

# **Succeeding in a Continuously Changing World: A Practical Guide for Family Businesses in 2025**

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# There is no generic recipe for success, but there are principles that can guide family businesses

- Today's focus: How family businesses can navigate and leverage two critical domains:
  - Technological transformation
  - Environmental sustainability
  - Geopolitical complexity
- Plus: Practical performance improvement strategies specifically for family-owned firms

# Family Businesses are unique due to the importance of Socioemotional Wealth

## The FIBER Model of Socioemotional Wealth (SEW)

*Non-Financial Aspects Valued by Family Business Owners*

**Strategic Impact: Family Firms Often Prioritize SEW Over Financial Goals**

Family owners may bear economic losses to preserve socioemotional wealth elements

### Socioemotional Wealth

"The non-financial aspects that meet the family's affective needs"

Grounded in Behavioral Agency Theory & Hegel's Theory of Recognition

**F**

**Family Control and Influence**

**I**

**Identification of Family Members with the Firm**

**B**

**Binding Social Ties**

**E**

**Emotional Attachment**

**R**

**Renewal of Family Bonds through Dynasty**

#### Key Measurement Items

- Family ownership concentration
- Family members in board positions
- Family in executive positions
- Control over strategic decisions
- Goal of preserving family control

#### Key Measurement Items

- Strong sense of belonging
- Family members feel firm's success is their own success
- Firm helps define family identity
- Pursuit of favorable reputation
- Association of family name with products

#### Key Measurement Items

- Promotion of social activities
- Non-family employees treated as family
- Relationships based on trust
- Strong institutional relationships
- Collective social capital development

#### Key Measurement Items

- Emotions affecting decision processes
- Protection of family welfare
- Strong emotional bonds
- Affective considerations as important as economic ones
- Maintaining positive self-concept

# The Changing Business Landscape - 2025 Overview

- **Technological Disruption:** AI, automation, and digital platforms reshaping business operations and customer expectations
- **Sustainability Imperatives:** Increasing regulatory pressure, consumer demand, and supply chain requirements
- **Geopolitical Fragmentation:** Shift from globalisation to regionalisation affecting supply chains and markets
- **Post-Pandemic Business Models:** Hybrid work, digital-first approaches, and resilient supply chains
- **Economic Pressures:** Inflation, interest rates, and competitive labor markets
- **Family Business Context:** Generational transitions accelerating in 2020s with unique challenges and opportunities



# Family Business Advantages in a Changing World

- **Agility:** Faster decision-making without multiple management layers
- **Long-term Perspective:** Focus on sustainability rather than quarterly returns
- **Customer Loyalty:** Strong, personalised relationships with customers
- **Resilience:** Proven ability to weather economic downturns and geopolitical shifts
- **Values-Based Leadership:** Clear identity and purpose beyond profit
- **Local Embeddedness:** Strong community ties that provide stability amid global uncertainty
- **Employee Commitment:** Lower turnover and stronger cultural alignment

# Family Business Challenges in 2025

- **Access to Capital:** Higher costs of financing compared to larger firms
- **Technology Adoption:** Tendency to lag in digital transformation
- **Geopolitical Navigation:** Limited resources for monitoring and responding to global shifts
- **Supply Chain Vulnerability:** Exposure to disruptions from international tensions
- **Management Expertise:** Need for professional skills beyond family knowledge
- **Succession Planning:** Challenges in leadership transition to next generation
- **Balancing Tradition and Innovation:** Honoring heritage while embracing change
- **Resource Limitations:** Competing priorities with limited time and budget



# Family-owned businesses

## Strengths

- **Agility and Innovation:** Family-owned SMEs often exhibit higher agility and innovation due to their ownership structure, which allows for quicker decision-making processes and rapid implementation of innovative ideas (*Buchanan et al., 2022*).
- **Strong Internal Governance:** The involvement of family members in the business fosters strong internal governance practices, leading to higher levels of trust and commitment among employees, which enhances overall business performance (*Wajdi et al., 2023*).
- **Resilience and Stability:** Known for their resilience and stability, family-owned businesses maintain long-term orientation and commitment to preserving the family legacy, especially during economic downturns or crises (*Aguilera et al., 2015*).
- **Personalised Customer Relations:** These businesses often maintain strong, personalised relationships with their customers, fostering a customer-centric approach that enhances customer loyalty and repeat business (*Lee et al., 2020*).
- **Long-term Perspective:** Family businesses typically focus on long-term sustainability rather than short-term gains, leading to more stable growth (*Roos, G., 2011*).
- **Strong Commitment:** Family members usually have a deep personal commitment to the business, translating into dedication and hard work (*Productivity Commission, 2023*).
- **Flexibility and Quick Decision-making:** With fewer management layers, family businesses can make decisions and adapt to changes more quickly than larger corporations (*Productivity Commission, 2023*).
- **Strong Relationships:** Family businesses often have long-standing, strong relationships with customers, suppliers, and employees, providing a significant competitive advantage (*Productivity Commission, 2023*).
- **Shared Values and Culture:** A strong, consistent culture based on shared family values creates a positive work environment and strong brand identity (*Roos, G., 2011*).

## Weaknesses

- **Limited Access to Capital:** Family-owned SMEs often face significant challenges in accessing capital due to reliance on internal funding sources, limiting their ability to invest in large-scale projects or expansions. SMEs generally face higher costs of finance compared to larger firms (*Mahéroult, 2000; OECD, 2021*).
- **Succession Challenges:** Succession planning is critical and often fraught with difficulties, including family conflicts and lack of preparedness among successors. Planning for leadership transition can be challenging and emotional, potentially leading to conflicts or inefficiencies (*Lee et al., 2020; Productivity Commission, 2023*).
- **Lack of Professional Management:** Family-owned SMEs may prioritise family members over more qualified external candidates for key positions, leading to inefficiencies and hindering the professionalisation and growth of the business (*Peake & Marshall, 2017; Productivity Commission, 2023*).
- **Potential for Internal Conflicts:** The involvement of multiple family members can lead to internal conflicts and power struggles, disrupting business operations and negatively impacting overall performance (*Gallo & Cappuyns, 1999*).
- **Resistance to Change:** Family traditions and legacy can make it difficult for these businesses to adapt to changing market conditions or adopt new technologies (*MYOB, 2022*).
- **Limited Innovation:** Many SMEs, including family businesses, often focus on adopting existing innovations rather than creating new-to-market or new-to-world innovations (*Australian Bureau of Statistics, 2022*).
- **Work-life Balance Issues:** The blending of family and business can lead to difficulties in maintaining a healthy work-life balance (*Productivity Commission, 2023*).
- **Potential for Family Conflicts:** Disagreements within the family can spill over into business operations, causing significant disruptions (*Roos, G., 2011*).
- **Limited Management Capabilities:** Many SME owners, including family business owners, often lack the time or inclination to upskill themselves as managers, focusing instead on training staff (*Productivity Commission, 2023*).



# Geopolitical Landscape 2025 - Implications for Family Businesses

- **Regional Trade Blocs:** Impact of trade agreements and barriers on cross-border business
- **Resource Nationalism:** Increasing government control over critical materials and energy
- **Digital Sovereignty:** Data localisation requirements and digital market fragmentation
- **Nearshoring Trends:** Shift from global to regional supply chains
- **Political Risk Assessment:** Simple frameworks for family businesses to evaluate exposure
- **Regulatory Divergence:** Managing compliance across increasingly different jurisdictions
- **Action framework:** Geopolitical resilience assessment for family businesses



# Digital Sovereignty Framework

Digital sovereignty describes a party's right and ability to control its own digital data. It includes control over a company's digital environment, including customer and employee data, software, hardware, and other digital assets.

## Digital Sovereignty Framework for Australian Family Businesses



### Digital Sovereignty Defined

The right and ability of a business to control its own digital data and environment, maintaining authority over where and how data is stored, used, and protected under Australian law.

### Strategic Dimensions

#### Data Governance

- Data Inventory & Classification
- Data Lifecycle Management
- Transparency & Control
- Accountability

Self-assessment: \_\_\_\_\_

#### Legal Compliance

- Privacy Act Compliance
- Notifiable Data Breaches Scheme
- Industry-Specific Laws & Standards
- Contracts & Agreements

Self-assessment: \_\_\_\_\_

#### Risk Ownership

- Governance and Leadership
- Risk Assessment & Mitigation
- Cyber Insurance and Liability
- Continuous Improvement

Self-assessment: \_\_\_\_\_

#### Vendor Independence

- Avoiding Lock-In
- Multi-Vendor Strategy
- Contractual and Legal Control
- Local and Open Solutions

Self-assessment: \_\_\_\_\_

#### Cloud Policy

- Cloud Use Strategy
- Risk Assessment & Due Diligence
- Data Offshoring and Compliance
- Cloud Management and Monitoring

Self-assessment: \_\_\_\_\_

### Operational Dimensions

#### Cybersecurity

- Baseline Security Controls
- Endpoint and Network Protection
- User Awareness & Access Control
- Monitoring and Response

Self-assessment: \_\_\_\_\_

#### Data Storage & Encryption

- Data Residency and Sovereignty
- Encryption (At Rest and In Transit)
- Backups and Data Recovery
- Secure Data Management Practices

Self-assessment: \_\_\_\_\_

#### Software & Platform Control

- Control Over Critical Software
- Update and Patch Management
- Customization and Integration
- Local Infrastructure for Key Services

Self-assessment: \_\_\_\_\_

#### Local IT Workforce Development

- In-House Skills & Knowledge
- Knowledge Transfer and Documentation
- Local Partnerships
- Continuous Learning Culture

Self-assessment: \_\_\_\_\_

#### Digital Asset Classification

- Identify All Digital Assets
- Classify by Sensitivity and Criticality
- Apply Controls Based on Classification
- Continuous Review of Classification

Self-assessment: \_\_\_\_\_

# Political Risk Scorecard for Family Businesses



## Macro Risk Assessment

- Political stability indicators \_\_\_\_\_
- Regulatory predictability \_\_\_\_\_
- Trade relationship stability \_\_\_\_\_
- Currency stability \_\_\_\_\_
- Resource nationalism indicators \_\_\_\_\_

## Micro Risk Assessment

- Industry-specific regulations \_\_\_\_\_
- Local competition policy \_\_\_\_\_
- Intellectual property protection \_\_\_\_\_
- Labor regulations \_\_\_\_\_
- Environmental compliance requirements \_\_\_\_\_

## Family Business-Specific Risk Factors

- Local connections/relationships \_\_\_\_\_
- Family reputation considerations \_\_\_\_\_
- Long-term presence effect \_\_\_\_\_
- Cultural compatibility \_\_\_\_\_
- Succession planning implications \_\_\_\_\_

### Global Political & Institutional Risk

- Host Country Political Stability ☐
- Geopolitical & Trade Tensions ☐
- Institutional Quality (Rule of Law, Corruption) ☐
- Global Policy & Regulatory Shifts ☐

### Market-Embedded & Operational Risk

- Regulatory Change & Compliance ☐
- Legal Enforcement & IP Protection ☐
- Labor Relations & Workforce ☐
- Local Partner & Supply Chain ☐

### Family Enterprise Vulnerabilities

- Intergenerational Control & Succession ☐
- Family Reputation & Legacy ☐
- Cultural Alignment & Values Fit ☐
- Family Influence on Strategy ☐

# The Technology Imperative - What Matters Most

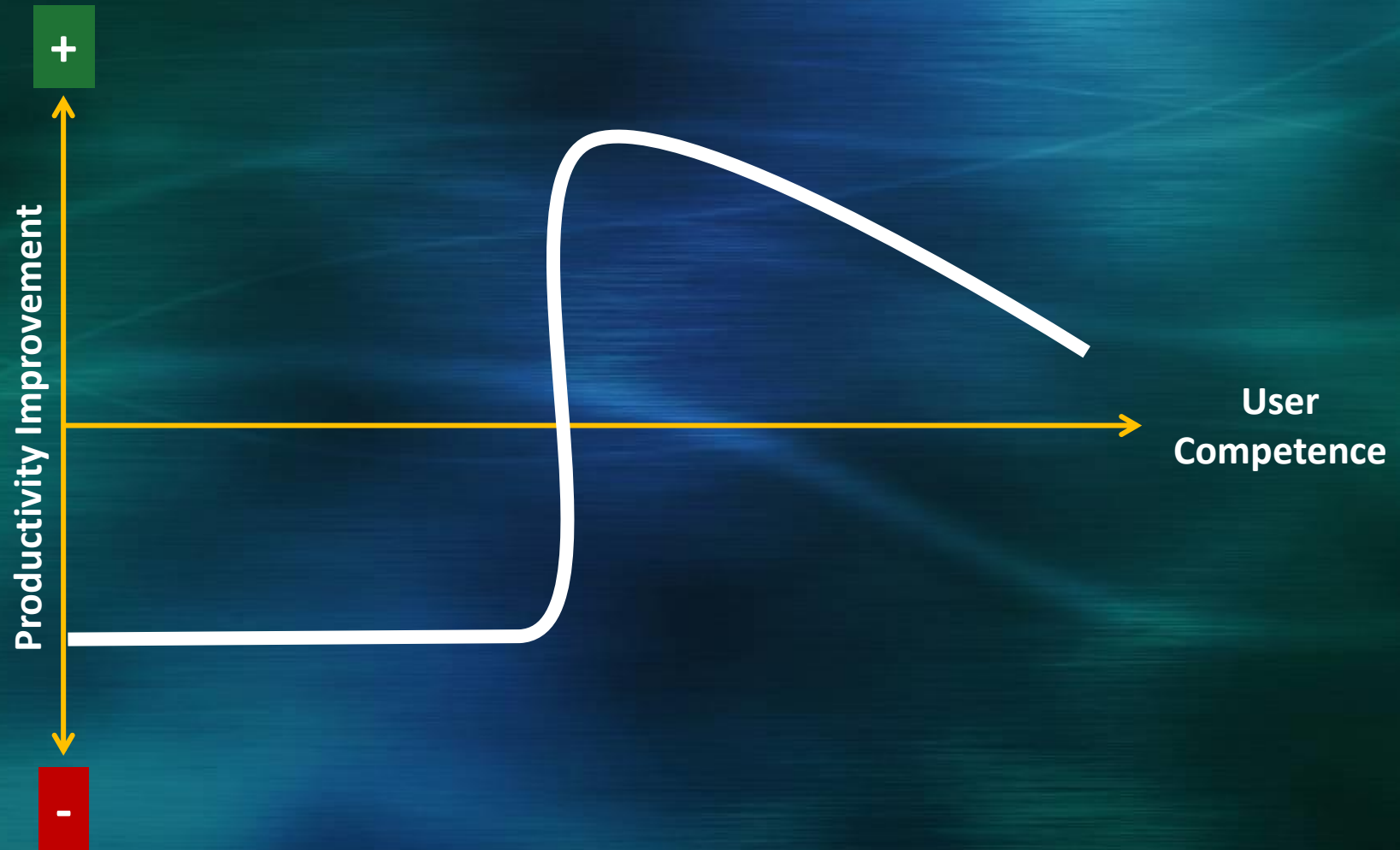
- Not All Technologies Are Equally Relevant: **Focus on those with highest ROI for your specific business**
- Top 5 Technologies for Family Businesses in 2025:
  - **AI and automation tools for operational efficiency**
  - **Digital customer engagement platforms**
  - **Data analytics for decision-making**
  - **Cybersecurity solutions** (increasingly critical in fragmented digital landscape)
  - **Sustainable technology solutions**
- **Implementation Principle:** Start small, prove value, then expand
- **Cost-Benefit Framework:** Simple methodology to evaluate technology investments
- **Geopolitical considerations:** Technology choices influenced by cross-border data regulations

