



PRESS RELEASE

Balancing traditional values with modern business strategies for family businesses.

STEP Project Global Consortium and KPMG Private Enterprise report reveals an important link between the strength of a family business's legacy and its long-term business performance.

Key findings

- *Family's legacy is a high-value asset that contributes to superior business and sustainability performance.*
- *Legacies are important for connecting the past, present, and future in making strategic decisions.*
- *Strong legacies contribute to socio-emotional wealth and transgenerational entrepreneurship.*
- *It is important to recognise that legacies may become liabilities if they are too entrenched in tradition and stand in the way of innovation.*

16 September 2024; To explore the family-business challenges and opportunities in South Africa, KPMG Private Enterprise South Africa recently hosted its 10th National Family Business Conference in Umhlanga, Durban, in partnership with Kwa-Zulu Natal (KZN) Top Business.

According to a recent McKinsey report "*All in the family business*", family-controlled businesses contribute to more than 70% of Global GDP.

Alan Barr, Head of Private Enterprise for KPMG in South Africa says, "Family-controlled businesses, which range from SME type business to very large companies, are therefore the backbone of most economies across the world, especially in Africa. Therefore, it is vital to note the success and endurance of family-owned businesses – especially in South Africa where there is a huge generational wealth gap and a high unemployment rate."

At the event, KPMG also unpacked the global business trends from the latest [STEP Project Global Consortium and KPMG Global Family Business Report](#) which offers valuable insights to the family Business founders, next-generation family members in the business, and non-family management who were in attendance.

"This study was based on a survey of 2,683 family business leaders from 80 countries, regions, and territories and some of the key findings include insights such as; 53 % of family businesses with high legacy scores reported high sustainability results, and 45 % of family businesses with high legacy scores reported stronger business performance compared to competitors," explains Barr.

The conference provided a platform for family business leaders to share insights on managing the transition of leadership of the business, using technology and digital to drive growth, how to achieve the balance between financing the growth of the business with allocating capital to the various stakeholders and building the foundation of effective decision making and communication through strong family governance practices.

“While there are no silver bullets in dealing with family dynamics that can impact businesses - it is pivotal for family businesses to invest time to keep abreast of changing trends and ideas to manage these dynamics as they evolve.

These events provide a wonderful opportunity for family businesses to connect, learn, and share with other business families how they are dealing with the various family dynamics. It highlights the fantastic entrepreneurs who are growing their businesses despite the tough economic conditions, continues Barr.”

KPMG Private Enterprise South Africa regularly hosts events that provide business families with a platform to openly discuss key family dynamics that often pose challenges, such as succession planning, talent retention and attraction, governance, and balancing business growth with family sustainability.

Notable past events by KPMG Private Enterprise include nine annual family business conferences across South Africa, the 4th family business workshop for African CEOs at the Africa CEO Forum in Kigali, Rwanda, in May 2024, and the inaugural family business summit in Eswatini in July 2024.

ENDS.

About KPMG South Africa

KPMG South Africa operates through two entities, KPMG Incorporated for audit services and KPMG Services Proprietary Limited for advisory and tax services. KPMG South Africa has served the South African market for over 125 years and is headquartered in Parktown, Gauteng. KPMG South Africa collectively has 142 partners and 2168 employees servicing several industries across our country’s nine provinces. We operate from four offices across Johannesburg, Cape Town, Durban, and Gqeberha.

KPMG Incorporated and KPMG Services Proprietary Limited are member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

For more information, please email KPMG South Africa’s Head of Communications at dudu.ndlovu@kpmg.co.za