranted separate analyses of mainland and Hong Kong data.

Figure 4. Generation-in-charge across regions/jurisdictions

Percentage of businesses being managed by first, second, third, fourth, fifth and subsequent generations



Source: KPMG International and STEP Project Global Consortium survey analysis

Figure 5. Multi-generational involvement across regions/jurisdictions

Percentage of businesses involving single or multiple generations

	Chinese Mainland	Hong Kong (SAR), China	Global
Single generation	68%	42%	65%
Multiple generation	32%	58%	35%

	Europe	The Americas	Asia Pacific	Middle East & Africa
Single generation	64%	63%	66%	65%
Multiple generation	36%	37%	34%	35%

Source: KPMG International and STEP Project Global Consortium survey analysis

Figure 6. Family ownership across regions/jurisdictions

Percentage of company shares owned by the family

Chinese Mainland
80%

Hong Kong (SAR), China
85%

Global
89%

92% Europe

89% The Americas

83% Asia Pacific

92% Middle East & Africa

Source: KPMG International and STEP Project Global Consortium survey analysis

Figure 7. Number of family shareholders across regions/jurisdictions

Average number of individuals in the family who own shares

Chinese Mainland
3.45

Hong Kong (SAR), China
7.98

Global
5.15

4.56 Europe

5.44 The Americas

5.69 Asia Pacific

5.67 Middle East & Africa

Source: KPMG International and STEP Project Global Consortium survey analysis

A helicopter view on regeneration

The word "regeneration" may bear different meanings to different family entrepreneurs. Our case interviewees intriguingly related "regeneration" to their professional background. Dr Jack Yeung, Founder and CEO of OIC Capital, shared:

Dr Jack Yeung
Founder and CEO
OIC Capital

Photo credit: OIC Capital

> *Regeneration is a very special term to me. Trained as a water engineer, I see regeneration as a key process to remove unwanted substances from a system so that a new cycle can be started. When my father stepped down knowing that I was ready to take leadership, he supported me to try out new philosophies. Once I removed those elements that might no longer fit this era, I could see a lot of good ones that I should preserve – the core ingredients that continue to drive success. Indeed, our chu xin, literally the initial purpose, of running the business hasn't changed. But we must embrace change because we were in a different time, in terms of people's education level, technologies available, demands from our clients, to name but a few.*

Trained as an architect and heavily involved in urban renewal, Rex Wong, CEO of Kum Shing Group, saw regeneration from a slightly different angle:

Rex Wong
CEO
Kum Shing Group

"It's like how you revitalize historical buildings. You must keep that their unique features, but at the same time you need to inject new elements that fit the needs of the society…Change is the only constant, and the regeneration process will go on. To me, the more important part of regeneration is not what ought to be changed but what ought to be preserved."

Photo credit: Kum Shing Group

The common thread is the balance between what to preserve and what to renew. While different families may have a different balance, regeneration does not mean complete revamp of the incumbent system. Family entrepreneurs we interviewed for this study noted the importance of preserving vision, missions, and core values that define their family and their business. However, preserving these fundamentals requires being adaptable to changing external and internal conditions. In that sense, "renewal" might involve new working paradigms, especially when there was a change in guard and when the incumbent management style is no longer fit to adapt to disruptive internal and external factors.

Regeneration as process

As another commonality, **regeneration is regarded as an ongoing process**. A leadership transition is a typical point when the "regeneration" effort becomes more visible. But the process can take much longer and must begin much earlier. Our research points to several learnings to family business owners to harness the process nature of regeneration: First, place the development of the rising-generation leaders and the employees as the fundamental task of the family and the business, thereby sustaining the ongoing process with talents. Second, they should instil a culture of empowerment and establish long-term incentives to motivate sustained efforts of regeneration. Third, they should keep the decision processes associated with regeneration transparent with the support of appropriate structures such as the board of directors and family council.

Regeneration as widening engagement

Rising-generation successors oftentimes assume the role of change champion in the regeneration process. **But regeneration is never a personal matter**. Leaders must be able to facilitate change in employees so that they can absorb and/or bring in fresh ideas and execute them. While it may confuse stakeholders as to who oversees the regeneration, engaging multiple generations in the process may achieve distinctive benefits. In our case study, when Dr Jack Yeung of OIC Capital and his father joined hands to transform incumbent practices, they built trust which accelerated the leadership transition. Dr Yeung commented, "We generated success together. In this way, we learnt not to be overly conservative or aggressive in developing the company."

Keeping the founder's entrepreneurial spirit alive

The secret of regeneration begins at home: it is the founder's entrepreneurial spirit. Business founders make tough decisions to embrace entrepreneurship. Yet they often struggle to nurture this tacit quality in their children. How to institutionalise the entrepreneurial DNA and shape it as a family value and legacy for the rising generation is a key to successful regeneration. "Entrepreneurial orientation" vividly captures the multiple dimensions of the entrepreneurial spirit – innovativeness, proactiveness, and risk taking.

Innovativeness

The propensity to invest in the research and development of new products and services and operating practices

Proactiveness

The ability to seize new opportunities, anticipate future market demand and shape the competitive environment expectations

Risk taking

The company's propensity to take large risks that may also have high potential returns

Family businesses in the Chinese Mainland stayed atop in the overall level of entrepreneurial orientation amid the global comparison (Figure 8). **In particular, businesses in the Chinese Mainland scored significantly higher in terms of innovativeness**. Much closer to the age of digital native, young CEOs in the Chinese Mainland were more receptive to new ideas. Younger firms might run with less rigid "mental models", i.e., the established perspectives, routines, and attribution styles, and might recognise disruptive changes in the environment more readily.[1] China's national efforts to promote innovation have also helped to raise the overall entrepreneurial orientation among founders.

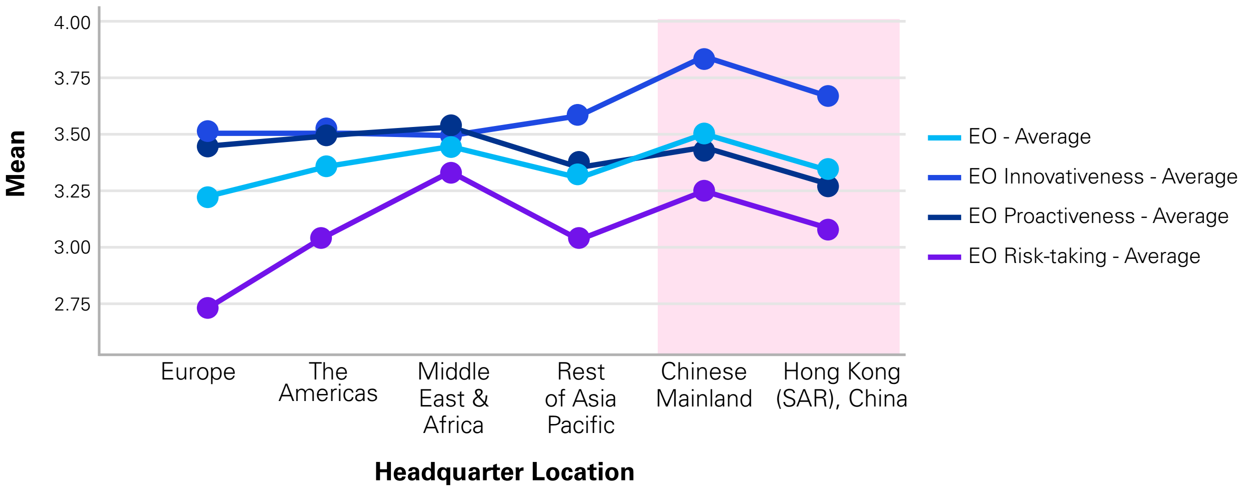
However, our study shows that this high level of entrepreneurial orientation has not always been fully translated into superior financial performance for the family businesses in the Chinese Mainland. Our data suggests that a low level of emotional attachment and identification with family businesses among owning families, might explain this: the owners might not be passionate about what the legacy business did, and are reluctant to further invest time and resources in the businesses, especially in the "sunset" industries such as manufacturing. Instead, they might rather focus their entrepreneurial orientation on new ventures in other high-growth sectors.