# AI Implementation - Practical Approach for Family Businesses

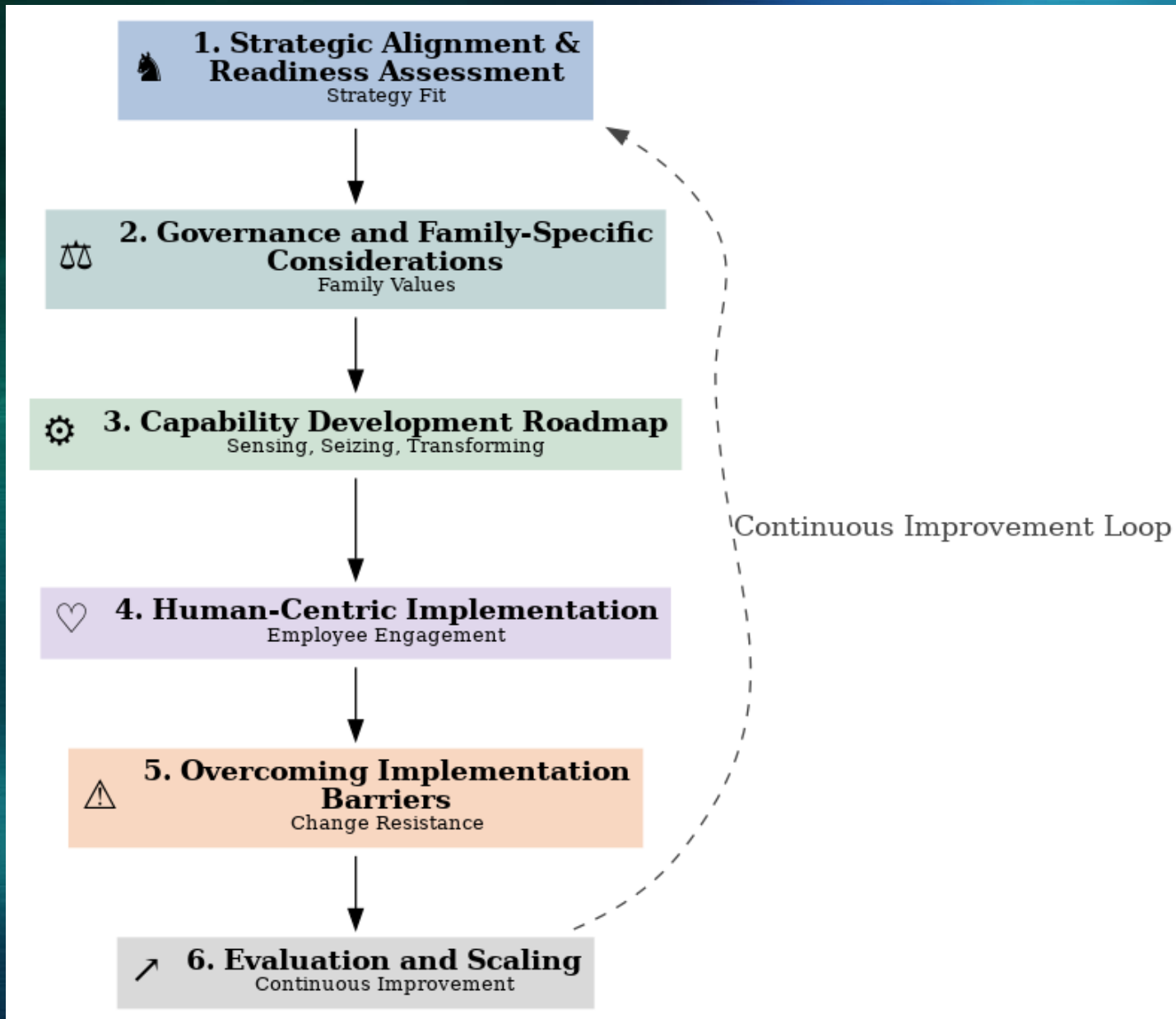
- **Low-hanging fruit:** Customer service, administrative tasks, inventory management
- **Implementation costs:** Realistic budget requirements and ROI timelines
- **Skills needed:** Internal vs. outsourced expertise
- **Sovereignty considerations:** Navigating AI regulations across different markets
- **Common pitfalls:** What to avoid in initial implementation
- **Step-by-step roadmap:** 90-day plan to implement your first AI solution
- **Resources:** Affordable tools specifically suitable for family businesses



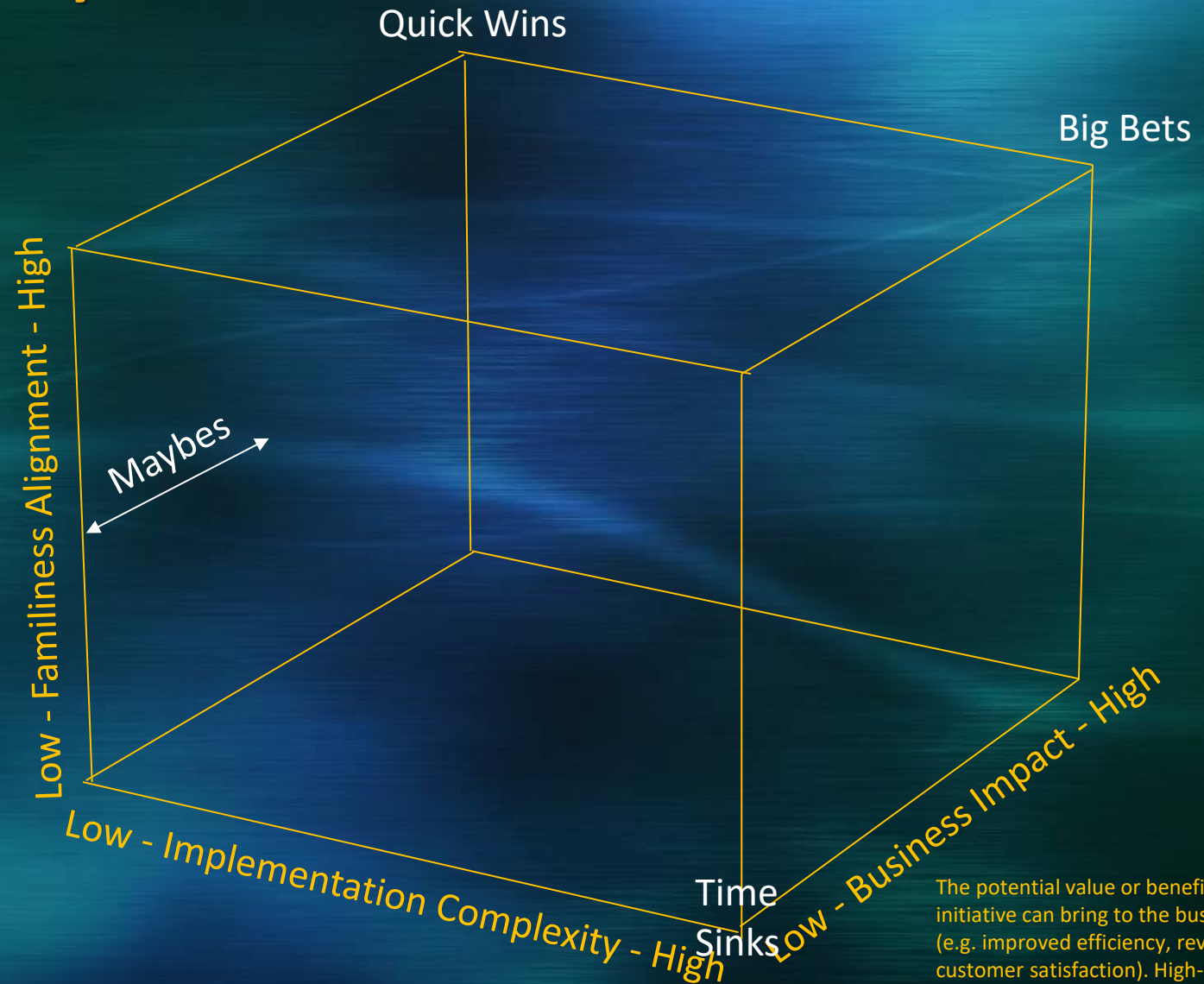
# Example: Productivity Improvement Through Generative AI



# AI Implementation Roadmap for Family Businesses



# AI Opportunity Assessment Matrix



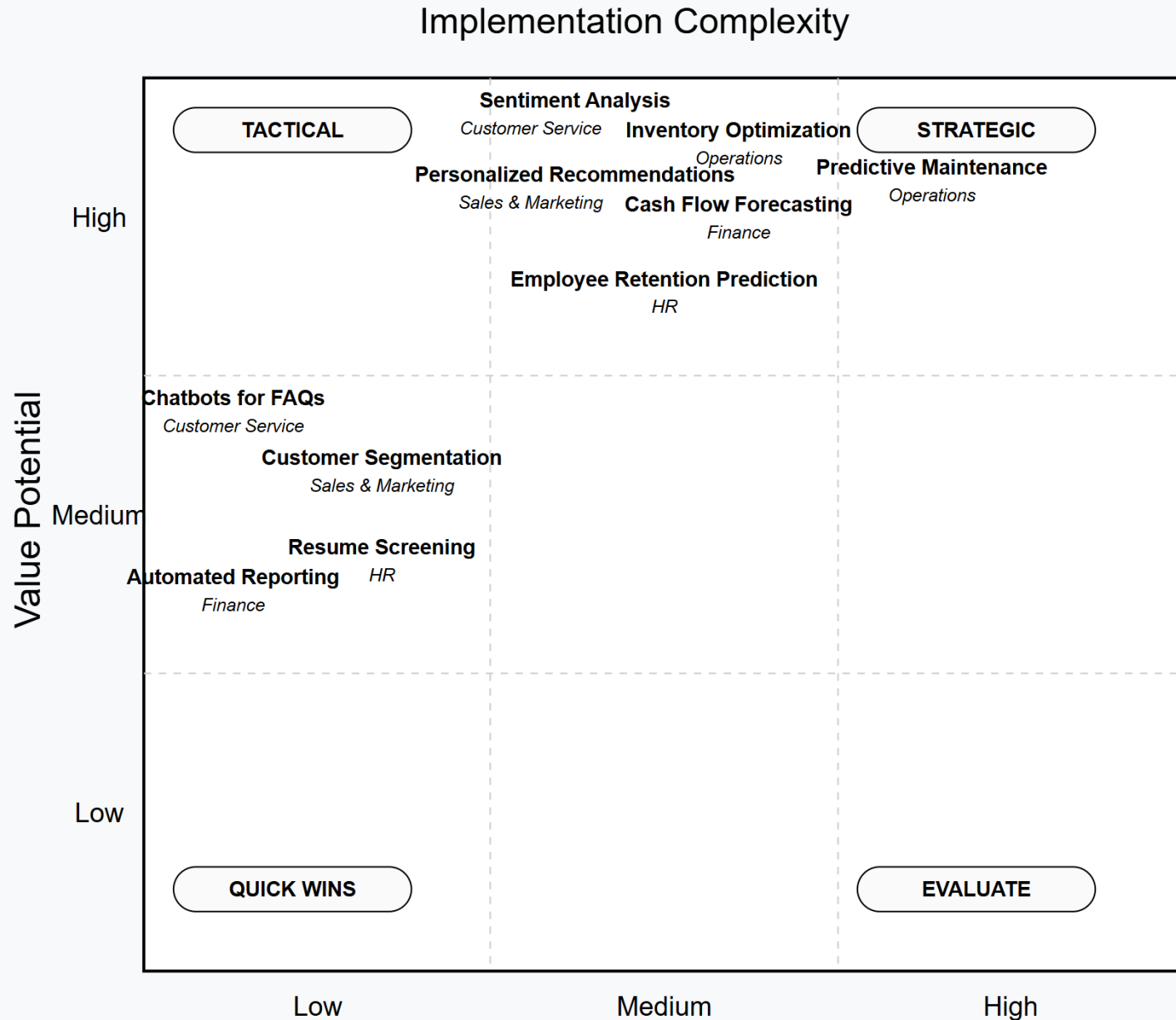
How well the AI opportunity aligns with the family firm's values, legacy, and **socioemotional wealth** priorities (the non-financial factors family owners cherish, like identity and legacy). High alignment means the project supports or enhances family values and long-term vision (e.g. strengthening legacy or NextGen engagement), whereas low alignment suggests a misfit that could *threaten family stability or control*. In family businesses, considering this axis is crucial – family firms often avoid risky innovations that might undermine family cohesion or traditions.

The effort, cost, and technical difficulty to implement the AI solution. Low-complexity ideas are easy to deploy (requiring minimal new resources or change), while high-complexity ones demand significant investment, new skills, or infrastructure

The potential value or benefit an AI initiative can bring to the business (e.g. improved efficiency, revenue, customer satisfaction). High-impact projects strongly contribute to strategic goals and performance, whereas low-impact ones have minimal benefit.



