

The journey to long-term sustainability

Findings from the inaugural GCC family-owned business survey, October 2015

The survey was conducted as part of a knowledge collaboration between the Gulf Family Business Council and McKinsey & Company.

The Survey respondents:

Representing the largest business across GCC

\$100
billion

Collectively generating in annual revenues

88%

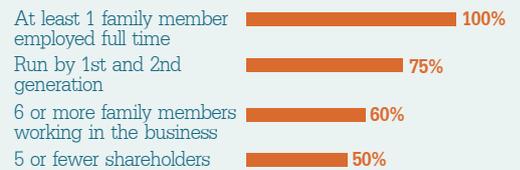
In 5 or more sectors



40-60
years old

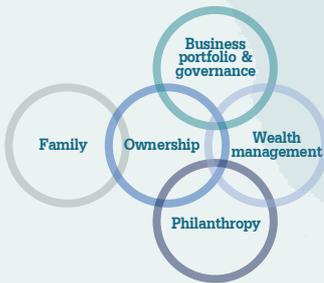
Young families

Engagement of family members in business

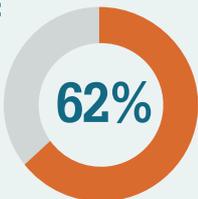


Overall findings » Specific insights across the five dimensions:

Measuring the health of family businesses across 5 dimensions



Score:

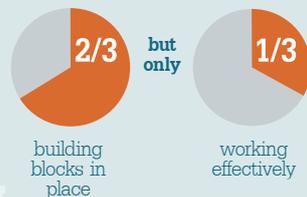


Year 1: Baseline to measure progress in future years



Implementing successful governance systems

Presence and effectiveness of 15 practices



Tapping into external sources of liquidity

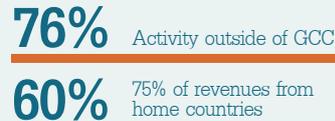
Few family businesses have public ownership



Managing challenging family dynamics and conflict and preparing the next generation



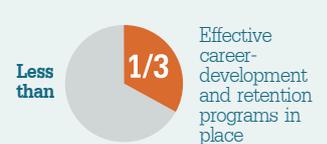
Diversifying geographically



Engaging in philanthropic efforts



Managing nonfamily talent



Recommendations

Ensuring effective implementation

- Engage broader family
- Don't avoid big decisions
- Clarify ownership

Preparing the next generation

- Start early to create bond with business
- Provide clarity and transparency for family members
- Clarify the role of non-family members in the process

Engaging in Philanthropic efforts

- Align cause with family values
- Protect the funding for sustainability
- Establish clear governance systems and measure impact

Continue to focus on geographic diversification and talent management

The largest family businesses in the GCC have a responsibility to serve as pioneers and role models for their peers, who could learn from their achievements to date.