[1] König, A., Kammerlander, N., & Erdes, A. (2013). The family innovator's dilemma: How family influence affects the adoption of discontinuous technologies by incumbent firms. *Academy of Management Review, 38*(3), 418-441.

Family businesses surveyed in Hong Kong (SAR) were on par with their Asia Pacific counterparts in the overall level of entrepreneurial orientation, according to the criteria measured. They demonstrated a reasonable level of innovativeness and risk-taking but measured relatively low on proactiveness. **In the current environment, where families are facing unprecedented challenges and change, owning families should build in more regular and frequent sense-making and sense-giving processes to search for opportunities, through structures such as the Board of Directors and the risk committee, where external perspectives can be gained and taken into account. At the same time, they can consider setting up family offices and partnering with other families or investors that may bring in new strategic insights**.

Meanwhile, owning families should encourage their rising generation to be innovative, proactive, and calculated risk-takers. As Dr Jack Yeung of OIC Capital has noted, the rising generation should be given the opportunities to try their wings. Many participants in our global survey reported high levels of innovativeness, proactiveness, and calculated risk-taking throughout the pandemic, and this was especially true among companies that had Millennial leaders (those born between 1981 and 1996). These rising-generation members accelerated the adoption of new technologies to advance their businesses and pivot to changing market demands. Dr Yeung's interview on p16 provides addtional insights into how families can empower their rising generation.

Figure 8. Entrepreneurial orientation (EO) across regions/jurisdictions



Source: KPMG International and STEP Project Global Consortium survey analysis

Key questions to consider

- How does your family tell the founder's stories to incoming members? Do stories told include both successes and lessons learned?
- Is the entrepreneurial vision still alive? Is your family business innovative, proactive, and taking calculated risks? Do you invest resources in growing these qualities?
- Are you leveraging the natural talent of your rising generation? Are you developing them and finding suitable ways to engage them?

Giving more opportunities to the rising generation

Dr Jack Yeung, Founder and CEO, OIC Capital

From an athlete to a "shitologist"[2] and from CEO of his family business to founder of his family office, Dr Jack Yeung demonstrated a unique path taken to embrace transgenerational entrepreneurship, placing startups and impact investing at its core. Jack attributed his entrepreneurial success more to his parents: "Sometimes it is harder for the rising generation to excel. We are in a relatively passive position. But if parents can give more opportunities to their children and let them learn from their failure, this will make a difference. I'm the privileged one."

Founded by Jack's father in 1988, Ace Corporation Holdings Limited (ACE) was a world-leading mold making and plastics processing company headquartered in Hong Kong and with factories in China and representative offices in United States and the United Kingdom. A second-generation leader, Jack joined the family fold in 2000 and ascended to the CEO role in 2006. After seven years of hard work rebuilding the business, the industrialist and his father decided to merge ACE with one of their multi-national corporation clients. Jack stayed on as CEO for another five years, before he put full attention to his OIC portfolio, the abbreviation representing the eureka moment of "Oh I see".

Being small: autonomous teams and small experiments

After serving ACE for a good time, Jack saw an imminent need for regenerating the business structure to avoid the bottleneck of development. His view was to build a highly flexible organization: "Jack Welch of General Electric told us not to become an elephant because the world is changing so fast." To do so, he adopted the concept of small autonomous teams for leveraging technologies, like what the guru of disruptive innovation Clayton Christensen suggested.[3] Thinking big, Jack took small steps to persuade his father the meaning of every new initiative. The father-son duo was willing to experiment with the trust they gradually built on each other: "We worked on small experiments so that we knew the worst-case scenario. We failed small, won small, and celebrated; and we started the process again. Once the practice was successful, we transferred it to other units. This win-small-fail-small strategy grew our mutual trust." As a leader, Jack supported these autonomous teams to manage and learn from mistakes. To encourage cross-fertilization of experience across teams, Jack believed, "Ultimately, my role is to convince people to share and build the system so that they are rewarded to help others out."

Transformation, international acquisitions, and exit

Despite having introduced these structural changes among others, Jack was unable to slow down. Foreseeing the next wave of massive integration in the plastic and molding industry, Jack knew that it was no longer about making aggressive change in business strategies such as cost-cutting. The family must consider a more fundamental question: should they scale up to survive this industry integration, or should the family simply exit? Jack thought of the scale-up option but doing so on their own would put lots of pressure on the family, especially when his father was considering his retirement. Finding a strategic buyer who could allow ACE to go from strength to strength while taking care of the existing staff would be the family's priority. One of ACE's existing clients in mold processing was highly interested in ACE's client network, and both parties agreed on a win-win deal: Jack stayed on as CEO of ACE as an independent unit of the acquirer to continue steering the ship. With the collaborative effort of Jack, a very professional internal team, and the global divisional CEO team of the parent firm, the group successfully acquired over 100 plastic factories worldwide.

OIC to widen impacts

Over Jack's tenure with ACE, he had spun off several companies on packaging and information technology. In 2006, after gaining substantial knowledge on how to help businesses with branding and advertising, he set up OIC Concept: "We had always been helping others to manufacture. We happened to have access to manufacturing for the cosmetic and beauty industry, and I took the courage to launch a new office in New York for packaging design and engineering for several international brands," continued Jack. "We think much ahead. When we show people what we think, they will say 'Oh I see'."

After exiting from the plastic and molding business, Jack seamlessly transitioned into managing a portfolio of companies under the OIC brand, which included OIC Concept, OIC Investment, and OIC Capital. The liquidity

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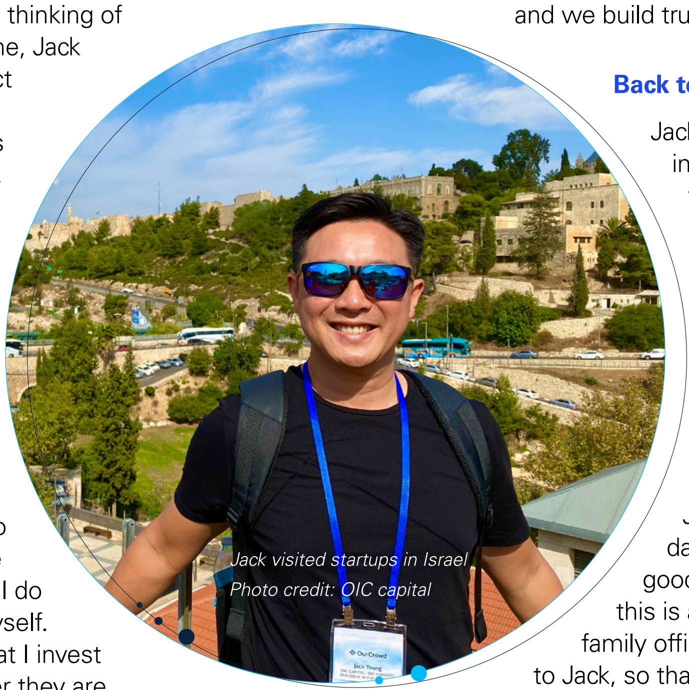
2 In the early years of his career outside of the family business, Jack had to manage wastewater as a water engineer.
3 Christensen, C.M., Raynor, M.E., & McDonald, R. (December 2015). What is disruptive innovation? *Harvard Business Review*.

event provided cash to invest, and this has been managed under OIC Capital (a family office focusing on technology for good and impact investing) and OIC Investment (managing real estate investment). The first round of investment was made following the tradition approach to allocate investments from properties to equities. But Jack challenged himself, "If we just use our capital to earn more money, what is the meaning to us? How can we serve our original intention of growing people? What is our contribution to the society?" Instead of thinking of wealth preservation alone, Jack chose to focus on impact investing, and he learnt how to evaluate impacts from the Environmental, Social, and Governance (ESG) angle. Initially, he did not think too much about financial returns and simply wanted to support these initiatives: "But the return on investment (ROI) or return on equity (ROE) is pretty good." Jack also started promoting these to other family offices: "I do not hold the cards to myself. Instead, I tell others what I invest in, regardless of whether they are successful or failure. I want more families to know about these."