# AI Use Cases Matrix: Implementation Complexity vs Value Potential





# Digital Engagement - Meeting Customer Expectations

- **Multi-channel presence:** Website, social media, messaging platforms
- **E-commerce integration:** Options for businesses at different digital maturity levels
- **Cross-border compliance:** Managing digital presence across different regulatory environments
- **Personalisation at scale:** Using data to maintain the personal touch family businesses are known for
- **Mobile-first approach:** Meeting customers where they are
- **Balancing automation and human connection:** Where the human touch still matters
- **Action plan:** Auditing and upgrading your digital presence in 30 days

# Data-Driven Decision Making for Family Businesses

- **From intuition to information:** Complementing family business intuition with data
- **Essential business metrics:** Key performance indicators every family business should track
- **Affordable analytics tools:** Options that don't require enterprise-level investment
- **Data localisation compliance:** Managing analytics across regional data regulations
- **Data literacy:** Building capability across the family and non-family team
- **Privacy and security:** Protecting customer and business information
- **Implementation approach:** Start with one business area, demonstrate value, then expand

# Family Business Data Maturity Model

OPTIMIZED

MATURITY LEVEL

AD HOC

## Level 5: OPTIMIZING - Predictive Analytics & Dynamic Succession

### Data & Technology

- Predictive and prescriptive analytics
- AI-driven models forecast market trends
- Analytics embedded in strategic planning
- **Fully mature data governance**
- Continuous improvement driven by data

### Succession & Familiness

- Dynamic, data-backed succession
- Family values and legacy enhanced
- **SEW preservation in harmony with data**
- Strong intergenerational trust
- Innovation sustains family legacy

*Familiness Callout: The owning family's socio-emotional wealth is protected — data initiatives are evaluated on both ROI and impact on family values*

## Level 4: MANAGED - Real-Time Analytics & Transition Support

### Data & Technology

- Real-time data streams and dashboards
- Live tracking of KPIs across business
- **Institutionalized data governance**
- Interactive, real-time analyses
- Decision pipeline fueled by current data

### Succession & Familiness

- Leadership transition active/complete
- Real-time analytics support transition
- **High intergenerational trust & collaboration**
- Formal governance bodies with oversight
- Preservation of family narrative and values

*Familiness Callout: Intergenerational trust is strong — transparent, real-time data gives senior generation confidence to let go*

## Level 3: DEFINED - Structured Governance & Documented Succession Plans

### Data & Technology

- **Formalized data governance**
- Structured data policies and standards
- **Process discipline and standardization**
- Well-documented and repeatable processes
- Descriptive and diagnostic analytics capability

### Succession & Familiness

- **Documented succession plan**
- Next generation's readiness actively developed
- **Plan communicated to key stakeholders**
- Family values and legacy preservation
- Balance of tradition and best practices

*Familiness Callout: Generational readiness is a focus — next leader being systematically prepared under a formal plan*

## Level 2: REPEATABLE - Basic Data Governance & Informal Succession Plans

### Data & Technology

- **Basic and partially standardized practices**
- Regular reporting established
- **Rudimentary data governance**
- Fragmented and informal processes
- Some data reliable and consistently collected

### Succession & Familiness

- **Informal succession plans**
- Succession talked about within family
- **Intergenerational friction emerging**
- Informal mentorship happening
- Balancing founder's approach with modernization

*Familiness Callout: Intergenerational friction is emerging — younger generation questions ad hoc ways, senior generation holds reins tightly*

## Level 1: INITIAL - Ad Hoc Data Practices & No Formal Succession

### Data & Technology

- **Chaotic and undocumented practices**
- Patchwork of spreadsheets and paper records
- **No data standards or governance**
- Decisions driven by owner's intuition

### Succession & Familiness

- **Absence of succession plan**
- No designated successor or timeline
- **Emotional ownership of business/data**
- Key knowledge locked in few individuals



# Essential KPIs for Family Businesses



Category	Traditional KPIs	Family Business-Specific KPIs
Financial	<ul style="list-style-type: none"><li>• Revenue growth,</li><li>• Profit margin,</li><li>• Cash flow</li></ul>	<ul style="list-style-type: none"><li>• Family wealth creation,</li><li>• Dividend stability</li></ul>
Customer	<ul style="list-style-type: none"><li>• Customer satisfaction,</li><li>• Net Promoter Score</li></ul>	<ul style="list-style-type: none"><li>• Long-term customer relationships,</li><li>• Family reputation metrics</li></ul>
Operations	<ul style="list-style-type: none"><li>• Productivity,</li><li>• Efficiency ratios</li></ul>	<ul style="list-style-type: none"><li>• Knowledge transfer effectiveness,</li><li>• Family involvement efficiency</li></ul>
People	<ul style="list-style-type: none"><li>• Employee engagement,</li><li>• Turnover</li></ul>	<ul style="list-style-type: none"><li>• Family member development,</li><li>• Non-family talent integration</li></ul>
Innovation	<ul style="list-style-type: none"><li>• New product revenue,</li><li>• R&amp;D ROI</li></ul>	<ul style="list-style-type: none"><li>• Transgenerational innovation capability,</li><li>• Traditional knowledge leverage</li></ul>
Sustainability	<ul style="list-style-type: none"><li>• Carbon footprint,</li><li>• Resource efficiency</li></ul>	<ul style="list-style-type: none"><li>• Community impact,</li><li>• Legacy preservation metrics</li></ul>



# Data Capability Building



## Level 1: Ad Hoc

- Gut-driven decisions, minimal data use
- No data governance; ad hoc ownership
  - Legacy systems dominate (silos)
- Focus on tradition; SEW over innovation

## Level 2: Emerging

- Some data collection & isolated analysis
- Emerging data champions; informal processes
  - New tools layered on legacy systems
- Balancing data opportunities with tradition

## Level 3: Integrated

- Data informs decisions across operations
- Formal governance (policies, committees)
  - Integrated systems; modernized IT
- Data strategy aligns with family values

## Level 4: Managed

- Data-driven culture; analytics & AI
- Dedicated data governance (CDO, team)
- Unified data architecture; continuous improvement
- Ethical data use builds trust & legacy

# The Environmental Sustainability Mandate

- **Current regulatory landscape:** What's mandatory vs. voluntary in 2025
- **Regional compliance variations:** Navigating different sustainability standards globally
- **Supply chain pressures:** How larger partners/customers are pushing sustainability requirements downstream
- **Consumer expectations:** Shift from "nice to have" to "must have"
- **Green premium opportunities:** Where sustainable products command higher prices
- **Geopolitical factors:** Impact of resource nationalism on sustainable sourcing
- **Greenwashing risks:** Ensuring authentic sustainability communications
- **Family business advantage:** Long-term perspective aligns with sustainability thinking

# Practical Sustainability Implementation

- Step 1: **Baseline assessment** - measure your current impact
- Step 2: **Quick wins** - low-cost, high-impact changes
- Step 3: **Strategic initiatives** - longer-term investments with ROI
- Step 4: **Communication** - authentic storytelling about your journey
- Step 5: **Cross-border strategy** - adapting to different regional requirements
- Step 6: **Continuous improvement** - systems for ongoing progress
- **Tools and resources**: Affordable methods for measuring and reducing impact
- **Funding options**: Grants, loans, and incentives available for sustainability initiatives



# Sustainability Implementation Framework for Family Businesses

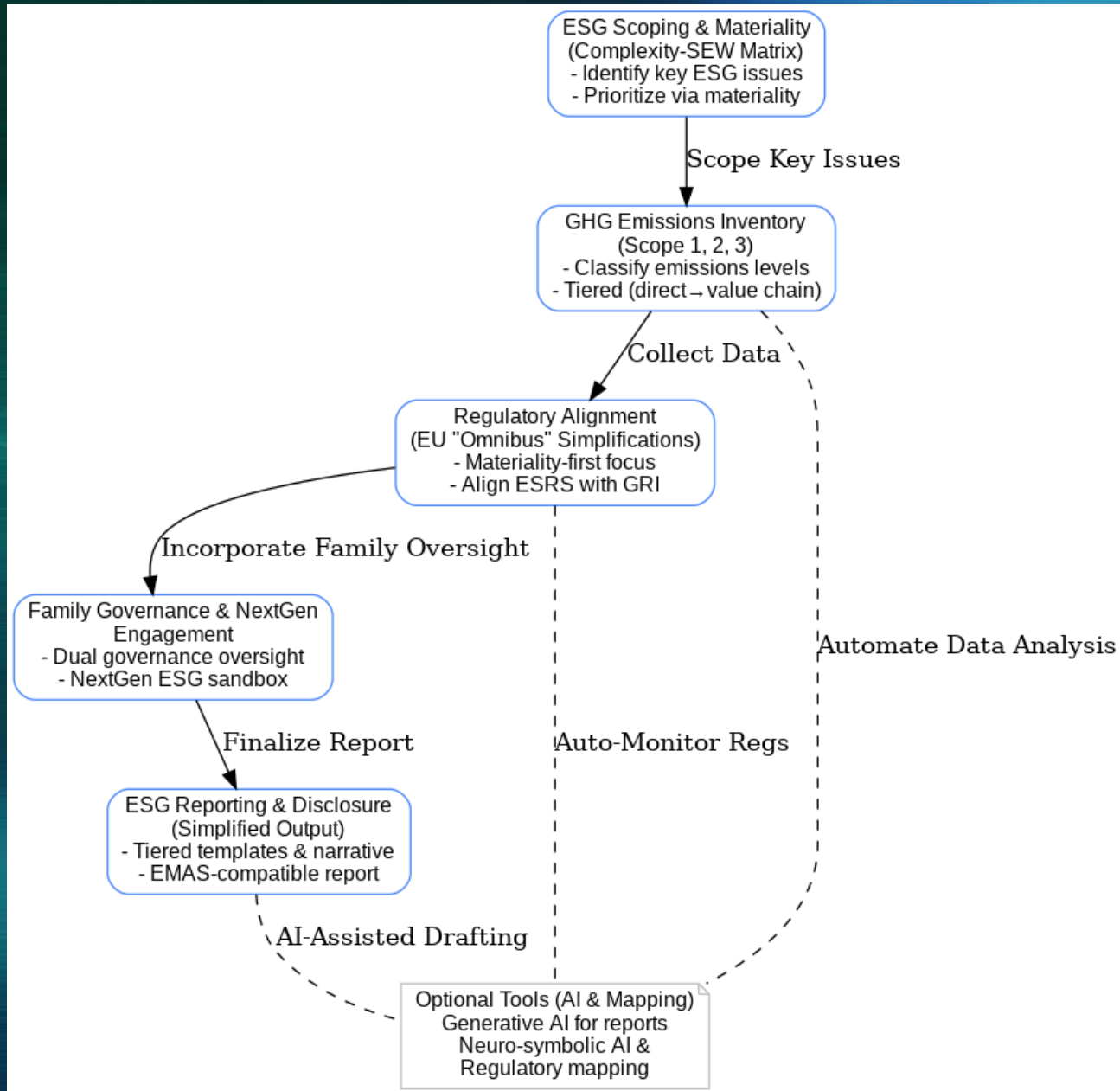




# ESG Reporting for Family Businesses

- **Current reporting requirements:** What's mandatory for different business sizes
- **Simplified approach:** Streamlined methods that don't require enterprise resources
- **Regional reporting variations:** Managing different standards across markets
- **Value chain considerations:** Scope 1, 2, and 3 emissions explained simply
- **Documentation systems:** Practical ways to track and report
- **Using ESG to attract capital:** How good reporting can improve financing options
- **Resources:** Templates and tools specifically designed for family businesses
- **Timeline:** When to implement different aspects of ESG reporting

# Simplified ESG Reporting Process



# ESG Reporting Requirements by Company Size and Region (2025)



Company Size	European Union	United States	Asia-Pacific
Large enterprises	Mandatory CSRD reporting	SEC climate disclosure rules	Varies by country
Mid-sized companies	Phased-in CSRD compliance	Voluntary with increasing pressure	Varies by country
Small enterprises	Simplified reporting standards	Mostly voluntary	Mostly voluntary
Family-specific	Same as size category	Same as size category	Same as size category with family governance additions



