

# Family Business Survey

February 2024 Survey  
with Data Analysis from the  
November - December 2022 Survey

Presentation by  
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Chairperson Family Business Committee

THE MALTA CHAMBER  
OF COMMERCE, ENTERPRISE  
AND INDUSTRY

A survey conducted by

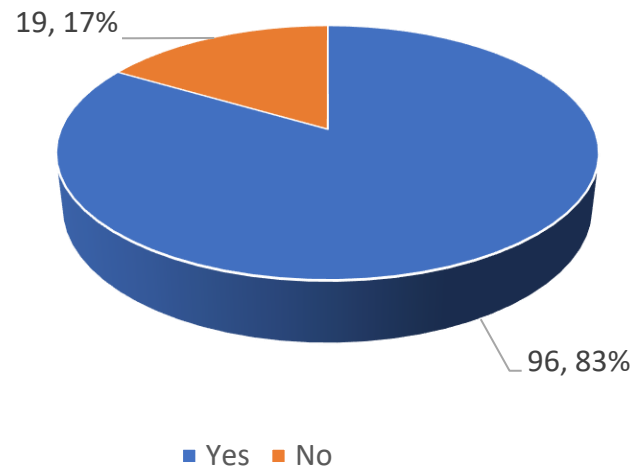
**EMICS**  
ADVISORY

# Governance

Do you have a functioning board of directors that meets regularly to discuss the present performance and future direction of the family business?

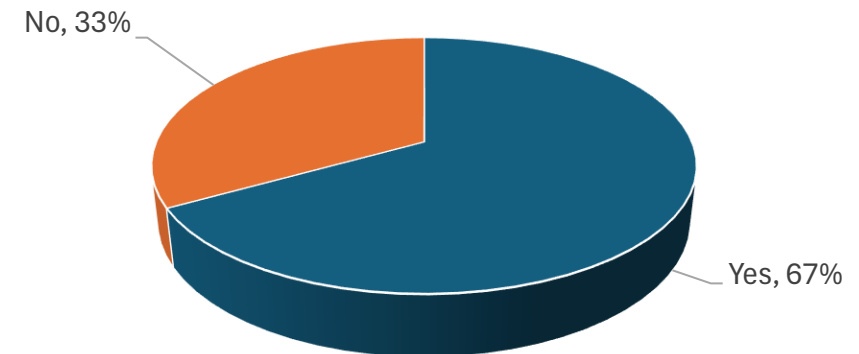
## November - December 2022

Yes	96	83%
No	19	17%
<b>Total Replies</b>	<b>115</b>	



## February 2024

Yes	107	67%
No	53	33%
<b>Total Replies</b>	<b>160</b>	

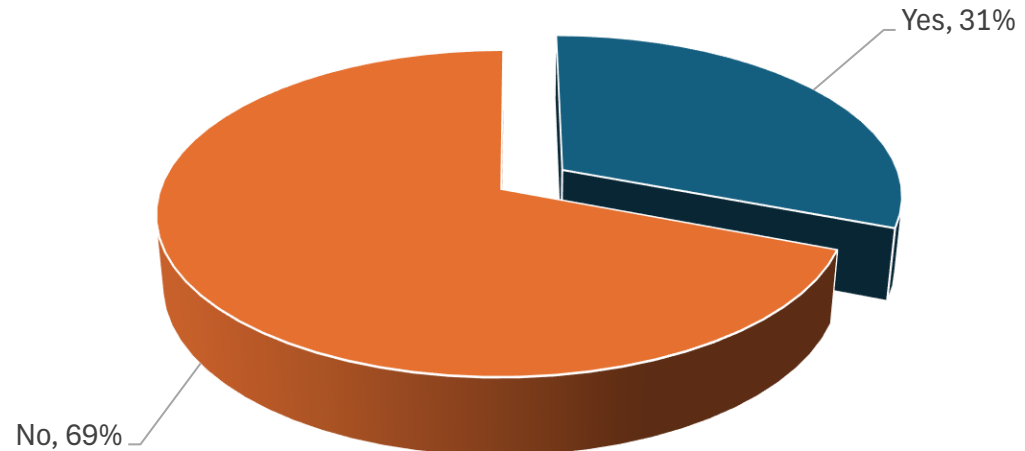


# Governance

If yes, does the board have independent non-executive directors who are not family members, within it?