Jack visited startups in Israel
Photo credit: OIC capital

While OIC Concept helped other brands to build business and attract clients, OIC Capital invested in startups to understand new trends, market intelligence, and development of technologies applicable to traditional industries. Their co-existence has been symbiotic. Jack believed, "Since we have such skills and knowledge, we can explore opportunities blending the two." OIC paid close attention to Web 3.0; they held strong belief in blockchain infrastructure, smart contract, and proof of ownership; and they saw good potential of NFT for their branding agency business. As the Chairman and Founder of the Hong Kong Startup Council, Jack also strived to introduce advanced technologies to mainland and Hong Kong companies. Besides, OIC invested in social enterprises such as Dialogue in the Dark, which supported the visually impaired community in Hong Kong. Ultimately, Jack wanted to create bigger social impacts from the investments they made, but this at times involved risks. Jack commented: "Instead of restricting me to the operator's role in an enterprise, my father allows me to be different and do venture capital – and he just knows by the term that it is of high risk." He reported to his father what the profitable deals were, what broke even, what drove a loss. "At the end, I will tell him what I learnt from the experience. So even though the deal is a loss, my father understands that I learn something, and we build trust."

Back to family

Jack's father has always been instrumental to teach him how to be a better human. Jack did the same as role model to his daughters. He told his daughters – the youngest one was just 10 – what he has been doing. Remaining open to communicate wealth to his children, Jack said, "they banned a few investments of mine." Jack recalled what one of the daughters protested, "this is not good. You clone something and this is against humanity." Indeed, the family office afforded more flexibility to Jack, so that he could commit time to be with his children and not to miss this golden window of parent-child development. As the father of these future entrepreneurs, Jack accompanied his daughters to live in different cities around the world and educate them in the process. At the same time, OIC offered an array of inspiring internships, such as nurturing design and creativity by OIC Concept and cultivating empathy and communication by Dialogue in the Dark. It also provided a platform for regular discussion on topics such as global health, food, inequality, and environmental issues and how individuals could plant seeds of change via paradigms such as investments for good. These internships and learning opportunities were also open for their cousins and close relatives. One thing for sure that Jack would continue in his parenting was the stress on learning from failure. As he advised other rising generation in Asia: "We need to allow the rising generation chances to try and fail and not only worry about reputation."

Leading with style in a disruptive era

While people naturally develop their own leadership styles, it is important for leaders to adapt their style based on the current and future needs of their business, their family, and the overall community. In these disruptive times, a diversity of leadership styles have merit to drive performance. Below are a few common leadership style types:

Authoritarian leadership

Paternalistic; demanding absolute control over subordinates and decisions; expecting loyalty from subordinates while showing benevolence

Transformational leadership

Articulating a new vision and shared goals; setting high performance expectations; providing individualised support; intellectually stimulating teams

Charismatic leadership

Engaging in unconventional behavior for achievement; offering inspiring goals; building a sense of collective identity and empowerment

Source: KPMG International and STEP Project Global Consortium

Both family business leaders in the Chinese Mainland and Hong Kong (SAR) showed the same order of prevalence in their leadership style: **Authoritarian > Transformational > Charismatic** (Figure 9 on p20). Our global survey data suggests that family business owners in the Chinese Mainland as well as Hong Kong tended to use a more authoritarian leadership style compared to other regions and markets studied. However, an interesting trend was that younger Chinese Mainland CEOs tended to criticise this same authoritarian leadership style before they assumed CEO positions. Although this style has its merits, family business leaders should also consider how they can avoid the fate of "becoming the one who you disliked."

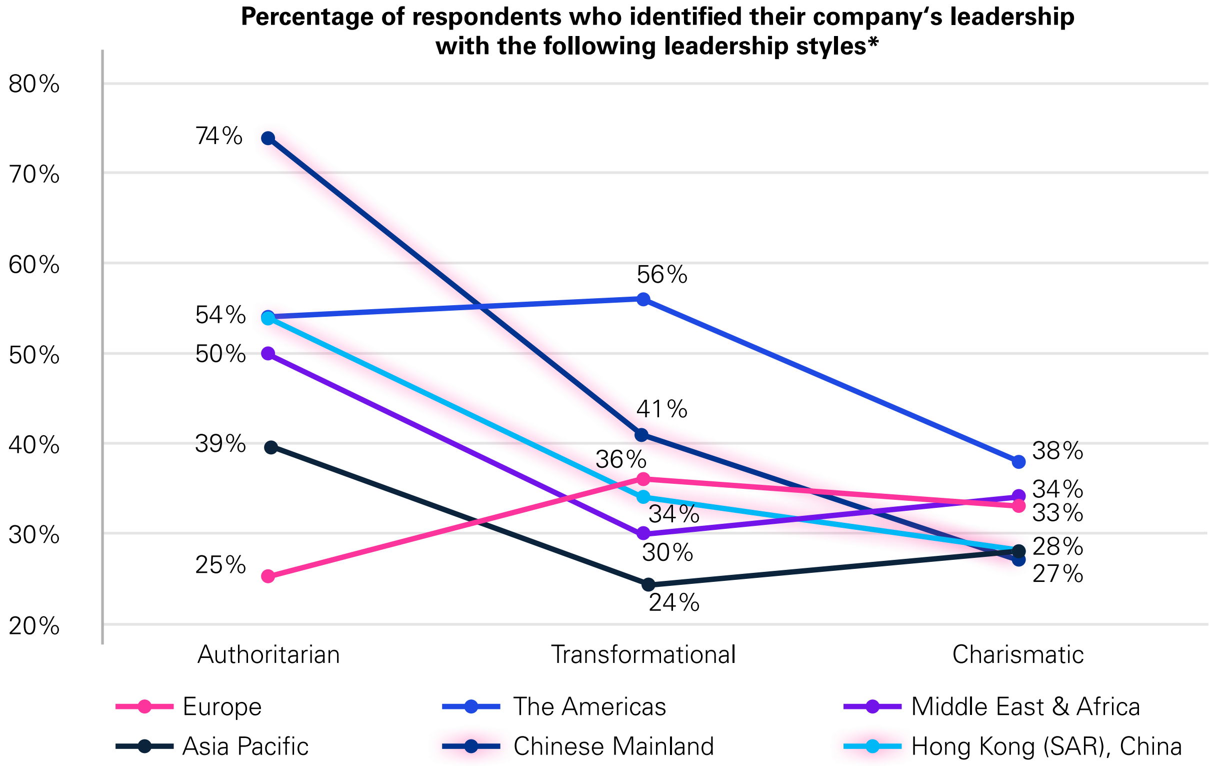
The type of leadership style one should adopt or develop might hinge on the aspired performance goals. Globally, when compared to transformational leadership, charismatic leadership tended to show stronger positive association with financial performance. When compared to charismatic leadership, transformational leadership was strongly associated with positive non-financial performance. When compared to transformational and charismatic leadership, authoritarian-style leadership showed a weaker association with non-financial performance (authoritarian leaders did care about their family and their subordinates) and did not correlate closely with financial performance, whether positive or negative. Transformational leadership also exhibited a stronger positive association with digital transformation, while the positive association became weaker for charismatic leadership. **An important finding is that more authoritarian leadership styles tended to clash with an organisation's ability to undergo digital transformation, suggesting that family businesses inclined to embark on a journey of digital transformation should avoid this type of style**.