# Quick-Start Sustainability Assessment Tool for Family Businesses

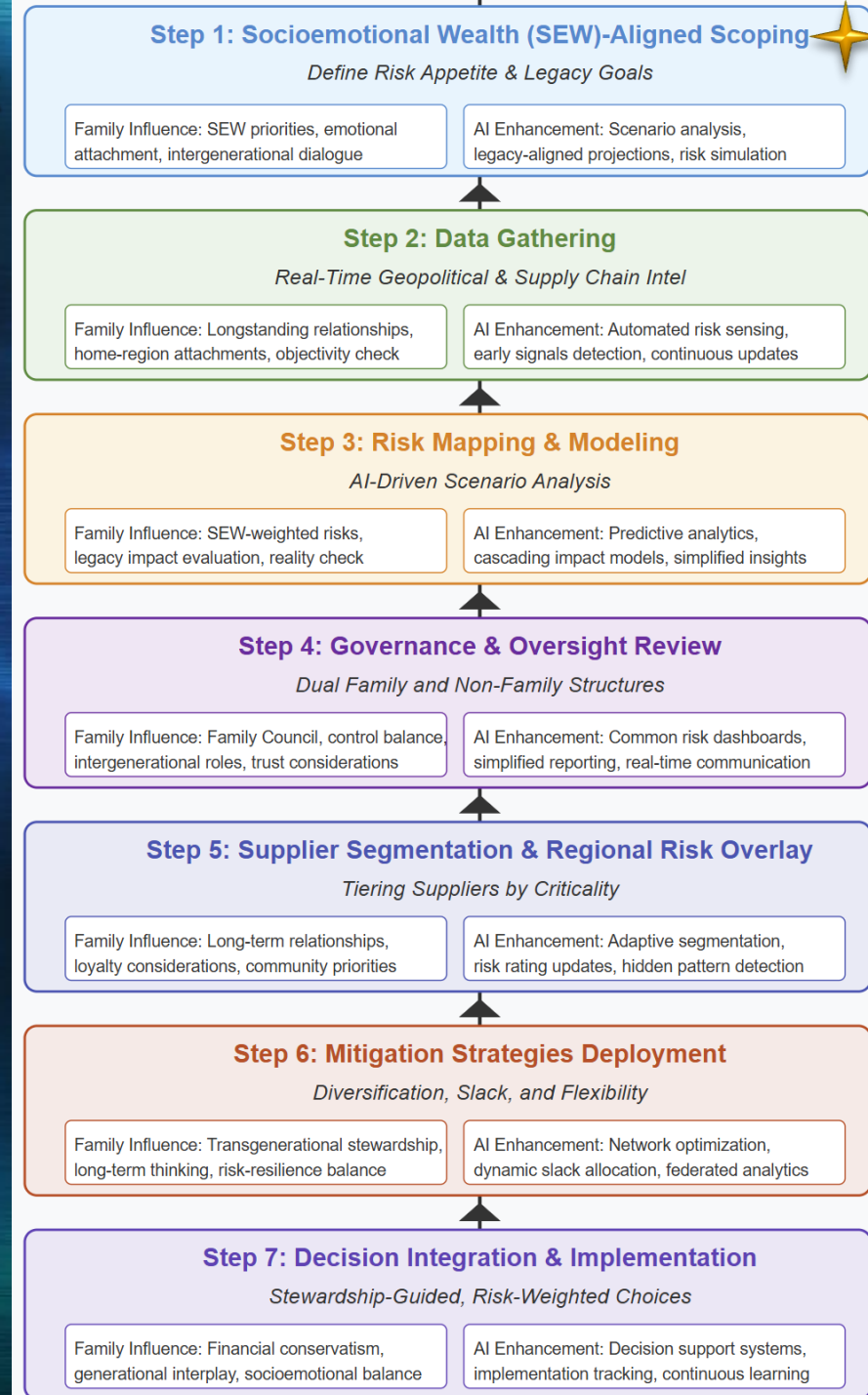
- Starting with three assessment tools (Polaris Impact Assessment, AIRR Framework, and B Corp Quick Impact Assessment) to establish a baseline, the company then proceeds with phased integration and stakeholder engagement. Common challenges (data silos, cultural resistance, regulatory complexity) are identified along the way, with suggested solutions (federated analytics, change management, and AI tools like “CSRD-GPT”) highlighted.
- Polaris Impact Assessment (PIA): Developed by the Family Business Network as a family business-tailored version of B Lab’s B Impact Assessment. The Polaris Impact Assessment enables business families to measure their sustainability footprint across areas like governance, employees, community, and environment. It offers insights into where a company excels or lags and guides them in improving their practices. Notably, the PIA is *the only sustainability assessment tool customised for family businesses*, reflecting family firms’ unique governance and long-term outlook.
- AIRR Framework: A conceptual tool grounded in Responsible Innovation principles that encourages Anticipation, Inclusion, Reflexivity, and Responsiveness in business decision-making. In a sustainability context, the AIRR framework urges family firms to anticipate future social/environmental impacts, include stakeholders in discussions, remain reflexive (self-critical and adaptive) about their practices, and be responsive to stakeholder concerns and changing conditions. This framework helps create a mindset of continuous improvement and ethical foresight as companies embark on sustainability changes.
- B Corp Quick Impact Assessment (QIA): A condensed version of the full B Impact Assessment that can be completed in around 20–30 minutes. The QIA provides a rapid “snapshot” of a business’s performance on key ESG metrics (e.g. workers, community, environment) without the time commitment of the full 200-point assessment. It’s a popular starting point for companies curious about B Corp standards or looking to benchmark themselves quickly (Notably, B Lab planned to phase out the stand-alone QIA by 2019 in favor of encouraging the full assessment, but many organisations still use similar quick check-ups to gauge readiness.)



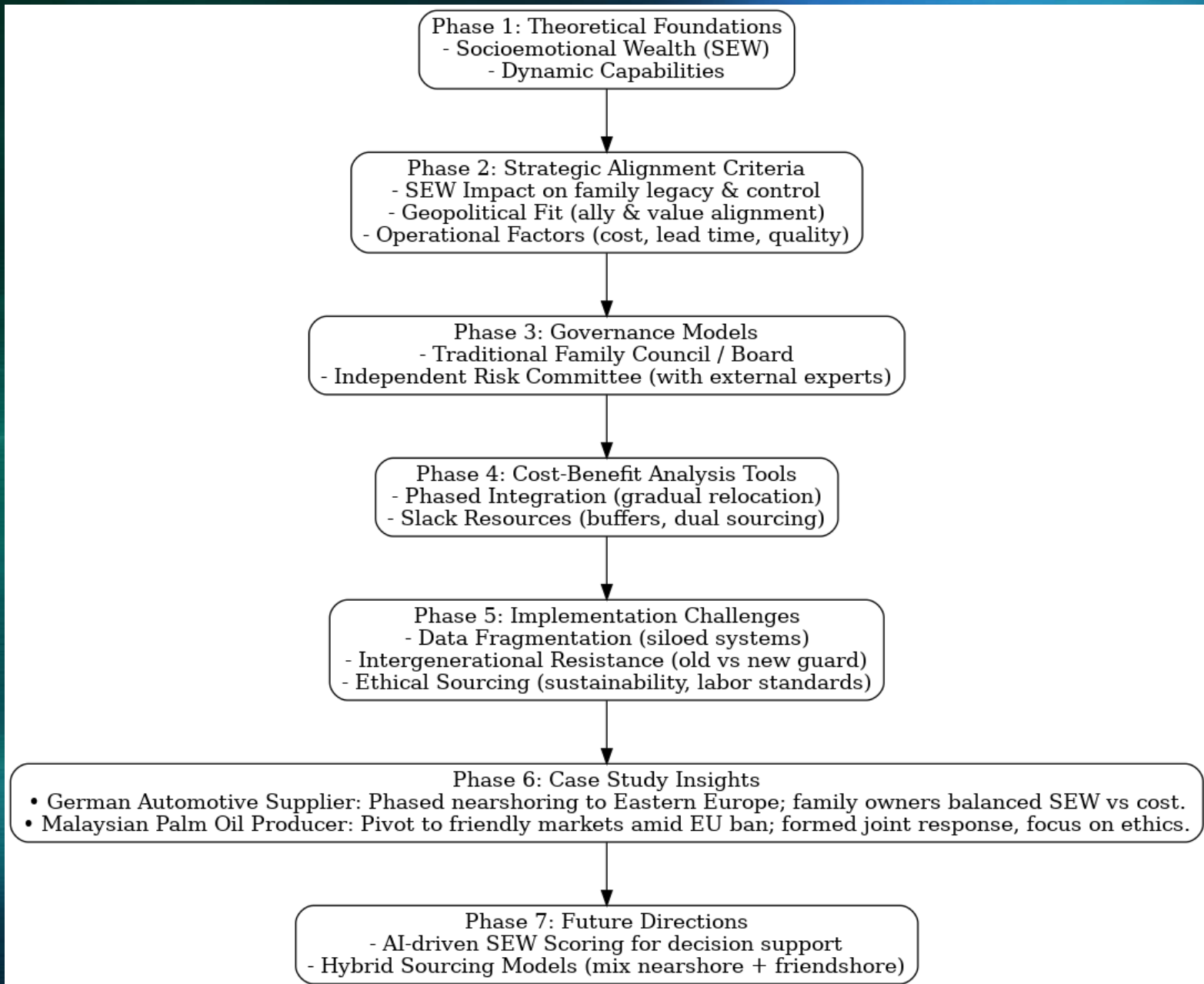
# Supply Chain Resilience in a Fragmented World

- **Geopolitical risk mapping:** Identifying vulnerabilities in your supply network
- **Nearshoring vs. friendshoring:** Strategic approaches to supplier selection
- **Dual sourcing strategies:** Balancing efficiency with resilience
- **Inventory optimisation:** New models for buffer stock in uncertain times
- **Technology enablers:** Digital tools for supply chain visibility
- **Compliance challenges:** Managing regulatory differences across supplier locations
- **Assessment tool:** Supply chain resilience scorecard for family businesses

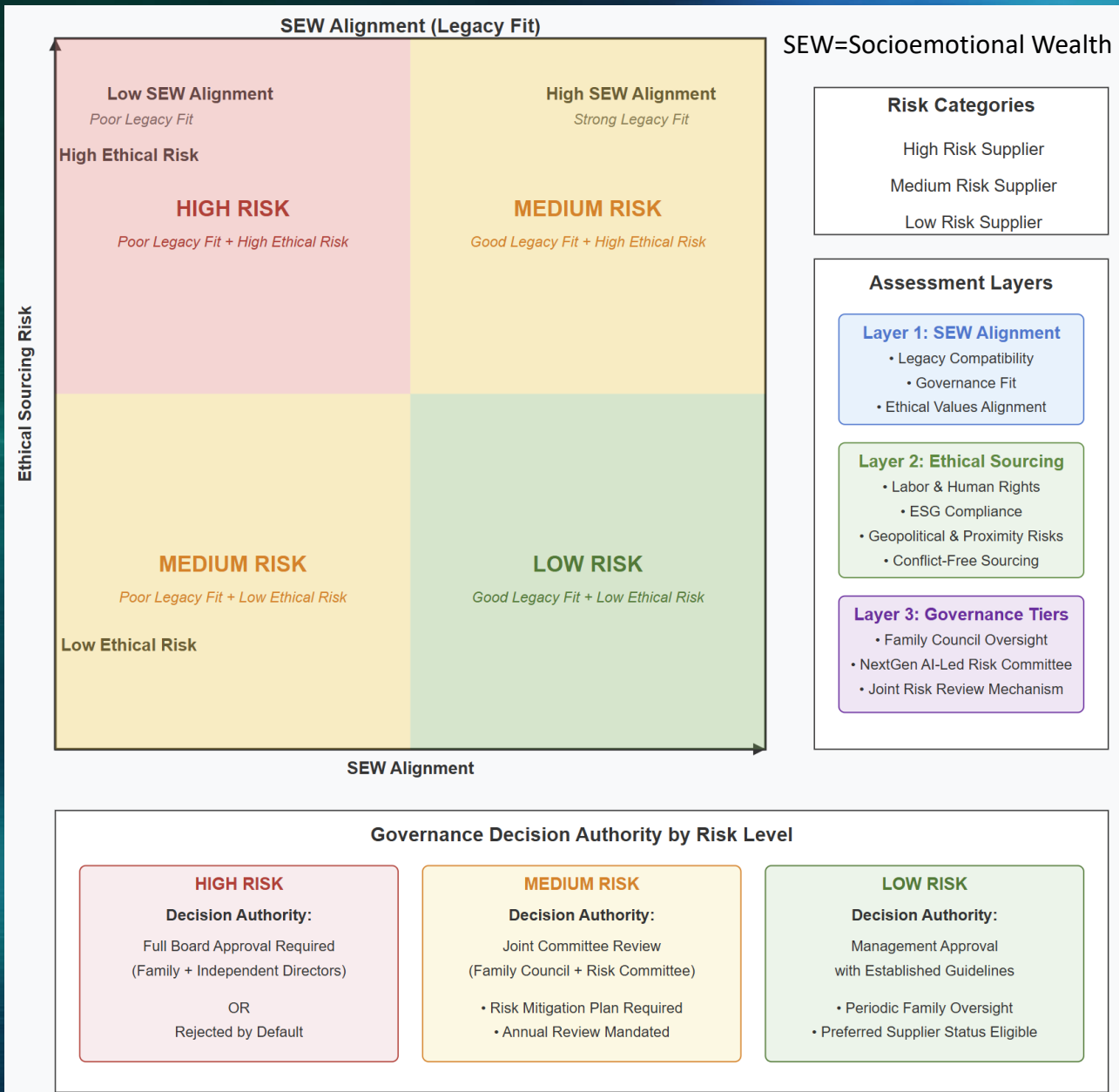
# Framework for Geopolitical Risk Mapping for Supply Chains