February 2024

Yes	33	31%
No	74	69%
<b>Total Replies</b>	<b>107</b>	

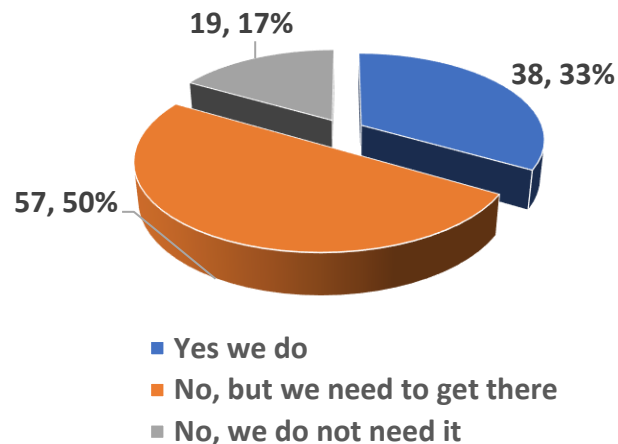


# Strategic Planning

Does the family business have a written strategic plan which is regularly reviewed?

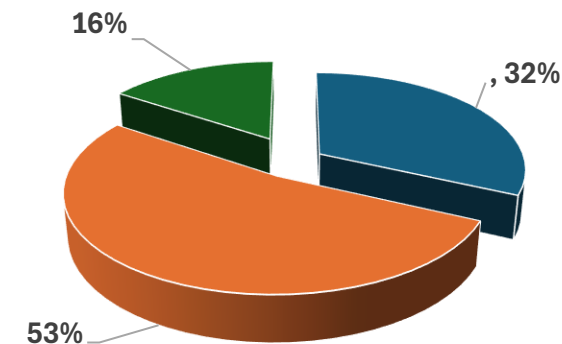
## November - December 2022

Yes we do	38	33%
No, but we need to get there	57	50%
No, we do not need it	19	17%
<b>Total Replies</b>	<b>114</b>	



## February 2024

Yes we do	51	32%
No, but we need to get there	84	53%
No, we do not need it	25	16%
<b>Total Replies</b>	<b>160</b>	

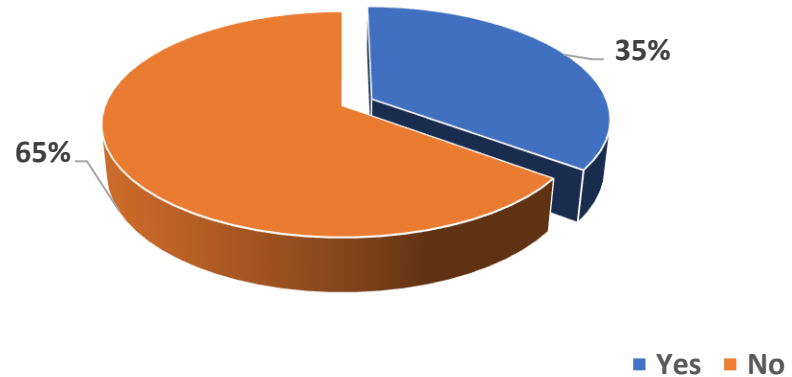


# Succession Planning

Do you have a written succession plan?