These study findings suggest that family business leaders should embrace a motivational style of leadership, which is more aligned with transformational and charismatic leadership. Changing people's mindsets is one of the most challenging but fundamental tasks. Dr Yeung of OIC Capital elaborated how he assumed a facilitator's role here: "I see myself as a 'change manager'. I am here to comfort our staff, help them accept change, and encourage them to take risks." An example was how he changed the operating structure of the plastic business, from an apprenticeship-based system to an engineering-driven company. He mentioned, "The existing masters felt threatened. They were concerned about their own position and power. I tried to change their views and guided them to think more about new support such as design tools, software, and machines that would be made available." The regeneration was also interlinked with motivational practices, policies, and structures. He successfully spun off a few ventures from ACE, and the responsible employees were given shares of these spinoffs. Dr Yeung emphasised that the spinoffs provided new platforms so that employees did not find themselves working routinely in the legacy business.

When regeneration is overlapped with generational leadership transition, family business leaders must be mindful of potential clashes in leadership style between the incumbent leader and the incoming one. Rex Wong of Kum Shing Group regarded having different leadership styles in different generations as natural. He recalled that his grandfather was very hands-on, treating staff more as part of the family, with a lesser boundary between work and family. In contrast, his father was also hands-on but was forced to delegate because of the rapid business expansion.

Wong understood that he had to professionalise the business, hire and empower competent professionals, set and manage high performance goals, while not trying to initiate and work on everything himself. When asked how he empowered his professional managers, Wong shared an example: "A senior staff felt most empowered and trusted in his 30-year tenure in the business. Chinese business leaders oftentimes assume 'you know what I mean' and mangers must guess the real intention of the boss. But the understanding is made explicit with me."

Figure 9. Prevalent leadership style across regions/jurisdictions



**Respondents could select more than one answer*

Source: KPMG International and STEP Project Global Consortium survey analysis

Key questions to consider

Is it possible to get an open assessment of your leadership style? Are you becoming the type of leader that you previously disliked?

Can you adopt a new leadership style, albeit not the natural way you lead, to manage different situations?

Have you developed a top management team that embraces diversity, especially in age, gender, and leadership style?

Love: reinforcing emotional value of family ownership

In the formative years, a business often serves as the glue that binds the family together. The family business is an extension of the owning family. Business founders are emotionally tied to the "baby" they have created; and rising-generation members grow up together with their business, which usually shapes part of their personal identity. The strong desire to "keep it in the family" usually speaks of their reluctance to let go of ownership and strategic control. All these can be seen as the socioemotional wealth in family businesses, which explains why family businesses behave differently from non-family owned entities.

Family control and influence

Keeping ownership in the family's hand to remain independence; controlling strategic decisions and key personnel appointments

Emotional attachment of the family members

Preserving strong emotional bonding in the family; considering family's emotions and welfare in corporate decision making

Identification of family members with the family business

Tying one's personal identity and success to the family business; having a strong sense of belonging and pride

In our survey, Chinese Mainland family businesses showed significantly lower levels of overall socioemotional wealth, except when comparing to Hong Kong and the Middle East and Africa (Figure 10 on p24). **This trend is concerning given that the heart of Chinese culture emphasises family – *Jia* (家) – and promotes family harmony and unity**. Among Chinese Mainland family businesses surveyed, owners reported surprisingly low levels of family control and influence in the business (significantly lower than other regions/jurisdictions in comparison except for the Asia Pacific and Hong Kong (SAR); Figure 11 on p24). Meanwhile, identification of family members with their family business was also significantly lower than counterparts in Europe and the Americas (Figure 12 on p25).

Hong Kong (SAR) family businesses showed a lower level of overall socioemotional wealth than the global average, which was true for all three measured dimensions of socioemotional wealth. This finding is not surprising, as the growing size of the owning families might suppress the emotional value that each family member could derive from owning and managing the family business. Ultimately, not all family members can be owners and/or managers of their family business. In addition, the rising-generation members might not be easily accepted by their parents, who may have stayed on in the top position for a prolonged period (Hong Kong family CEOs had one of the longest tenures amid all regions/jurisdictions). This factor might potentially weaken the emotional attachment and identification of the rising-generation members to their business.

Another factor which may explain relatively low levels of socioeconomic wealth among Chinese family businesses is that 60% and 63% of participants polled from the Chinese Mainland and Hong Kong (SAR) respectively were in manufacturing-intensive industries. With the financial wealth accumulated over the past few decades, the rising-generation members might find better alternatives in high-growth sectors, rather than investing their time and efforts in the legacy businesses. Also, founders may feel inclined to sell their legacy business, if their children do not plan to succeed the business. These factors point to opportunities to improve the level of socioemotional wealth among family businesses in China.

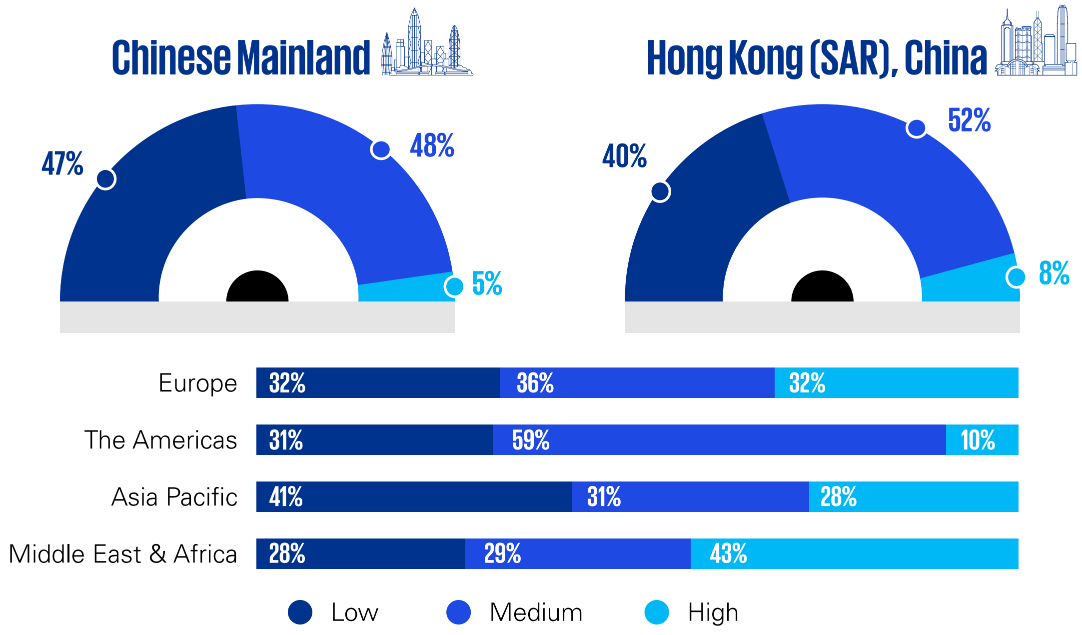
Observing a low level of socioemotional wealth in the legacy business can serve as an important lesson about what is actually important for the long run. At times, incumbent leaders may fail to see that the business is only a vehicle. They keep on re-investing in the non-performing legacy business simply because of their love or because they regard it as a shame to drop the ball in their hands. **Families should be cognizant that it is the entrepreneurial spirit not the legacy business per se, that matters**. An entrepreneurial family can sustain their emotional value of family ownership and hence the regenerative power, not in the legacy business but in the family portfolio. Dr Yeung of OIC Capital's case is an example of this point: It was a hard decision to exit as both generations spent decades in the plastic business, but the exit opened new avenues not only for Dr Yeung but also for generations to come. The socioemotional wealth became elevated to new heights as he could support hundreds of startups and create a bigger impact through investing.