# Nearshoring vs. Friendshoring Decision Framework for family businesses



# Supplier Risk Assessment Matrix for Family Businesses





# Supply Chain Resilience Scorecard for Family Businesses

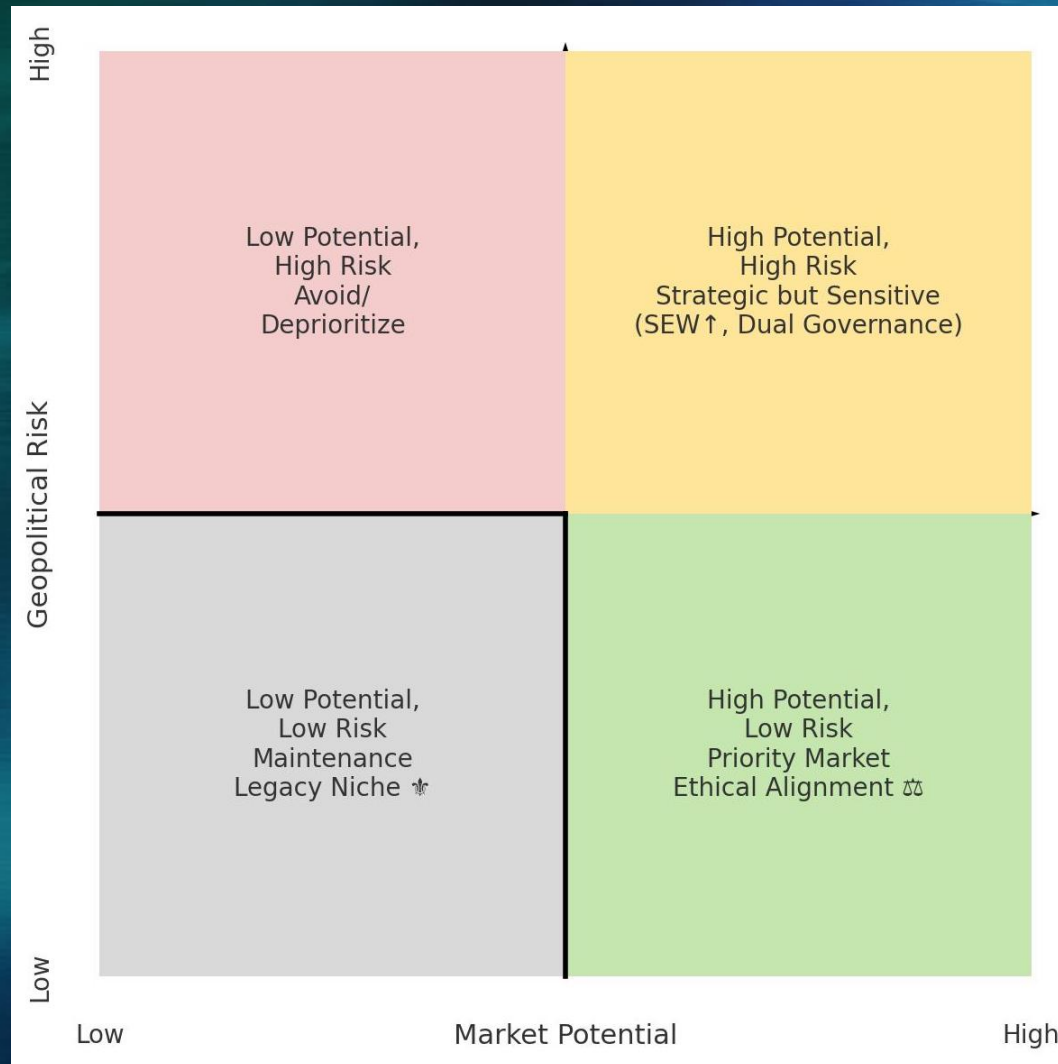


Resilience Factor	Assessment Questions	Score (1-5)
Supplier Diversification	Do you have alternative suppliers for critical inputs?	
Geographical Spread	Are your suppliers concentrated in specific regions?	
Inventory Buffers	Do you maintain appropriate safety stock levels?	
Contractual Protections	Do your contracts protect against supply disruptions?	
Visibility/Monitoring	Can you track potential disruptions in real-time?	
Transportation Flexibility	Can you use alternative shipping routes/methods?	
Financial Stability	Are key suppliers financially stable?	
Family Business Relationships	Do you leverage family business networks for resilience?	
Technology Integration	Do you use digital tools for supply chain visibility?	
Crisis Response Plans	Do you have documented plans for supply disruptions?	

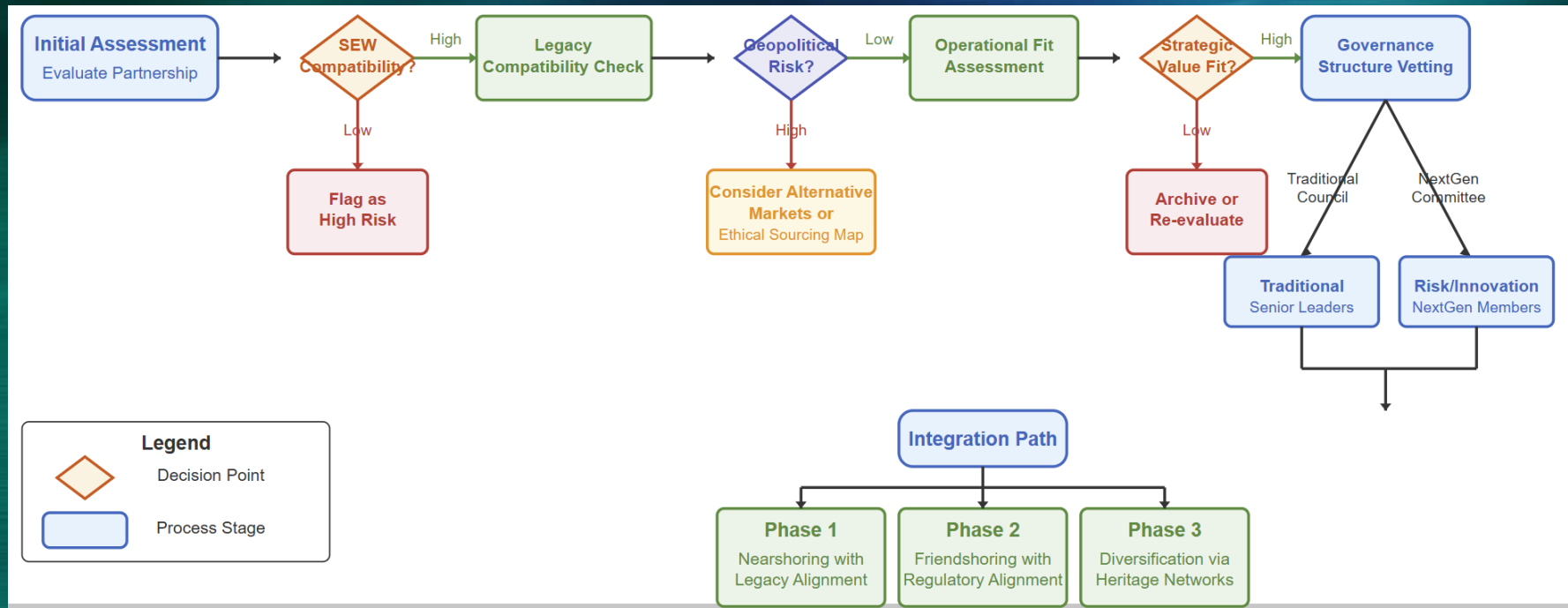
# Managing Market Access in a Changing Geopolitical Landscape

- **Market prioritisation framework:** Evaluating political stability and growth potential
- **Local partnership strategies:** Using local allies to navigate unfamiliar markets
- **Regulatory intelligence:** Cost-effective approaches to monitoring policy changes
- **Scenario planning:** Simple techniques for preparing for political shifts
- **Adaptation strategies:** Modifying products/services for different regional requirements
- **Risk mitigation tools:** Insurance and contractual approaches for political risk
- **Decision matrix:** Market entry strategy selection based on geopolitical factors

# Market Prioritisation Framework for Family Businesses in a Changing Geopolitical Landscape

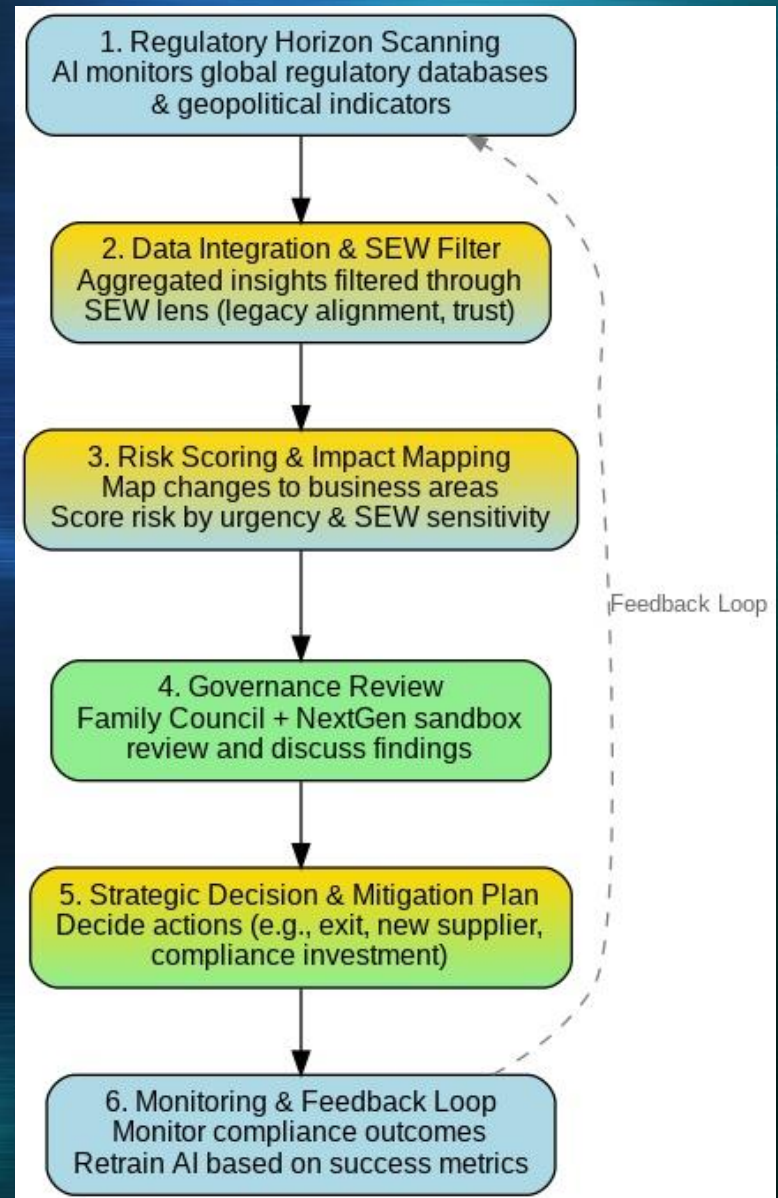


# Local Partnership Strategy Selection Matrix for family business in a Changing Geopolitical Landscape





# Regulatory Intelligence System for Family Businesses in a Changing Geopolitical Landscape



# Decision Matrix: Market Entry Strategy Based on Geopolitical Factors



Geopolitical Factor	Low Risk	Medium Risk	High Risk
Political stability	Direct entry	Joint venture	Export only or avoid
Trade relations	Full product line	Limited offering	Licensing only
Regulatory complexity	Standard approach	Local adaptation	Specialised structure
IP protection	Full technology	Partial technology	Limited technology
Cultural distance	Direct management	Local management	Partner-led approach
Family business networks	Leverage extensively	Strategic use	Minimal reliance

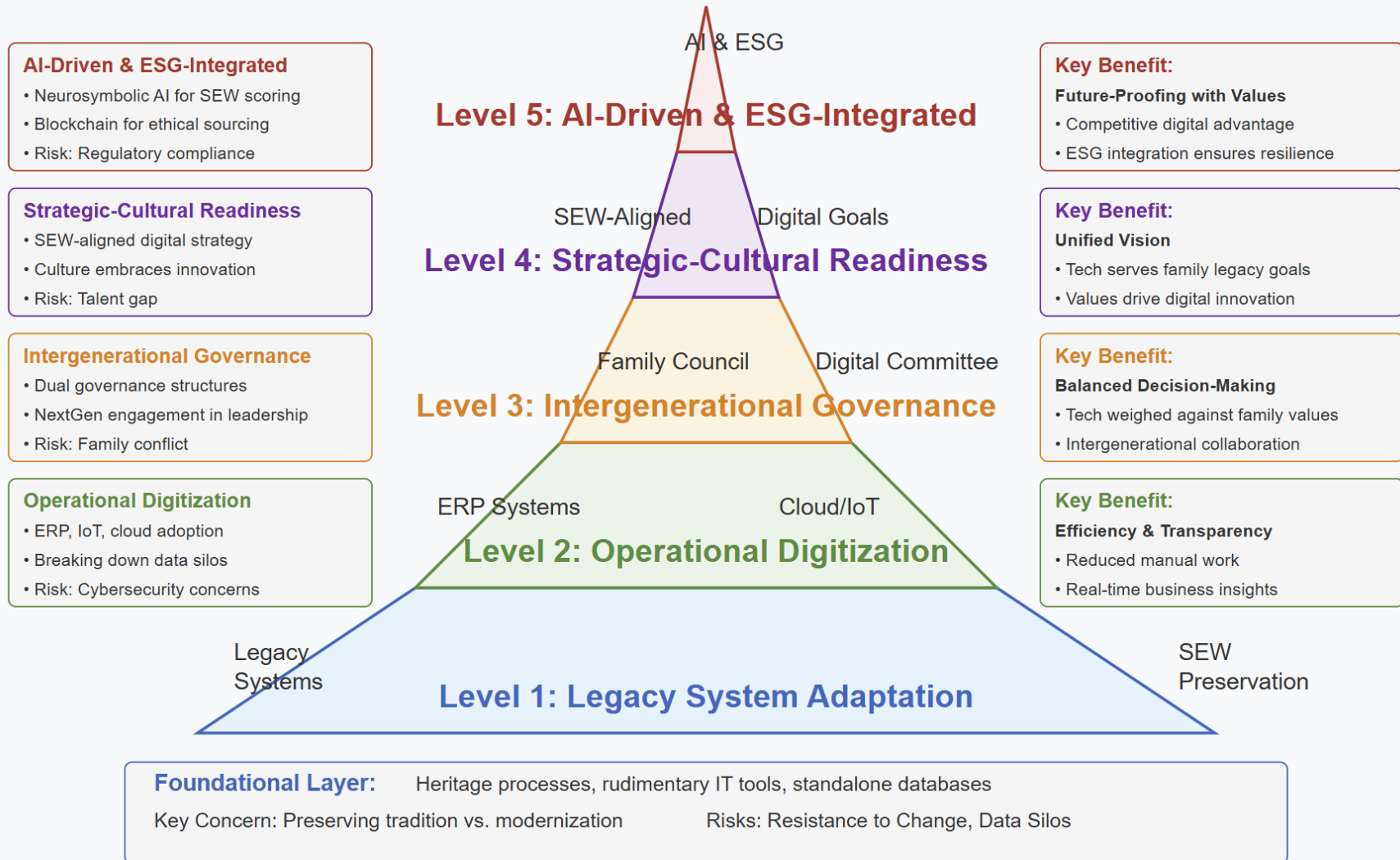
# Digital Transformation Strategy for Family Businesses

- **Assessment:** Digital maturity evaluation framework
- **Prioritisation:** Methodology to identify highest-impact opportunities
- **Roadmap development:** 6, 12, and 24-month planning horizons
- **Geopolitical considerations:** Adapting digital strategy to regional technology environments
- **Resource allocation:** Budgeting and staffing approaches
- **Change management:** Bringing family members and employees along the journey
- **Measuring success:** KPIs for digital transformation initiatives
- **Action template:** One-page digital transformation plan