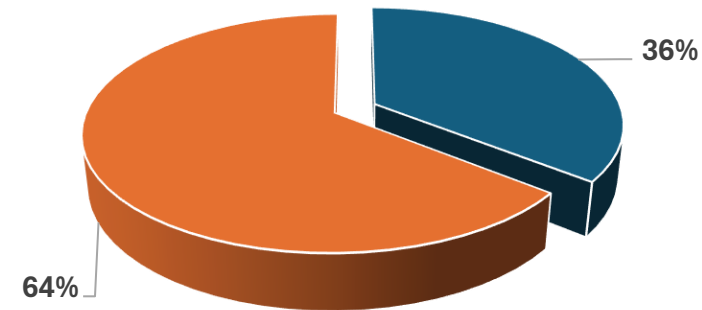
November - December 2022

Yes	38	35%
No	70	65%
<b>Total Replies</b>	<b>108</b>	



February 2024

Yes	57	36%
No	103	64%
<b>Total Replies</b>	<b>160</b>	



# Succession Planning

If YES (you do have a written succession plan) is the succession plan being implemented, and is the next generation being exposed and trained on matters related to the present family business?

## February 2024

Yes	46
No	11
<b>Total Replies</b>	<b>57</b>

## Reasons for the replying NO

- Next generation is not interested in the business
- Implementing remains a key challenge
- Succession plan is in progress
- No not yet

# Succession Planning

If NO (you do not have a written succession Plan) what is the reason/s that is holding the family business from drafting a succession plan?

## Main reasons given:

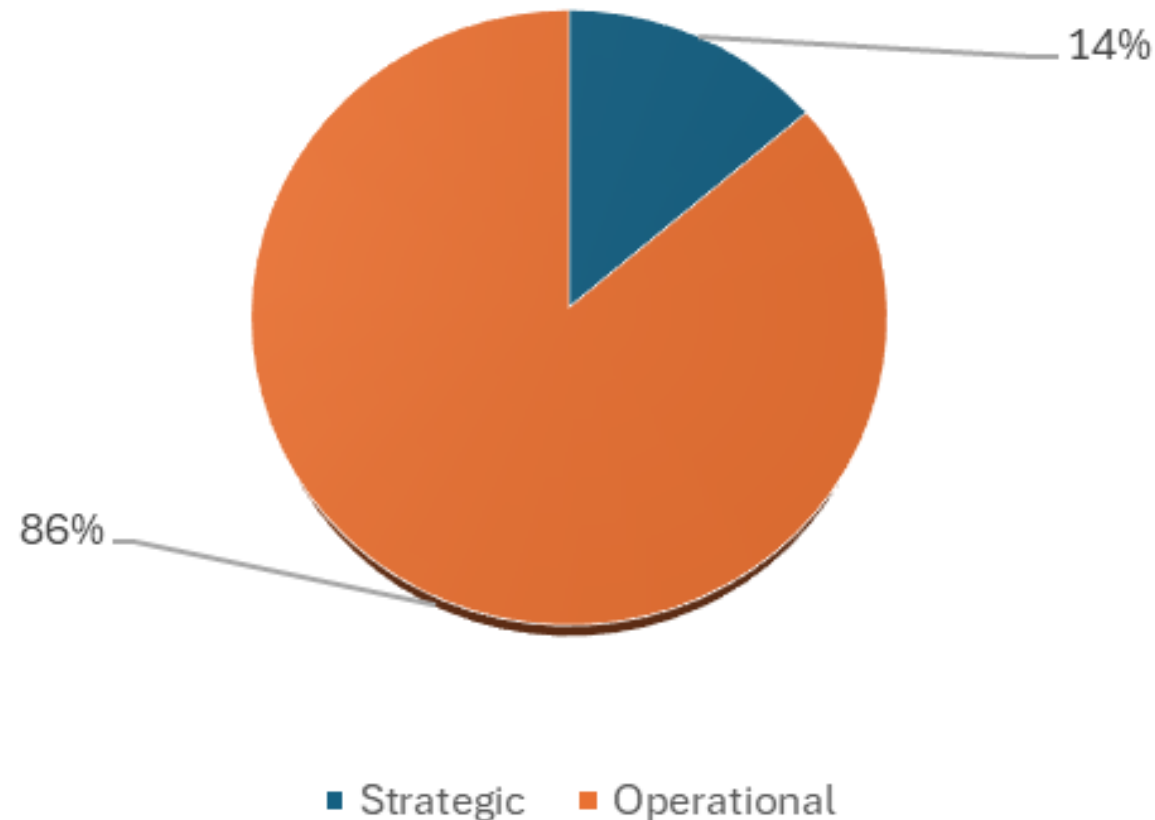
- Procrastination. We keep putting it off!
- Time and guidance
- It is work in progress
- Too busy. We need to find time. Some mentioned it has to be done with lawyers or auditors.
- Known but not written
- Have not seen the need
- Have just gone through succession
- We never discuss it
- Director's are mostly focused on generating sales and dealing with day to day operations
- Children not wanting to work in the family business or they are too young
- Do not know