Key questions to consider

- Have you created your own DYK (Do You Know) test, to allow family members to know about the family business and be a proud member of this legacy?
- Are you and your family members well connected with the family business? Has your family business completed a socioemotional wealth assessment?
- If you are planning a liquidity event, how do you keep the family together and continue the family entrepreneurship after the liquidity event occurs?

Figure 10. Socioemotional wealth across regions/jurisdictions

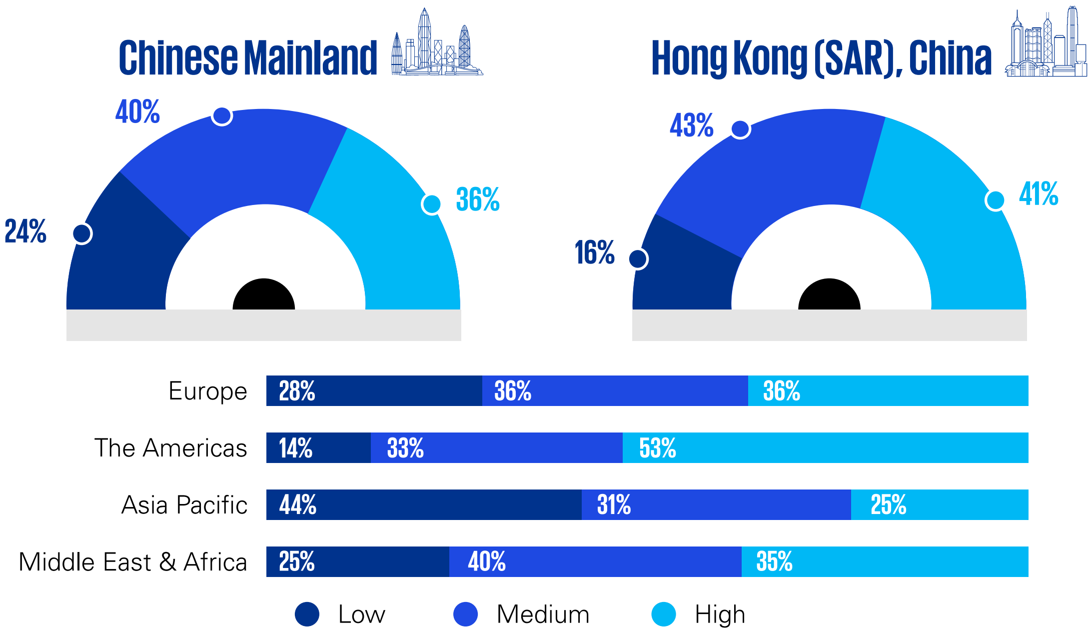
Reported level of socioeconomic wealth in family businesses



Source: KPMG International and STEP Project Global Consortium survey analysis

Figure 11. Family control and influence across regions/jurisdictions

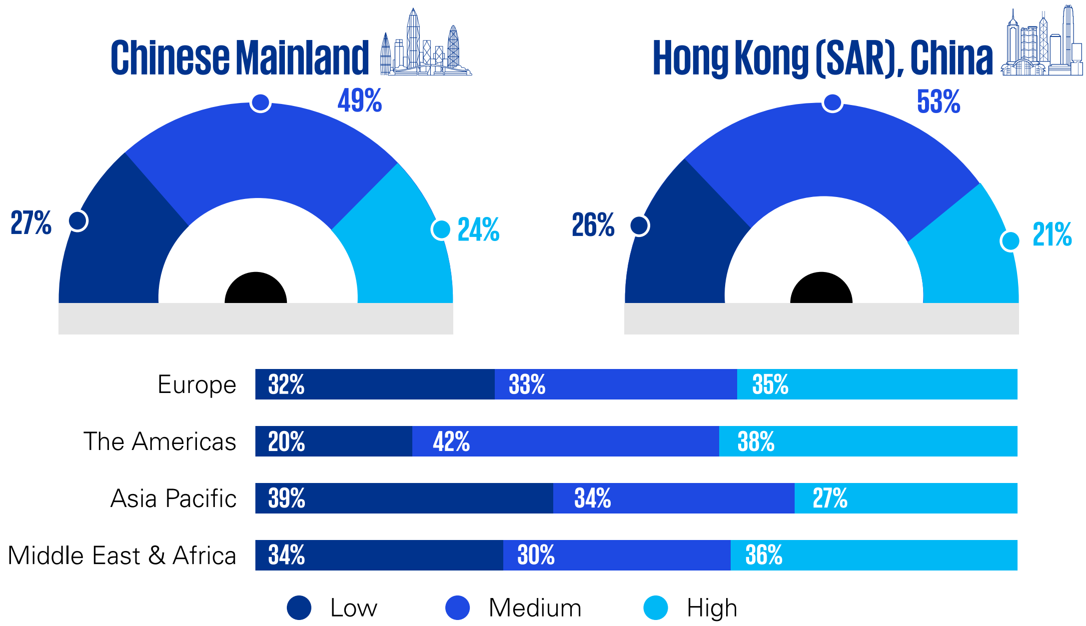
Reported level of owning family control and influence among businesses surveyed



Source: KPMG International and STEP Project Global Consortium survey analysis

Figure 12. Identification of family members with the business across regions/jurisdictions

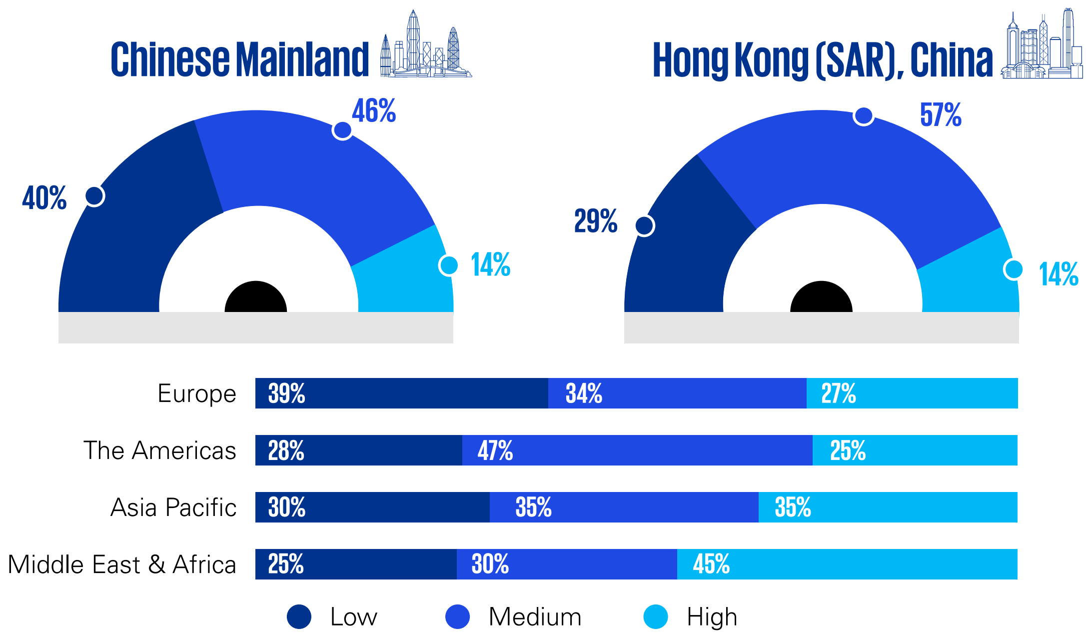
Reported level of families' identification with the business



Source: KPMG International and STEP Project Global Consortium survey analysis

Figure 13. Emotional attachment to the business across regions/jurisdictions

Reported level of family emotional attachment to the business



Source: KPMG International and STEP Project Global Consortium survey analysis

Governing: driving performance and supporting regeneration

Governance is about decision making. In the founding generation of a family business, management and ownership decisions are mostly made by the same person. Later on, when there are owners who are not managers and managers who are not owners, the decisions begin to separate. When this happens, it becomes important to:

- Clarify who has authority for decisions
- Create rules for making decisions
- Create a forum to discuss and make decisions
- Monitor how the rules are implemented
- Educate present and future governors

Common structures that support decision-making in a family enterprise system include the Board of Directors and Family Council. The Board of Directors oversees the overall firm strategies and is held accountable for management performance as well as for protecting shareholders' interests. The Family Council is the executive arm of the Family Assembly housing all eligible family members (usually defined by age) who can be seen as executives that administer programs, policies, and plans for the family-in-business.