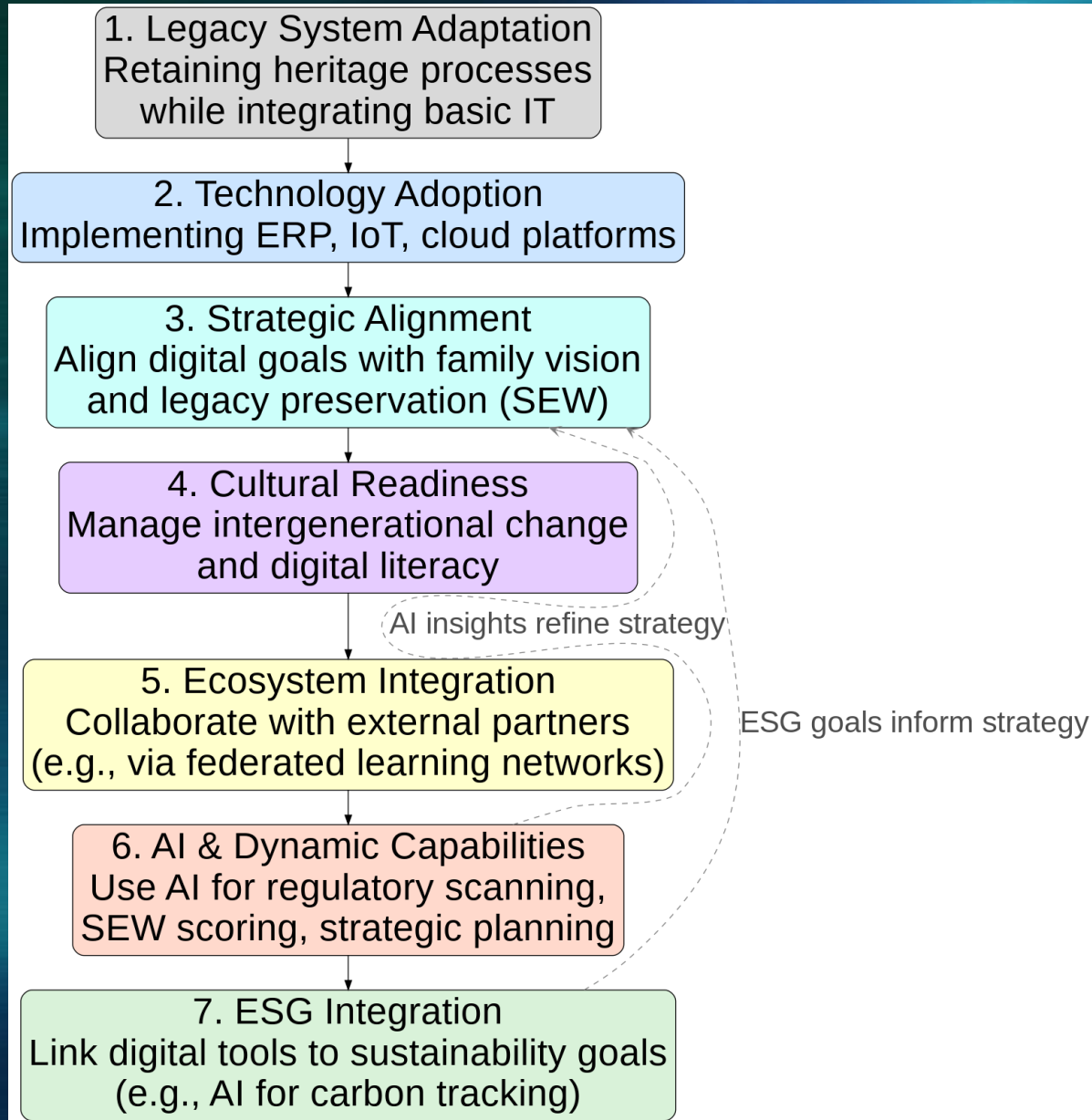
# Digital Maturity Assessment Framework for Family Businesses

*Balancing Tradition and Innovation in Digital Transformation*



*Each layer builds on previous capabilities while maintaining family values*  
*SEW = Socioemotional Wealth (non-financial family benefits)*

# Digital Transformation Roadmap Template for Family Businesses



# Regional Technology Compliance Requirements Checklist



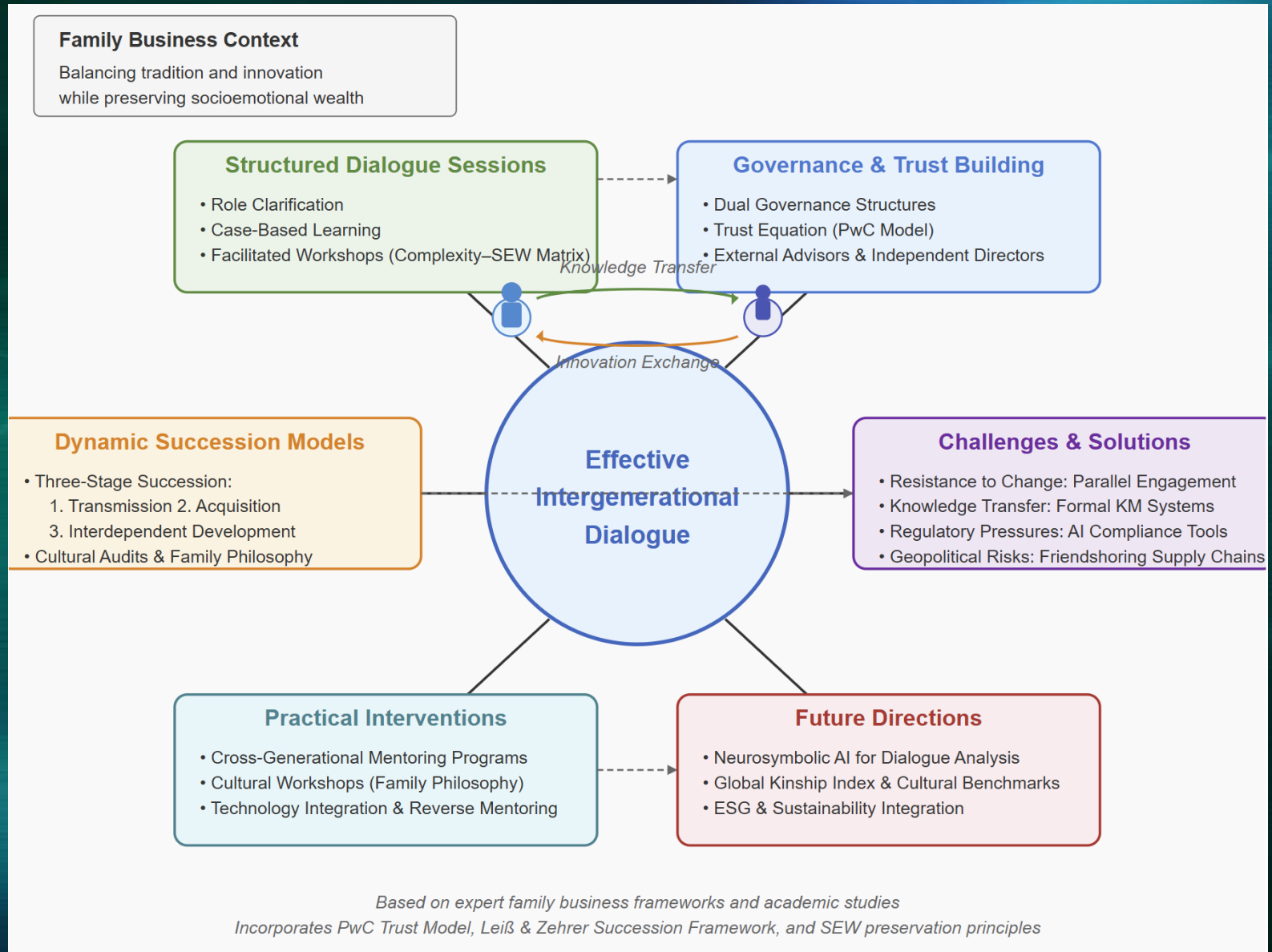
Region	Data Privacy	Digital Services	AI Regulation	Cross-border Data Flows
European Union	GDPR compliance	Digital Services Act	EU AI Act	Standard Contractual Clauses
United States	CCPA, CPRA, state laws	Section 230 protections	Emerging frameworks	CLOUD Act considerations
China	PIPL compliance	DSL, network security	AI governance rules	Data localisation requirements
ASEAN	Various national laws	Digital economy frameworks	Limited specific regulation	Cross-border mechanisms
Latin America	LGPD (Brazil), others	Various frameworks	Emerging regulations	Limited specific regulation
Middle East	PDPL (Saudi), PDPL (UAE)	Various frameworks	Limited specific regulation	Data localisation trends

# Managing Intergenerational Perspectives on Technology and Geopolitics

- **Different generational approaches:** Understanding distinctive perspectives on technology and global issues
- **Creating dialogue:** Structured approaches to discuss technology adoption and international strategy
- **Leveraging strengths:** How different generations can contribute to digital transformation
- **Global experience:** Using international exposure of younger generations
- **Bridging gaps:** Building mutual understanding and shared vision
- **Governance:** Decision-making frameworks for technology investments
- **Practical exercise:** Intergenerational dialogue template



# Intergenerational Dialogue Framework for Family Businesses



# Generational Strengths Mapping Tool for Family Businesses

## Generational Strengths Mapping Tool for Family Businesses

### Key Assessment Tools

#### 360-Degree Feedback

Multi-rater surveys provide broad feedback on leadership

#### Assess Next Gen 360

Family-tailored 360° process with seven rater groups

#### CliftonStrengths®



Self-assessment of talent themes for strengths-based development

#### FEAT (Family Enterprise Assessment Tool)

### Generational Traits & Commonalities

#### Senior Generation

- Stewardship mindset
- Legacy preservation
- Stability-focused
- Risk-minimizing
- Reputation conscious

#### Next Generation

- Innovation drivers
- Digital transformation
- Global growth focus
- Less risk aversion
- Change embracing

#### Common Ground: Socioemotional Wealth (SEW)

- Women often champion family cohesion & ESG
- Non-financial values that transcend generations

### Alignment & Strategic Planning Process

#### 1. Create Shared Vision

- Open family dialogue
- Transparent communication
- Values articulation

#### 2. Set Strategic Agenda

- Value-business alignment
- Sustainability targets
- Market positioning

#### 3. Succession Readiness

- NextGen hands-on roles
- 360° assessments
- Strengths coaching

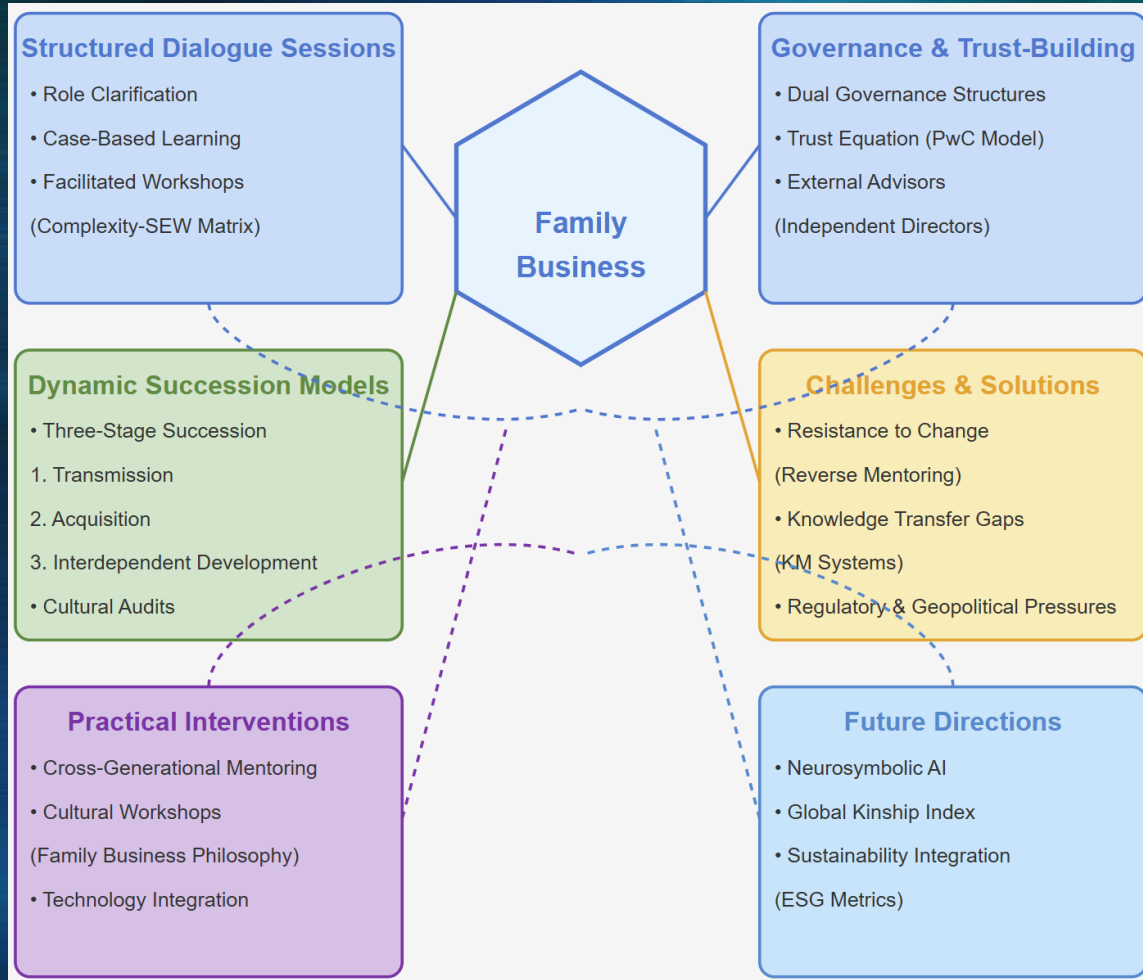
#### 4. Conflict Mitigation

- Governance forums
- Structured dialogue
- Tiered mediation

### Research Insights: SEW, Heterogeneity & Trust

- Family firm strategies are shaped by socioemotional wealth (SEW) – balancing financial and non-financial goals
- Generational diversity can spark innovation but also friction between traditional and progressive views
- Mapping strengths builds trust that underpins family business advantage: long-term perspective and commitment