# Matters that Occupy most of your DAY

As a family business owner, leader or manager, please list the top 5 matters / areas that occupy most of your time during the day, on an ongoing basis.

<b>Operational</b>	<b>86%</b>
<b>Strategic</b>	<b>14%</b>





# TRAINING

As a family business kindly outline your view on training by rating the following statements.

(from 1 being in Full Agreement and 5 Disagree Completely)

## Average Score

Score	Average Score	Replies
*****	1.86	Besides training for our employees, we believe it is also important that family business owners and directors get trained on <b>how to lead a family business</b>
****	2.09	Training for our employees on <b>Interpersonal Skills</b> related to Leadership, Communications and Teamwork is as important, if not more important, than technical skills training
***	2.43	Training for our employees is needed on <b>Technical Skills</b> related to our business only
**	3.03	<b>No time to train</b> for employees although it is considered Important
*	4.32	Training for our employees is considered <b>a waste of time and money</b>

# TRAINING

As a family business kindly outline your view on training by rating the following statements.  
(from 1 being in Full Agreement and 5 Disagree Completely)

## Average Score

Score	Family Businesses	Replies
*	21	agreed with this statement (scored 1 or 2)
**	91	agreed with this statement (scored 1 or 2)
***	33	did not agree with this statement (scored 4 or 5)
****	17	did not agree with this statement (scored 4 or 5)
*****	17	did not agree with this statement (scored 4 or 5)

# DECISION MAKING

What is the overriding culture that guides decision making in your family business?

<b>Decisions are mostly taken on research &amp; data analysis.</b>	<b>Yes</b>	<b>58</b>	<b>36%</b>
	<b>No</b>	<b>102</b>	<b>64%</b>
	<b>Total Replies</b>	<b>106</b>	

<b>Decisions are mostly based on the perceptions of things of the leading force within the family business.</b>	<b>Yes</b>	<b>51</b>	<b>32%</b>
	<b>No</b>	<b>109</b>	<b>68%</b>
	<b>Total Replies</b>	<b>160</b>	



# DECISION MAKING

What is the overriding culture that guides decision making in your family business?

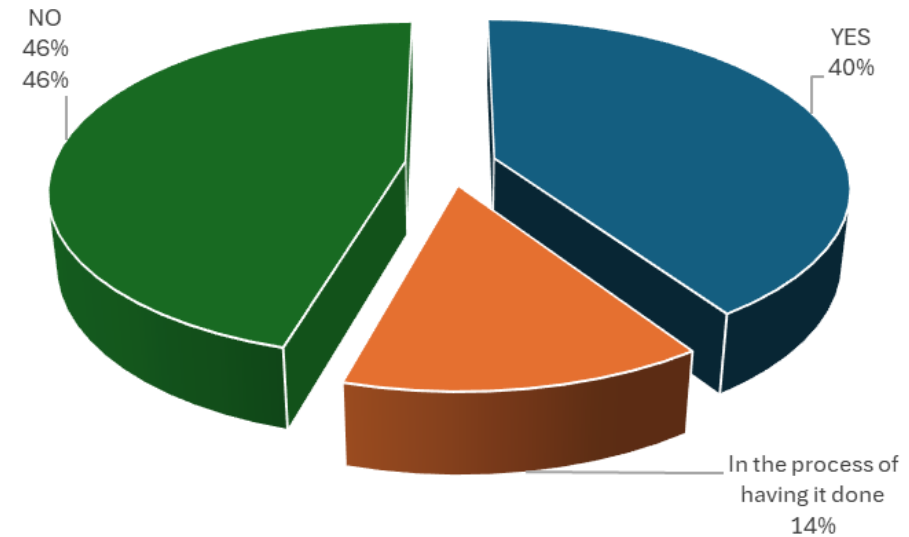
<p><b>Decisions are taken after a good overall discussion amongst the concerned persons where everyone's point of view is given some weight.</b></p>	<b>Yes</b>	<b>120</b>	<b>75%</b>
	<b>No</b>	<b>40</b>	<b>25%</b>
	<b>Total Replies</b>	<b>160</b>	

