

Okeili&co.

Pragmatic Advisors

The Region's Leading Advisor on Family Business

**Planning The Sustainability Of Your Family
Business**



June 7, 2011

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Family Business Dilemma!

Family businesses are often precariously short-lived. Recent research has shed more light on this family business dilemma. Three in ten family businesses endure into the second generation, and a mere one in ten into the third.

Standing in the first-generation owners' shoes, the reality is that their business represents a lifetime of arduous work. Clearly, the successful transfer of their business is the culmination of that work. Yet, the painful fact is that family-owned firms have proven fairly vulnerable when it comes to handing down the business. Putting in place a fit Sustainability Strategy helped and continues to help in pondering and addressing the transition critical success areas.

Sustainability Focus Areas

There are five key areas that need to be deliberated and addressed while laying out your Sustainability Strategy:

- **Optimal Target Structure:** Reaching the most favorable structure requires mind-boggling analysis. Whether the transfer to the next generation of family members is paralleled with a partial sale to a third party, merger, management buyout, going public, or a combination of those, such structure should be very well thought and planned

- **Legal Structure and Ownership:** Transfer of ownership to the next generation in a manner that meets the current owners' and their successors' economic needs requires considerate attention and time
- **Governance Model:** Inaugurating a governance model that outlines how the target entity is directed and controlled, remains an essential ingredient in corporate long-term success and sustainable economic growth
- **Succession Planning:** Understanding the personal competencies required for potential successors and putting in place a talent development plan to foster such competencies, is critical for a successful transition
- **Corporate Social Responsibility Initiatives:** Promoting a CSR-Conscious business that can proactively promote the public interest by encouraging community growth while eliminating environmentally-harmful practices, is imperative to sustainable social and environmental growth

How Can Okeili & Co. Help?

Okeili & Co takes pride in guiding its clients through mapping their right Sustainability Strategy for a competitive future. Our family business experts build on the family owner vision to inaugurate a suitable Sustainability Program, an intergenerational agenda of sustainable development, to prepare and hedge against the risks of handing down the business.

As our engagement addresses the above focus areas at a micro level, our efforts, normally between three to six months for a medium-sized firm, culminate in a transitional plan that can be internally fulfilled by a steering committee.

For more information on Okeili&co Next-Generation advisory efforts, please write us to engage@okeili.com



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