# Intergenerational Technology Dialogue Template for Family Businesses



# Funding Your Transformation

- **Internal funding strategies:** Approaches to self-fund critical initiatives
- **External funding sources:** Options particularly suitable for family businesses
- **Government programs:** Available grants and incentives for technology and sustainability
- **Cross-border financing:** Managing currency risks and international funding options
- **Family business lending:** Specialized financial products
- **Strategic partnerships:** Shared investment approaches
- **ROI frameworks:** Calculating and communicating return on investment
- **Phased implementation:** Breaking larger initiatives into fundable components



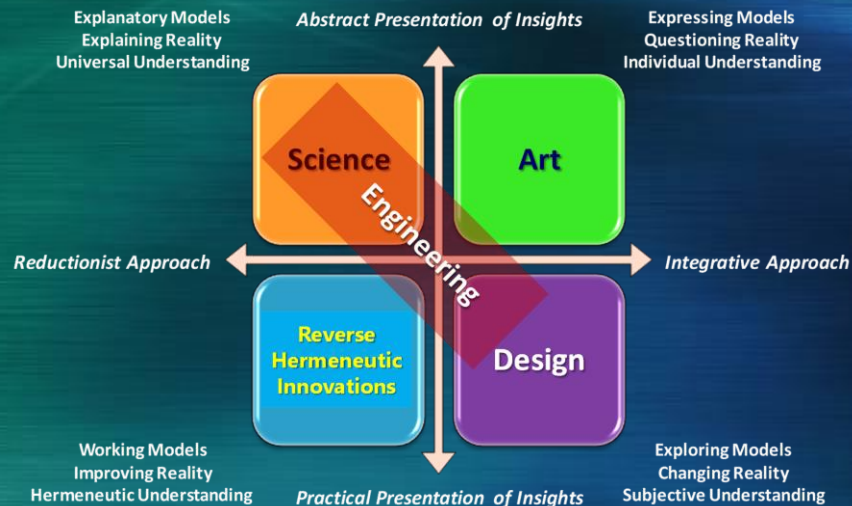
# Building Your Innovation Capability

- **Innovation is not just R&D:** Broader definition relevant to family businesses
- **Types of innovation:** Product, process, business model, customer experience
- **Innovation culture:** Creating conditions that encourage new ideas
- **Geopolitical adaptation:** Innovation approaches for different regional markets
- **Practical innovation systems:** Simple approaches to capture and evaluate ideas
- **External innovation sources:** Partners, networks, and resources
- **Balancing innovation and tradition:** Honoring heritage while embracing change
- **Quick-start guide:** Implementing your first innovation system in 60 days

# Principle: Innovate Continuously

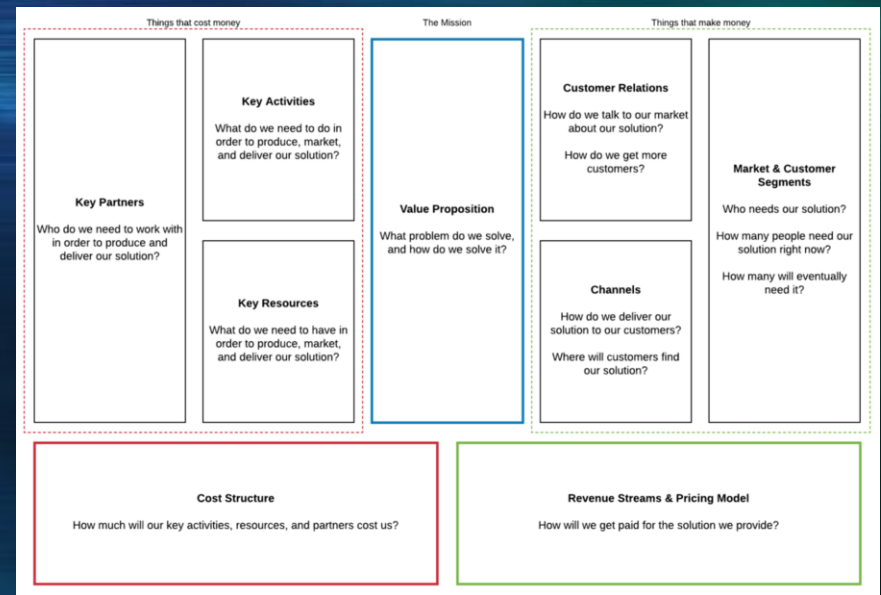
## Value-Creating Innovations:

- Efficiency-improving innovations
- Technology-based innovation
- Design-based innovations
- Art-based innovations
- Reverse hermeneutics-based innovations



## Value-Appropriating Innovations:

- Business model innovation can act as both an improvement in the appropriation of any value created (its primary application), and as an additional increase in the value created (its secondary application)



**The objective is to achieve a position of non-price based competition**

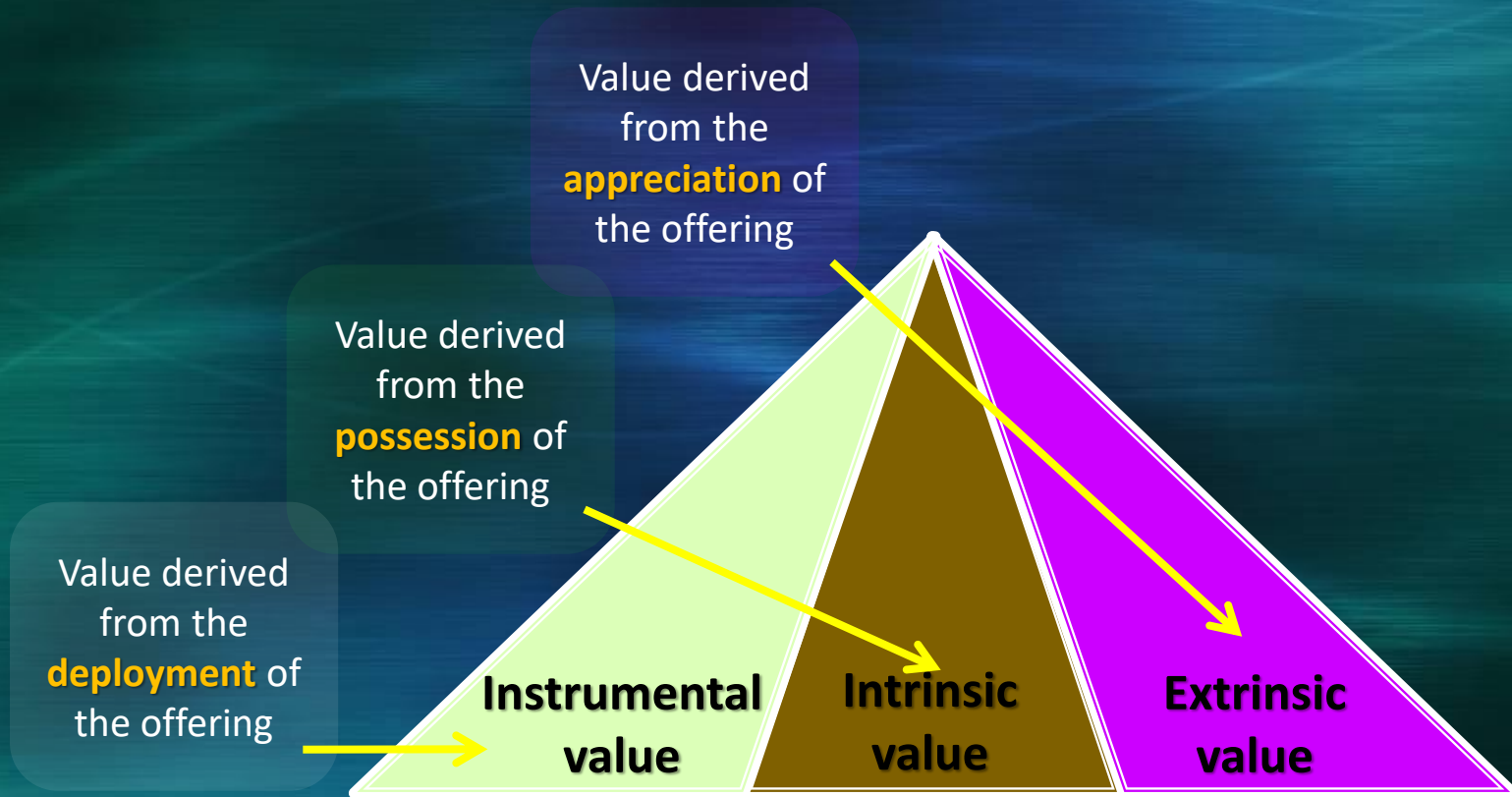


# Firms that achieve a non-price based competitive position have developed a series of inimitability strategies in response to price-based competition:

Inimitability Strategy	Low-tech Manufacturing Firms	High-tech Manufacturing Firms	Consumer Goods Providers	Industrial Goods Providers	Consumer Service Providers	Industrial Service Providers
Customisation through co-production	X			X	X	X
Bundling (products or products with services)		X		X		
Superior skills or unique craftsmanship			X		X	
Provenance	X	X	X	X		
High Responsiveness	X	X	X	X	X	X
Superior experience	X	X	X	X	X	X
Unique and protected production processes		X	X	X		
Intrinsic and/or extrinsic value delivery	X	X	X	X	X	X
Design based innovation	X		X		X	X
Art based innovation			X		X	
Reverse-hermeneutics based innovation			X		X	
Science & technology based innovation		X		X		X

- On a resource basis inimitability can arise from:
  - property rights
  - path dependencies in resource accumulation
  - time compression diseconomies in resource accumulation;
  - causal ambiguity. Causal ambiguity can be further broken down into:
    - resources resulting out of organisational processes unobservable from the outside;
    - tightly coupled resources where the interrelationship and mutual synergistic effects are unobservable from the outside;
    - processes that are a combination of simple heuristics with idiosyncratic and real-time improvisations are in practice both unobservable from the outside and uninferable from any outcomes
- Further grounds for inimitability can arise out of the specific choices made as relates to which resources are leveraged in what specific way:
  - Moderately linked core and complementary resources (normally with the aim of maintain strength in existing markets and to leverage into new markets by substituting for different complementary resources);
  - Mundane resources with tight mutually reinforcing linkages (normally with the aim of forming a defensible strategic position);
  - Loosely linked, semi-structured processes comprised of simple and improvised action (normally with the aim of seizing narrow windows of opportunity).

# These firms also understand how to deliver value in the eyes of the customer

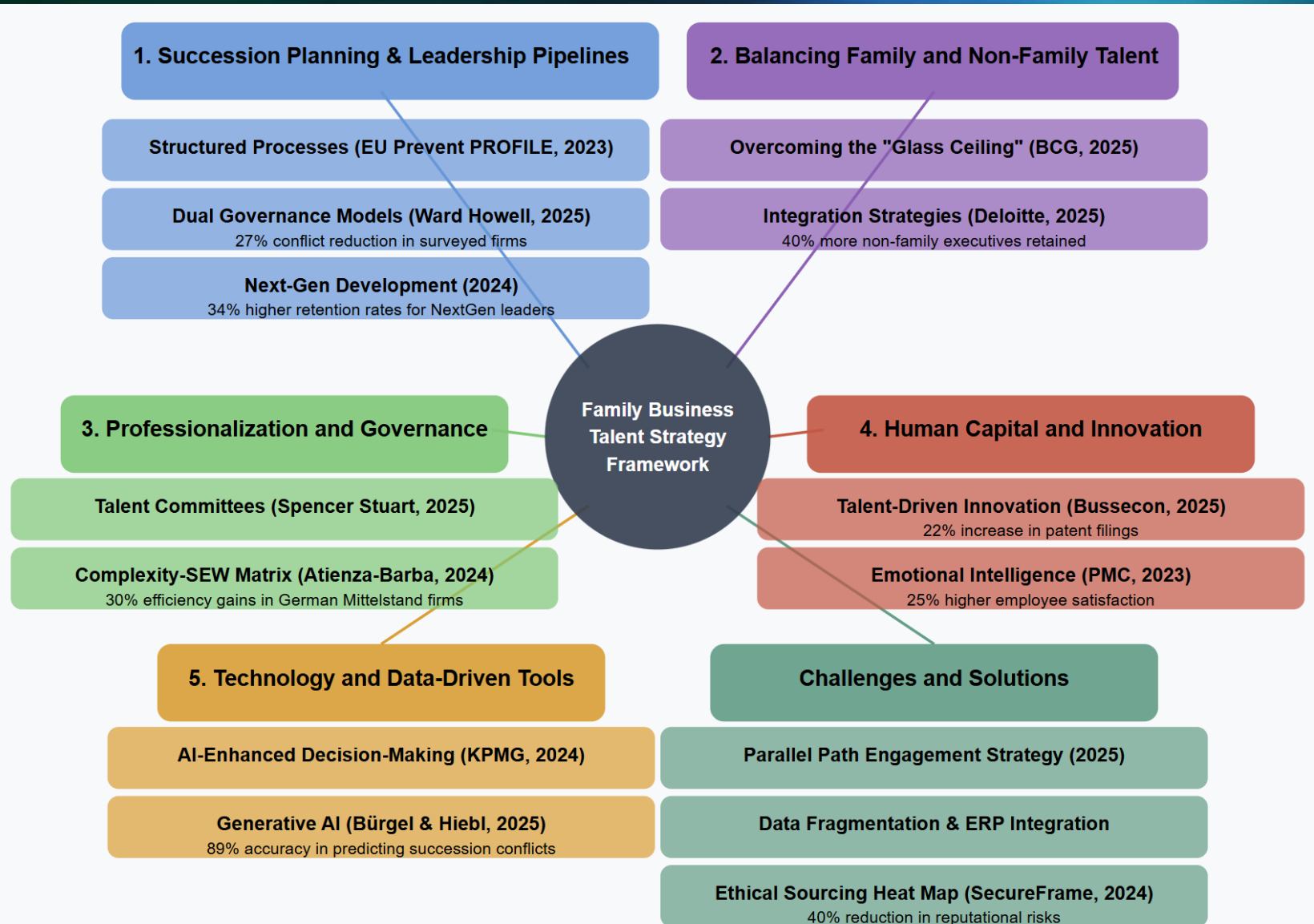




# Talent Strategy for the Evolving Global Workplace

- **Current talent landscape:** Key trends affecting family business hiring
- **Family vs. non-family talent:** Strategic approaches to both
- **Remote and hybrid work models:** Implementation specific to family businesses
- **Cross-border talent acquisition:** Navigating work permits and visa requirements
- **Skills for the future:** Critical capabilities to develop or acquire
- **Geopolitical awareness:** Building international competence across the team
- **Talent development:** Growing capabilities within your team
- **Retention strategies:** Keeping key talent in competitive markets
- **Employer branding:** Leveraging family business advantages in recruitment