<p><b>Decisions are mostly taken by the same person or group of persons, as they always override what others think.</b></p>	<b>Yes</b>	<b>24</b>	<b>15%</b>
	<b>No</b>	<b>136</b>	<b>85%</b>
	<b>Total Replies</b>	<b>160</b>	

# POLICIES

Does your family business have a policy related to dividend distribution?

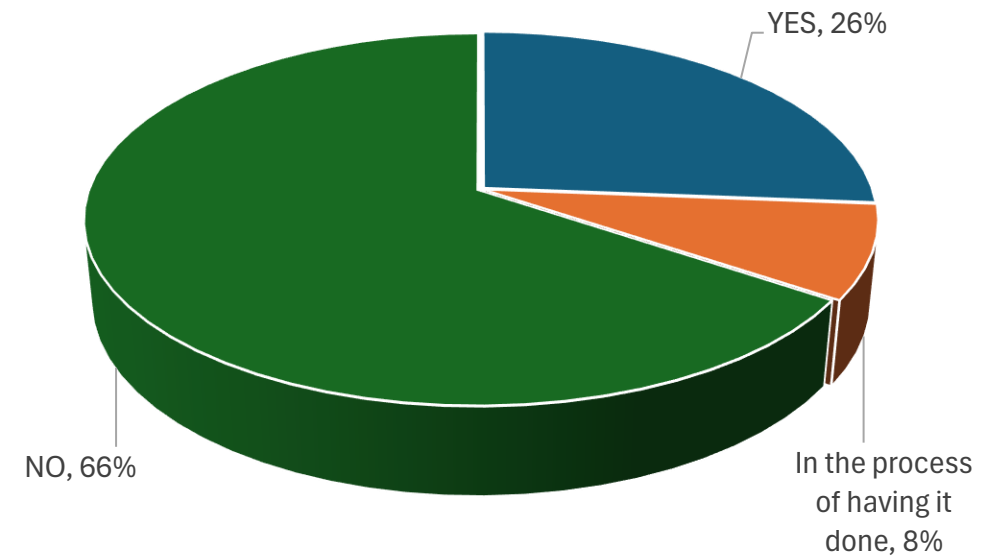
Yes	65	41%
In the Process	22	14%
No	73	46%
<b>Total Replies</b>	<b>160</b>	



# POLICIES

Does your family business have a family employment policy in place?