In our survey, governance did not appear as a top priority for polled Chinese Mainland family businesses – 52% of them operated with a Board of Directors and only 8% with a Family Council (Figure 14 on p28). The observed lower percentage of family businesses who have a formal business board (compared to the global average of 59%) could possibly be attributed to the prevalence of the first-generation businesses, where decision-making tends to be more centralised in the hands of the founder. With an average of 3.5 family shareholders only among Chinese Mainland family businesses surveyed, the owning families might not see an urgent need for a formalised structure to govern family matters.

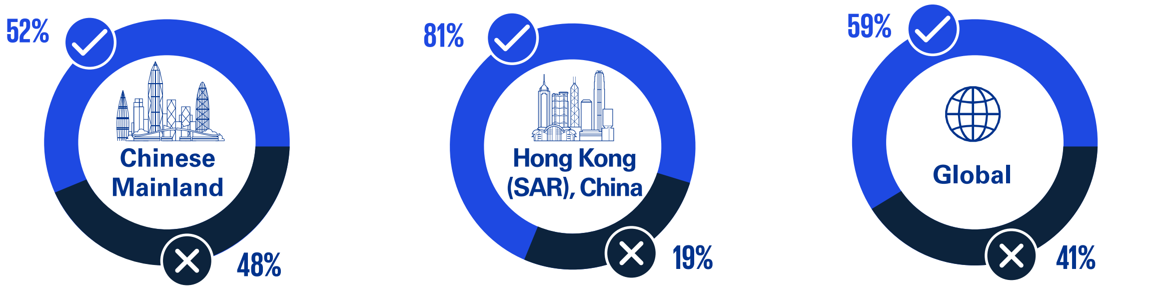
Hong Kong (SAR) family businesses polled showed gaps in their family governance structures. A high percentage (81%) of Hong Kong-based family businesses ran with a formal Board of Directors, and they were motivated to develop this structure given their relatively long history of business operations and their larger business size. However, despite having more dispersed ownership among different family members on average (close to eight family shareholders), only a small portion of the families (9%) operated with a Family Council. Most families tended to be slower in their response to family-related issues. They might hesitate to build a new governing platform to formally manage family matters. The presence of a patriarchal figure making most critical decisions while alive and capable might also reduce the tendency for families to develop a mechanism of collective decision making. **Family members might complicate board discussions by voicing their personal concerns in the board meetings. As such, they are advised to reduce the level of complexity by setting up separate forums for the family and the business. In addition, the family can engage third-party professionals to help convene family meetings**.

In our study, the presence of a Board of Directors and Family Council was positively and mildly associated with different performance indicators. These forums helped booster a unified voice, participation, fast and quality decisions. All these qualities were important in the process of regeneration, which required coordination of a multitude of decisions by different stakeholders. Yet, it is important to note that the presence of the Board of Directors and Family Council alone does not warrant performance. Rather, it is how functional these structures are and to what extent family members together participate in them that matter.

While family governance sets up rules to make decisions for the owning families, regeneration may require certain rules to be adjusted or even broken. **As this occurs, how can families make sure that their family governance system does not suffocate innovation needed for regeneration? Our study suggests that keeping the governance system alive is the key.** The initial governance system sets the stage to align family members on some critical issues, but the platform should be empowered to manage evolving issues in the ongoing regeneration or in other disruptive situations the families face. Rex Wong of Kum Shing Group observes that family governance is a prerequisite for regeneration: "The system allows us not to tie our hands when we want to try something new. We build trust, rapport, common goals, and consensual priorities." The clear rules and responsibilities provide a solid foundation which can enable change can happen. Wong's case study (p30) provides an example of how siblings in his generation paved their shared future using a variety of governance tools and structures.

Figure 14. Adoption of board of directors and family council across regions/jurisdictions

Presence of a formal board of directors among family businesses polled



	Europe	The Americas	Asia Pacific	Middle East & Africa
Yes	55%	59%	66%	54%
No	45%	41%	34%	46%

Yes No

Presence of a family council among family businesses polled

	Europe	The Americas	Asia Pacific	Middle East & Africa
Yes	28%	26%	13%	22%
No	72%	74%	87%	78%

Yes No

Source: KPMG International and STEP Project Global Consortium survey analysis

Key questions to consider

- Do you see a proclivity to discuss family issues in the boardroom? Do you need a separate forum to keep family matters in the family?
- How should you engage family members to participate in governance forums?
- Have you conducted a regular review to see if your governance system supports regeneration?

Together and apart: Fostering sibling partnership in Kum Shing Group

Mr Rex Wong, JP, CEO, Kum Shing Group

Celebrating its 60th anniversary in 2023, Kum Shing Group was a family-owned energy infrastructure specialist in the city of Hong Kong, supporting families of over 2,000 staff. About a decade ago, their third-generation members came together to define their own roles, each of which contributed uniquely to renewing and sustaining the family legacy: Rex Wong headed up the operating business; Rex's elder brother Ivan Wong was the ambassador of the family; and their younger sister Ann Wong oversaw the family office's operations. The siblings, together with their father, Dr K.K. Wong, GBS, JP, embarked two regenerative paths: the first path capitalized on their core know-how of electricity infrastructure, and they went beyond this to cover electric vehicles, data centers, smart city infrastructure, waste to energy, and renewable energy among others. This was much based on the family's tradition that they should "grow from where we came from". As the second path, formalization of the Wong's family office could allow them to take more calculated risks and rejuvenate the shared future of the family.

Trained as an architect, Rex worked 14 years in the family business, including four years as the Deputy CEO, and four years as CEO. He aggressively learnt from other family businesses and initiated dialogues in his own family to prepare for growingly diverging views in his generation almost a decade ago. As Rex said, "We explored our guiding principles and key topics such as values and objectives; why we should stay together in the business; how to deal with conflicts; and how to play out the strengths of each family member." The family governance system they created enhanced the sibling partnership, balancing between individual aspirations and the collective goals, and ultimately making regeneration possible.

Generational transition as trigger of family governance

Rex found the transition from the first generation to the second one generally more difficult. As the middle-born son, he diplomatically modulated the relationship not only between his siblings but also between his grandfather and his father. Like many others in their generations, they barely talked about their feelings openly. Having worked directly with his grandfather for a property project in Guangdong before, Rex had grown a close professional relationship with his grandfather. And this empowered him to be a bridge between his grandfather and his father within the family business.

While Rex appreciated his father's efforts to plan for succession and "make things work," the transition was far beyond a simple change of leadership. As the family business grew and as the family gained a reputation from the community, the siblings saw that there were mounting overlaps in roles between them, which could lead to conflicts if not well coordinated.

Inspired by a family business friend in a trip to Vancouver, the three siblings came together to discuss what they wanted, in the absence of their father. "We need the blessing from our father, but we shouldn't burden him to initiate everything," explained Rex. The pre-requisite of having such conversations between siblings was that they were close: "We trust each other since we had some shared experience growing up together in Vancouver." They came up with a matrix, starting with the tasks and roles required in the operating business, community services, and other family affairs. They then explored each other's priorities, strengths, and "realities" (such as the affordable time given the children they had in each branch) before they decided how they should divide the work.