# Family Business Talent Strategy Framework



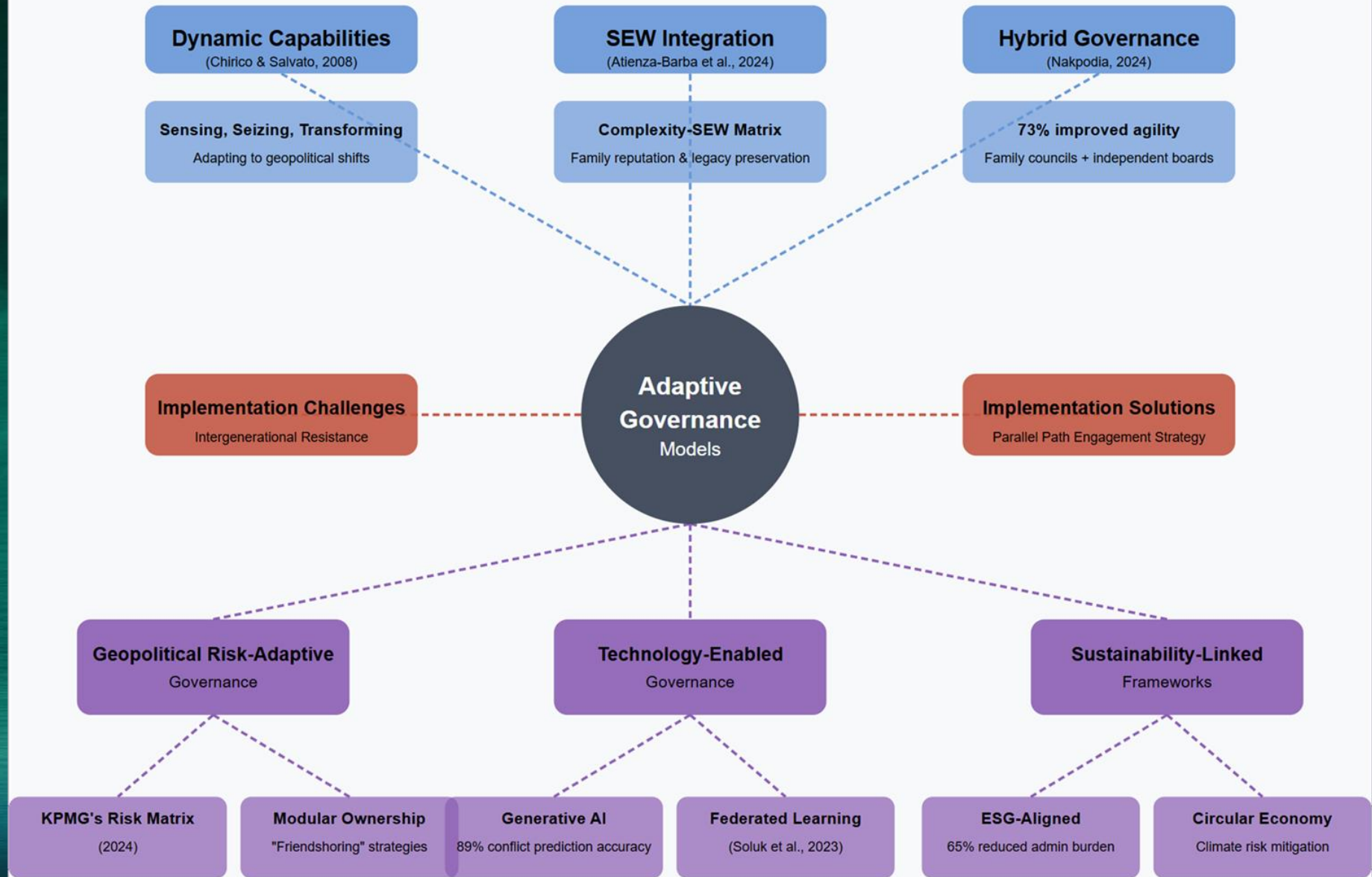
Family Business Talent Strategy Frameworks: A Synthesis of Recent Academic Literature (2020-2025)

# Enhancing Family Business Governance for Global Complexity

- **Governance structures:** Models that support innovation and global navigation
- **Decision-making frameworks:** Approaches for evaluating new initiatives
- **Advisory boards:** Using external expertise to support transformation and international strategy
- **Family councils:** Engaging the broader family in the vision
- **Succession planning:** Preparing next-generation leaders for a digital, fragmented world
- **Communication systems:** Ensuring alignment across family and business
- **Geopolitical intelligence:** Incorporating global awareness into governance
- **Governance assessment:** Simple tool to evaluate your current structures

# Family Business Governance in a Multipolar World

*Balancing Tradition and Transformation*

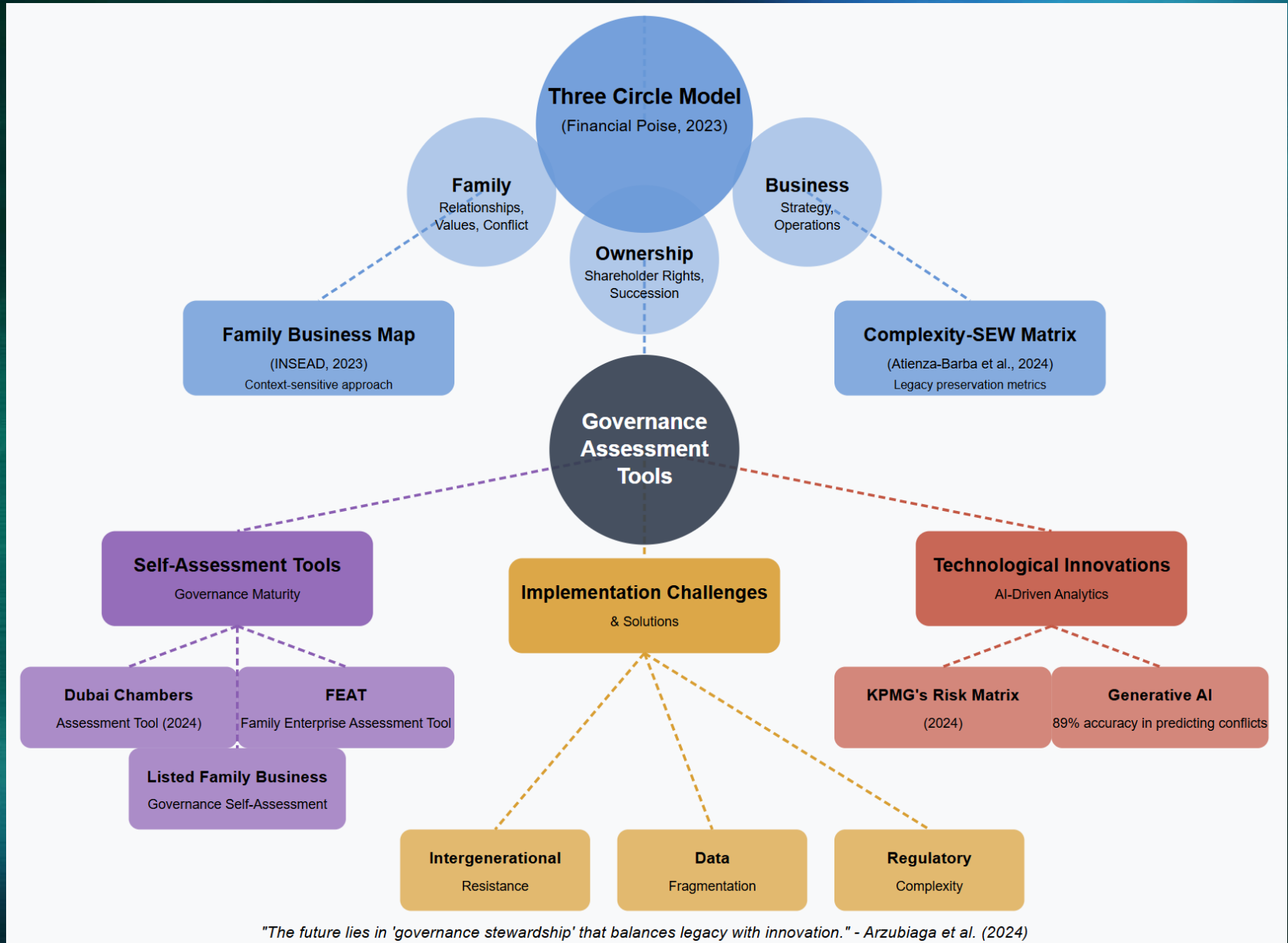


*"Dynamic stewardship harmonizes legacy preservation with innovation."*

- Nakpodia (2024)



# Governance Assessment Tool for Family Businesses



# Concluding Principles

- **Start where you are:** Every family business has a different starting point
- **Progress over perfection:** Small steps consistently taken drive transformation
- **Leverage your advantages:** Family business strengths can accelerate change
- **Think globally, act locally:** Balance international awareness with local focus
- **Stay true to values:** Transformation should enhance, not diminish, your core identity
- **Involve the next generation:** Their perspective is crucial for future success
- **Learn from peers:** Other family businesses are valuable sources of insight
- **Build resilience:** Prepare for continued geopolitical uncertainty
- **Celebrate progress:** Recognise achievements along the journey
- **Remember the why:** Transformation ensures the legacy continues for generations



- Most Australian businesses, including SMEs, do not introduce new or significantly improved products or processes. Over the two years ending mid-2021, almost 80% of Australian businesses did not introduce any significant new goods or services, and over 60% did not introduce new processes.

*Australian Bureau of Statistics. (2022). Innovation in Australian Business, 2020-21 financial year*

- When SMEs do innovate, the vast majority of new products or processes are only new to the business - adopting innovations from other businesses rather than creating new-to-market or new-to-world innovations.

*Productivity Commission. (2023). 5-year Productivity Inquiry: Innovation for the 98% Inquiry report – volume 5*

- SMEs face particular challenges in accessing finance for innovation compared to larger firms. The differential in the cost of finance between small and large firms in Australia is larger than the OECD average.

*Organisation for Economic Co-operation and Development. (2021). OECD Economic Surveys: Australia 2021*

- Management capability is a key factor in SME innovation. Many SMEs lack the management skills to successfully integrate new technologies and processes. For example, 59% of surveyed SMEs reported that adopted digital solutions were hindering them in some way.

*MYOB. (2022). The Digital Disconnection Challenge*

- SMEs often lack the time and resources to focus on innovation and business strategies. Many SME owners prioritize training staff over upskilling themselves as managers.

*Productivity Commission. (2023). 5-year Productivity Inquiry: Innovation for the 98% Inquiry report – volume 5*

- Medium-sized businesses in Australia have the highest rate of innovation-active businesses at 71%, even higher than large businesses. However, this innovation is mostly adoptive rather than new-to-market.

*Australian Bureau of Statistics. (2022). Characteristics of Australian Business, 2020-21.*

- Medium-sized businesses in Australia face difficulties growing into large businesses. They were 15 times more likely to shrink or stagnate than grow in 2017-18.

*Productivity Commission. (2023). 5-year Productivity Inquiry: Innovation for the 98% Inquiry report – volume 5*

- SMEs benefit from collaboration with larger firms, which can provide access to larger markets and allow SMEs to scale up more rapidly. However, 43% of medium-sized businesses consider collaboration unimportant for innovation.

*Australian Bureau of Statistics. (2022). Characteristics of Australian Business, 2020-21.*

- Industry associations play an important role in facilitating innovation diffusion to SMEs by sharing technical information, hosting events, and connecting firms.

*Productivity Commission. (2023). 5-year Productivity Inquiry: Innovation for the 98% Inquiry report – volume 5*

- Government programs to support SME innovation often focus on highly novel, new-to-market innovation, which may not be as relevant for the majority of SMEs focused on adoption of existing innovations.

*Productivity Commission. (2023). 5-year Productivity Inquiry: Innovation for the 98% Inquiry report – volume 5*

- There are calls for government training support to focus more on transferable skills that augment the absorptive capacity of SMEs, such as digital and management skills.

*Australian Institute of Company Directors. (2023). Submission to the Productivity Commission's 5-year Productivity Inquiry. Submission 44.*

- Improving SMEs' access to data and benchmarking tools could help them identify performance gaps and opportunities for innovation.

*Productivity Commission. (2023). 5-year Productivity Inquiry: Innovation for the 98% Inquiry report – volume 5*



# Other potential actions to improve performance



- **Develop a comprehensive funding strategy that includes seeking external funding sources such as grants, loans, and venture capital. Build relationships with financial institutions and explore government programs that support SMEs.**
- **Implement a formal succession planning process that includes identifying potential successors early, providing them with the necessary training and mentorship, and establishing clear criteria for leadership transition.**
- **Balance family involvement with professional expertise by hiring qualified external candidates for key management positions. Provide ongoing professional development opportunities for family members involved in the business.**
- **Invest in management training programs for both family members and non-family employees. Encourage continuous professional development to enhance managerial skills and capabilities.**
- **Establish clear governance structures and conflict resolution mechanisms. Regularly hold family meetings to discuss business issues openly and maintain transparent communication channels.**
- **Separate family issues from business operations by establishing clear boundaries and roles. Use external advisors or mediators to help resolve conflicts impartially.**
- **Implement policies that promote work-life balance, such as flexible working hours and remote work options. Encourage employees to take regular breaks and vacations to avoid burnout.**
- **Maintain strong, personalized relationships with customers by providing exceptional customer service and regularly seeking customer feedback. Use this feedback to continuously improve products and services.**
- **Focus on long-term sustainability by investing in environmentally friendly practices and technologies. Develop a strategic plan that aligns with the family's long-term vision for the business.**
- **Take advantage of the flexibility and quick decision-making capabilities by being responsive to market changes and customer needs. Implement agile business practices to stay competitive.**
- **Strengthen long-standing relationships with customers, suppliers, and employees by maintaining consistent communication and delivering on commitments. Build a reputation for reliability and trustworthiness.**



*Thank you*