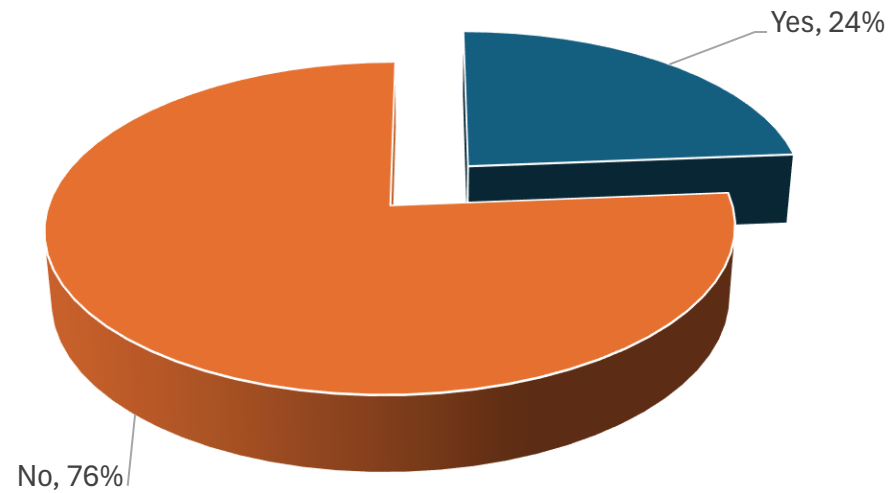
<b>Yes</b>	<b>42</b>	<b>26%</b>
<b>In the Process</b>	<b>13</b>	<b>8%</b>
<b>No</b>	<b>105</b>	<b>66%</b>
<b>Total Replies</b>	<b>160</b>	



# FUNDING

Is funding an issue that is prohibiting your family business to grow?

Yes	38	24%
No	122	76%
<b>Total Replies</b>	<b>160</b>	

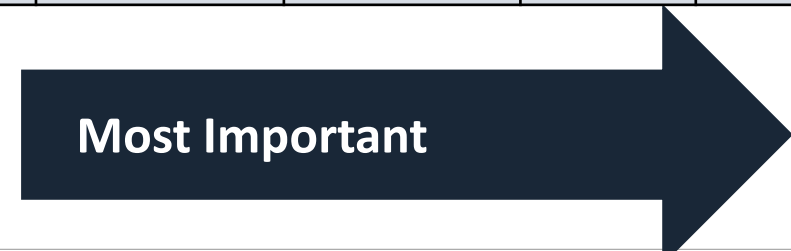
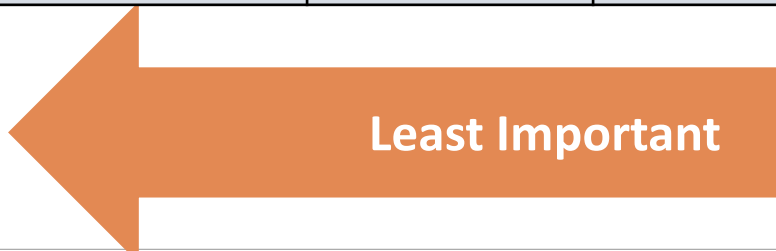


# Family Business Priorities

Rank the importance you give to each of the following from 1 to 5 with regard to your family business

(1 being the least and 5 being the most)

Priority February 2024									
10 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Rethinking / changing/adapting the business model	Becoming more environmentally friendly in your operations	Improving your internal organizational structure	Run your family business more professionally	Introduce new product / services	Invest & expand into new markets / client segments	Have regular & timely reporting of financial performance and key KPIs	Invest in new technologies to automate processes & increase efficiency	Retain your present labour force	Improve your financial performance (cashflow, profitability)
Priority Nov - Dec 2022									
9 <sup>th</sup>	7 <sup>th</sup>	4 <sup>th</sup>	N/A	8 <sup>th</sup>	6 <sup>th</sup>	2 <sup>nd</sup>	5 <sup>th</sup>	1 <sup>st</sup>	3 <sup>rd</sup>



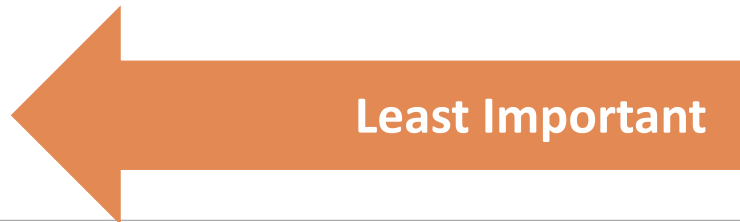


# Family Business Priorities

Please rank the importance you give to each of the following from 1 to 5, with regard to your family business