Each of them found a unique spot from this exercise: Ivan would continue to represent the family in the community, to strengthen the family's reputation and philanthropic legacy; Rex was tasked to lead the business to the next chapter; trained as an accountant and with a strong work ethics, Ann would be responsible more for the family office development. To make this happen, there involved a lot of readjustments of the existing routines. Since the establishment of this system, they got together on a weekly basis. These meetings would also share what members learn from successful and failure experience at work or in their investments. Only the three of them would attend, but they kept their father posted to avoid the unnecessary concern "what you all are doing behind my back." But Rex thought that the sibling partnership would happen one day, and the early practice while the father was around could avoid future chaos. Recognizing the progressive change, the father publicly announced the division of responsibilities in the 55th anniversary of the company.

Professionalising the family

The Wongs had built a family charter that summarized their wisdom in family governance and continued to guide the family's decision-making. Ann kept track of the development and implementation of the charter as part of the family office work. In the past, Rex did most things by himself but under the new arrangement, tasks were delegated to different family members. Rex believed this had added advantages: "The participation allows all of us to feel more equal and balanced, and we can now better understand how decisions are made." Rex learnt that he had to reduce his "over-responsible" character to make the new system a success though: "I am trying not to intervene too much while making my best effort to support the family office. I remind myself that everyone has his/her own role and that I should stick to mine." Rex continued, "And everyone in the system has his/her own contribution. It's not that because I am running the operating business, I need to be the patriarch. The family belongs to all of us."

As to the family office, Rex shared the rationales behind its establishment: "Family is an important part of the family business, but it should not be everything that the family is about. We want to separate the family office from the family business. We want the business values to guide the business and not based on family issues." The family saw the need for a dedicated vehicle to manage family affairs and prevent conflicts from emerging and evolving. "If you don't find a way to address the family issues and let them accumulate, it would just blow up one day," said Rex. The family office was responsible for this, together with an "endless list of tasks". Like what Rex said, "Every little thing is a test to the model." The family office did not manage only resource deployment but also various changes and transitions. They had staff to help support all these and they were considering hiring a dedicated manager detached from the family business in the future. The family office was also adopted to manage and diversify the family wealth, support interests of the family members such as their own ventures, offer long-term stability of the family, and fund education of the children. In addition, the family office would allow the family to take more risks, as it segregated the family wealth from business assets. According to Rex, the family office also kept the family together, and his father was very much engaged in the work after stepping down as CEO of the operating business.

Like most of the family offices in Asia, there were moving pieces that families must work on; and in this case, it was the connection between the family office and family foundation and other business-related investments. An option could be to house all these functions under the family office. Yet from Rex's perspective, the family office should give more room for the investor to evaluate deals and should be less engaged in investments related to the operating business.

Family offices as a regenerative tool

In the West, families often set up their family offices as a **one-stop shop** for wealth management from investment to tax and estate planning. As such, family offices often take on additional functions such as governance, education, and relationship management. The notion of the "**family-focused office**"[4] is particularly relevant to capture how family offices can attend to the unique needs of each family. In Asia, the tendency for family offices to focus more narrowly on investments may limit the development of this full-service model, even though this may help drive superior financial performance. Actions such as building a governance structure to allow collective decision making; educating rising-generation members; or organising family retreats are oftentimes **seen as "costs" instead of "investments" in the business**. However, these investments are crucial for successful regeneration. Our case studies in this report help identify ways that family office contributes in the process of regeneration, as illustrated in the examples on the next page.

[4] Peppet, S. (November 10, 2021). The family-focused office. *FFI Practitioner*. https://digital.ffi.org/editions/the-family-focused-office/

Repurposing the family through a new identity

Because of regeneration, families may have to exit from their operating business and may thus need a new identity anchor to keep the family members together. Family offices can serve this role. In the case of Dr Jack Yeung of OIC Capital, after the complete exit from ACE, OIC became the family's new identity. This extended the legacy of Dr Yeung and his father, and allowed both generations to create impact, take care of people around them, and support the development of "Made in China" brands with pride. In the case of Rex Wong of Kum Shing Group, even though the operating business was still active, the family office conferred a new identity for the members so that they could decouple themselves from the family business as their only identity. The new structure continued to involve Wong's father, who gradually distanced himself from daily operations, while all of the three siblings worked together to run the business.

Family governance for agile leadership

Family offices can be used to build, execute, and oversee an effective family governance framework, which helps families to make more informed and timely decisions in the ongoing process of regeneration. Family offices can facilitate the discussion of (i) guiding principles; (ii) governance levels and structures; (iii) roles and responsibilities; and (iv) policies and processes amongst family members. In Dr Yeung's case, the relatively simple family structure did not require institutionalising the governance system of the family. Instead, the bonding between father and son might optimise the underlying arrangements. In Wong's case, the installation of the family governance system liberated decision-making of different types, especially in identifying the guiding principles, setting up of the family charter, and more importantly who should be approached for relevant decisions. Their family office supported all these functions.

Hub for investments in new/disruptive technologies and startups

New / disruptive technologies may facilitate the regeneration of a new business model for family businesses. To this end, startups may provide new insights into markets in which the family businesses operate. Family offices can help identify and coordinate investments in these technologies and startups while leveraging relevant expertise and know-how to accelerate the regeneration of the family businesses. In the case of Dr Yeung of OIC Capital, relevant investments were pooled under the OIC portfolio, and he saw cross-fertilisation in the portfolio. For instance, a smart energy and lighting management system created by a Shenzhen-based startup OIC Capital invested in was installed in newly developed single-family homes in California managed under OIC Investment. In Wong's case, the family office helped to attract technologies or startups that might benefit from using the operating business as a sandbox for testing their technologies.

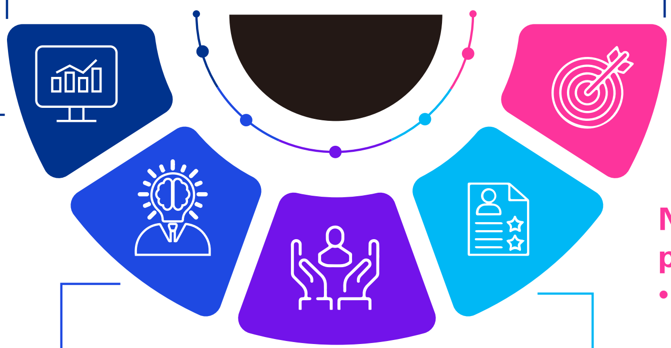
Holistic performance

Family businesses exist to serve goals that are unique to the businesses and to their owning families. While we tend to simplify them as financial and non-financial goals, breaking them down further can help family businesses sharpen their regenerative efforts. In this study, we categorise these as (i) financial results; (ii) entrepreneurial orientation; (iii) external social performance; (iv) internal social performance; and (v) non-financial performance (Figure 15).

Figure 15: Different categories of performance indicators in family businesses

Striving for peak performance

These are the unique and important factors for measuring the performance of family businesses.