(1 being the least and 5 being the most):

Priority February 2024							
18 <sup>th</sup>	17 <sup>th</sup>	16 <sup>th</sup>	15 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>
Selling your family business	Pursuing strategic acquisitions or mergers	Lowering your wage costs	Increasing investments in innovation and R&D	Improving your corporate governance and including independent non-executive directors to the board	Increasing your present labour force	Increasing your organization's social responsibility	Increasing involvement of the next generation in decision making / management as part of the succession plan journey
Priority Nov - Dec 2022							
N/A	15 <sup>th</sup>	N/A	13 <sup>th</sup>	14 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>



# Family Business Priorities

Priority	2022	2024	Rating
Improve your financial performance (cashflow, profitability)	3	1	2
Retain present labour force	1	2	-1
Invest in New technologies to automate processes & increase efficiency	5	3	2
Have regular & timely reporting of financial performance & key KPIs	2	4	-2
Invest & expand into new markets / client segments	6	5	1
Introduce new product / service	8	6	2
Run the family business more professionally	N/A	7	
Improve the internal organisational structure	4	8	-4
Become more environmentally friendly in the operations	7	9	-2
Increasing involvement of the next generation in decision making / management as part of the succession plan journey	10	11	-1
Increasing your organization's social responsibility	11	12	-1
Increasing your present labour force	12	13	-1
Improving your corporate governance and including independent non-executive directors to the board	14	14	0
Increasing investments in innovation and R&D	13	15	-2
Lowering your wage costs	N/A	16	
Pursuing strategic acquisitions or mergers	15	17	-2
Selling your family business	N/A	18	

# Insights on the Value that Good Corporate Governance delivers to Family Businesses



# The numbers speak for themselves...

Does the family business have a written strategic plan which is regularly reviewed?

	No Board of Directors	With Board of Directors NO Independent & Non-Family Directors	With Board of Directors Including Independent & Non-Family Directors
<b>Yes</b>	<b>15%</b>	<b>35%</b>	<b>52%</b>
<b>No, need to get there</b>	<b>66%</b>	<b>46%</b>	<b>45%</b>
<b>No, do not need it</b>	<b>19%</b>	<b>19%</b>	<b>3%</b>



# The numbers speak for themselves...

		NO Board of Directors	With Board of Directors NO Independent & Non-Family Directors	With Board of Directors Including Independent & Non-Family Directors
Do you have a written succession plan?	YES	30%	34%	48%
	NO	70%	66%	52%



# Let the numbers speak for themselves....

		NO Board of Directors	With Board of Directors NO Independent & Non-Family Directors	With Board of Directors Including Independent & Non-Family Directors
Decisions are mostly taken based on research & data analysis.	YES	17%	42%	55%
	NO	83%	58%	45%
Decisions are taken after a good overall discussion with all concerned.	YES	66%	78%	82%
	NO	34%	22%	18%



# Let the numbers speak for themselves....

		NO Board of Directors	With Board of Directors NO Independent & Non-Family Directors	With Board of Directors Including Independent & Non-Family Directors
Decisions are mostly taken based on perceptions of the leader force in the family business	YES	28%	42%	15%
	NO	72%	58%	85%
Decisions are taken by the same person / group, overriding everyone.	YES	26%	5%	18%
	NO	74%	95%	82%



# Let the numbers speak for themselves....

		NO Board of Directors	With Board of Directors NO Independent & Non-Family Directors	With Board of Directors Including Independent & Non-Family Directors
Does your family business have a policy related to dividend distribution?	YES	21%	43%	67%
	NO	68%	41%	21%
	IN PROCESS	11%	16%	12%
Does your family business have a family employment policy in place?	YES	13%	30%	39%
	NO	81%	61%	52%
	IN PROCESS	6%	9%	9%





# Ultimately Governance is the basis for everything....

Family-owned businesses can apply a 4 + 5 value creation formula.



# Ultimately Governance is the basis for everything....



**Thank you for your attention.**