Financial performance

- Growth in sales and market share
- Growth in number of employees
- Growth in profitability and profit margins on sales
- Return on equity and total assets

External social performance

- Limiting environmental impact beyond compliance
- Educating stakeholders about environmental impact

Non-financial performance

- Family unity, loyalty and support for the business
- Development of next-generation skills and opportunities
- Customer loyalty to the family name
- Good reputation in the business community

Entrepreneurial orientation

- Emphasis on R&D, technological leadership and innovation
- Taking actions to which competitors are forced to respond
- Pursuit of high-risk projects with potential high returns
- Taking a bold, aggressive posture to maximize profitability

Internal social performance

- Adoption of innovative hiring practices (minority groups and persons with disabilities)
- Increases in women and minorities in senior management and boards

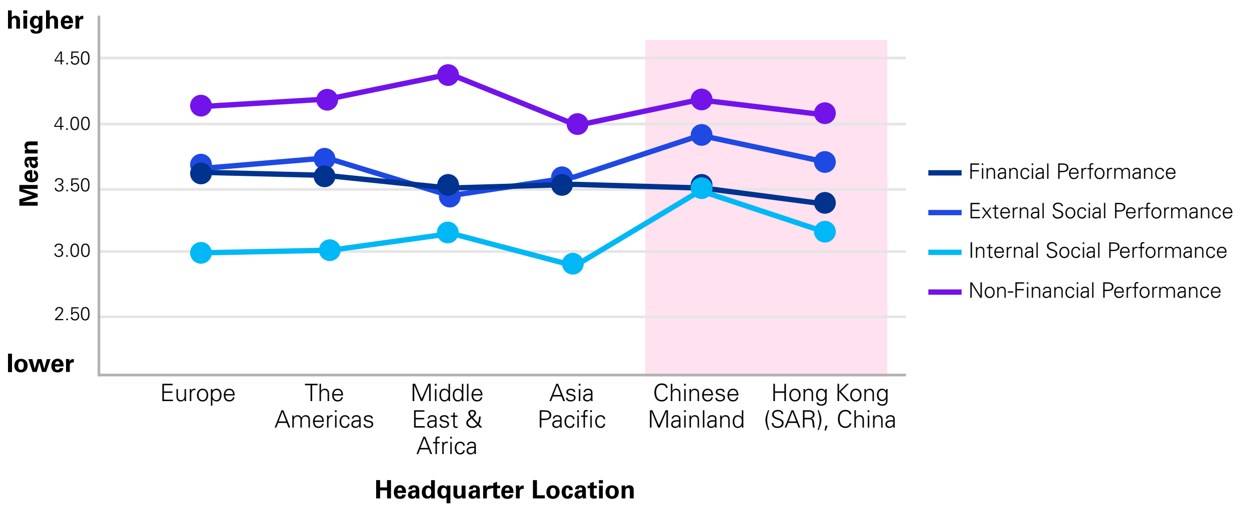
Source: KPMG International and STEP Project Global Consortium survey analysis

With respect to family businesses' performance in these categories, Figure 16 compares Chinese Mainland- and Hong Kong (SAR)-based family businesses with the average performance of various regions globally. We excluded entrepreneurial orientation as we already had a detailed discussion in the previous section. Chinese Mainland family businesses surveyed reported lower levels of financial and non-financial performance but stood the strongest on both internal and external social performance amid regions/jurisdictions in comparison. The findings in social performance indicated that Chinese Mainland family businesses have made encouraging progress in issues related to environmental impact and gender equality.

Hong Kong (SAR) family businesses showed relatively weak financial performance amid regions/jurisdictions in comparison in the study. This is likely due in part to the prolonged effects of the global COVID-19 pandemic. Like their mainland counterparts, they showed an above-average social performance, but were slightly below par for non-financial performance. The relatively weaker non-financial performance might be because it could be harder to satisfy the growing demands from a larger family with more family shareholders, worsened by the absence of dedicated structures to manage family issues.

Striking a balance between different goals is an art but taking business and family success as equal priorities is fundamental. However, even in cases where these are treated as equal priorities, every family has its own developmental path and the balance between the two may evolve over time. In the case of Rex Wong of Kum Shing Group, his family dedicated significant resources to establish and run institutions such as family charter, family office, and family foundation that advance non-financial performance while building new initiatives in growing the core business. The division of labour in Wong's generation was instrumental to afford a parallel development in both financial and non-financial performance. In Dr Yeung's case, the family was guided by their core values and missions to drive the balance. Dr Yeung said: "My father told me that the business is only a tool; money is just a side product." The two generations of Yeungs strongly embraced the social goal of "building a bigger platform for the staff to have a better future", even it could mean that the family chose to let go of the legacy business. Another social goal was what his father envisioned as building "Made in China" as a quality mark.

Figure 16. Analysis of performance indicators across regions/jurisdictions



Source: KPMG International and STEP Project Global Consortium survey analysis

Key questions to consider

How do you and your family define and measure "wealth" and "success"?

How can your family narrow the gap when members have different expectations on different goals?

Do you have built-in mechanisms to monitor performance of different kinds?

Harnessing the regenerative power of family businesses

To successfully navigate disruptions, we encourage you and your family business to review your regenerative capabilities and plan your own journey to recharge it. The following are some thoughts you may consider in the process.

Begin with the end in mind: Know what goals you and your family want to achieve with the business. Consider the variety of financial and non-financial performance indicators. Write them down on a piece of paper and prioritize them. Check if your key stakeholders have a similar list and explore if there are differences and why.

01

Know where you stand: Assess where your family business stands in terms of various performance indicators and conduct a gap analysis. Does your family stand too far away from the aspired goals? Does your family business need to regenerate and create new values? If yes, the family should come together to discuss what to renew and what to preserve in the regeneration process.

02

Create your own regeneration process: From the gap analysis, develop your own strategies and timeline to regenerate. Don't blindly follow those of your peers; engage professional advice if needed. Learn from your peers but be smart enough to adapt.

03

Tie your effort to what you love: A key question here is: what should be the entity that you should regenerate? Should it be the legacy business or the family's portfolio? Families should be cognizant that it is the entrepreneurial spirit and not the legacy business per se that matters.

04

Keep the founder's entrepreneurial spirit alive: Induce the incoming generation to the entrepreneurial legacy of the founder. Remember though that heroic stories do not always stay out there great. Showing the genuine side of how the founder may fail and how s/he responded to the failure can be equally impactful.

05

Give opportunities to the rising generation to try their wings: Let your rising generation try and fail and treat it as their learning process. The secret is to fail fast and early. Overprotecting them from making mistakes may reduce chance of their entrepreneurial development. Encourage the rising generation to be proactive, innovative, and taking calculated risk. Some practical tips to the rising generation include: Harness the power of small autonomous teams; create small wins through experiments; reinterpret or imbue new meaning to existing routines for initiating change; learn from startups; and invest in disruptive technologies.

06

Engage: Engage your rising-generation members, your employees, and other stakeholders in the regeneration process. Manage with a suitable leadership style and be aware of generational clashes in leadership style. Ultimately, avoid becoming the authoritarian leader that you may dislike.

07

Develop necessary governance forums and structures: Professionalise your family and avoid undue influence in your journey of business regeneration. Build clear roles and different pathways so that family members can be engaged and participate in the regeneration.

08

About KPMG Private Enterprise

KPMG Private Enterprise advisers understand what is important to you. We have worked with many entrepreneurs and provided bespoke advice on the best way to handle a wide variety of issues. Whether you are looking to start an innovative and fast-growing company or running an established one and looking for an exit, we can help you navigate any challenges you face – from family business, to family office and private wealth, KPMG Private Enterprise has you covered. You gain access to KPMG’s global resources through a single point of contact – a trusted adviser to your company. We provide a local touch with a global reach.

Visit: https://home.kpmg/cn/en/home/services/private-enterprise.html

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About CUHK Centre for Family Business

The **Centre for Family Business** at The Chinese University of Hong Kong (CUHK) endeavors to be the leading research, education, and practice platform for families-in-business and their advisors in the Asia-Pacific region. The Centre was established in 2012 and is currently housed under the Department of Management. It recognizes the importance of this multi-disciplinary field of family business in the Asian context and is instrumental in offering a full spectrum of support to this important field. Since its inception, the Centre has been a dedicated member of the STEP Project Global Consortium.

Visit: https://cfb.bschool.cuhk.edu.hk/

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About the STEP Project Global Consortium (SPGC)

The STEP Project Global Consortium is a global applied research initiative that explores family and business practices within business families and generates solutions that have immediate application for family business leaders. The STEP Project Global Consortium aims to be a leading global family business research project with an international reputation. The research insights are specifically drawn to be of relevance to developing new theoretical insights that can offer novel and valuable best practices recommendations to the business stakeholders and the practice community at large. Having a global worldwide orientation, the STEP Project Global Consortium offers networking opportunities for researchers, family business owners and consultants coming from five continents.

Visit: https://spgcfb.org/

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