

Whitepaper

What matters to family businesses

The largest sector in Australia

Key insights from the 2025
Family Business Barometer Survey

70%

of businesses are family-owned¹

50%

of the workforce is employed in a family business¹

\$1b

each year is contributed to philanthropic activities by family businesses in Australia²

70%

of consumers trust family businesses over non-family businesses³

The evolving landscape of family businesses

Family business is the largest sector in Australia with its own unique opportunities and considerations, however with limited data available, it is currently not well understood. In March 2013, the Parliamentary Joint Committee on Corporations and Financial Services released a report 'Family Businesses in Australia – different and significant: why they shouldn't be overlooked.' Since its release, there is still much to do to understand and recognise the family business sector.

Family Business Association (FBA), the peak body for family business in Australia and New Zealand, collaborated with Pronto Software in 2024 to undertake the Family Business Barometer Survey. This survey captured much needed insights into the sector, reflecting the current landscape, needs and concerns of family businesses across Australia.

This whitepaper pulls data from the Family Business Barometer Survey to explore the evolving landscape of family businesses. It highlights their vital contribution to the global and national economy and examines the various factors that influence their success and sustainability through generations. Family enterprises face complex family dynamics, from generational transitions and governance structures to technological advancements and market disruptions. They uniquely navigate business decisions with a long-term vision, often spanning generations, rooted in strong values and the preservation of their legacy.

The survey was completed by a cross-section of small, medium and large family businesses with representation across 17 industries, including manufacturing, construction, agriculture, forestry, professional, scientific and technical services. The majority of responses came from second generation family businesses, with respondents spanning first generation to beyond four generations.

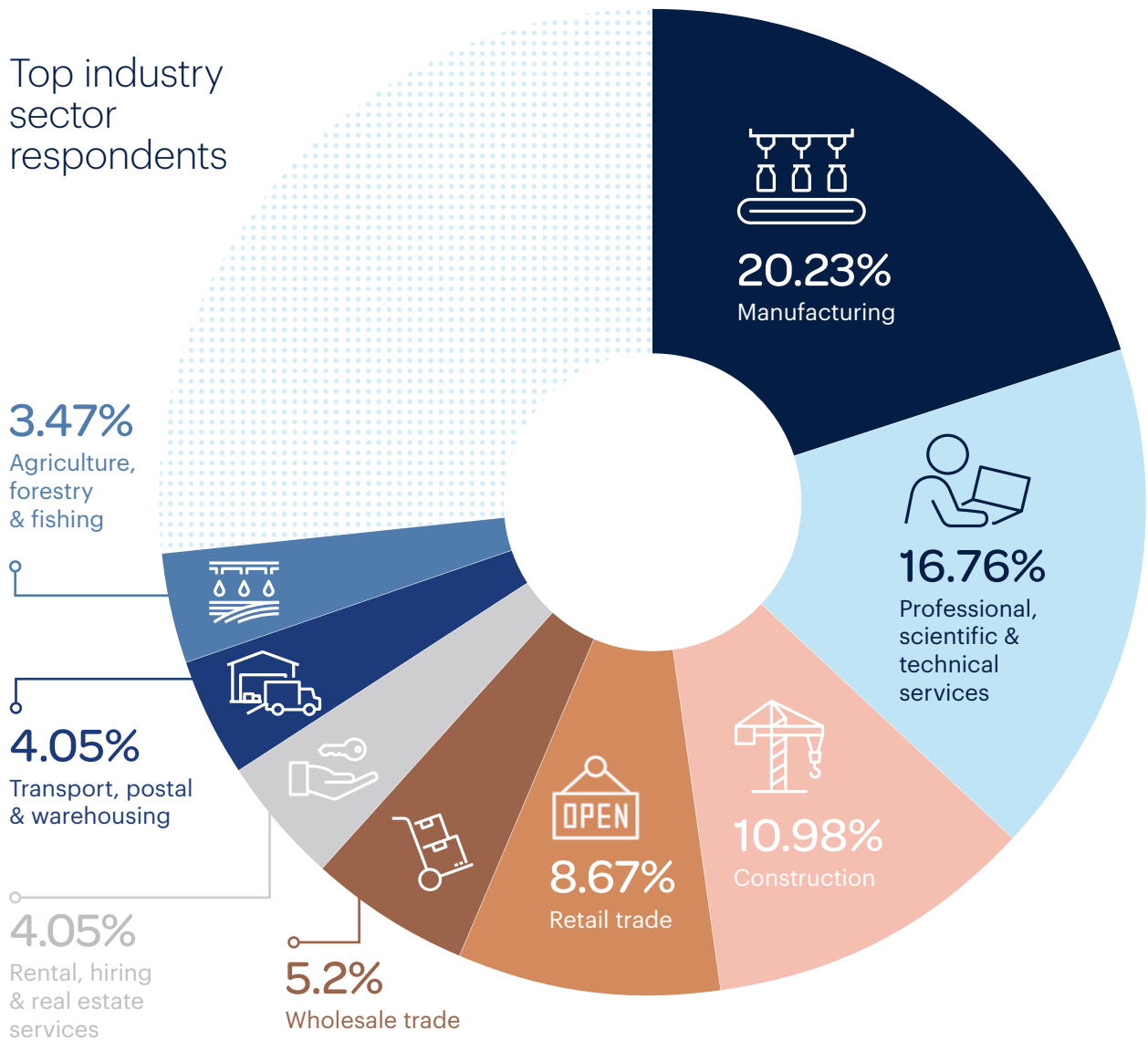
- March 2025

1. 'KPMG and Family Business Australia Survey of Family Businesses 2009', (in conjunction with Bond University)

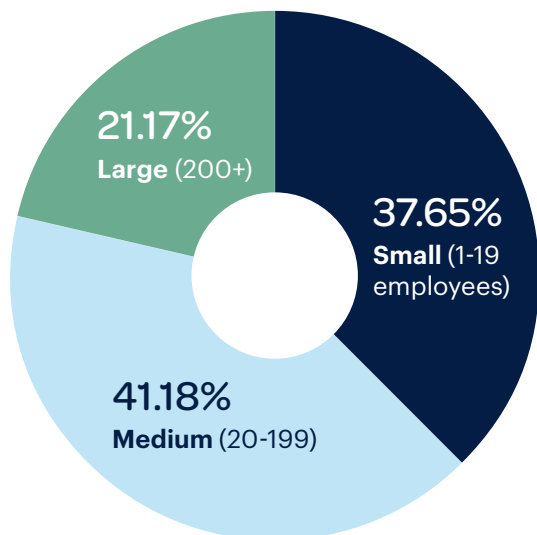
2. 'Working with family creates community benefit', Lara Pacillo, Adelaide Business School, the University of Adelaide, September 2024

3. '2024 Edelman Trust Barometer', 'The 2019 Edelman Trust Barometer: Implications for Family Business report', Edelman

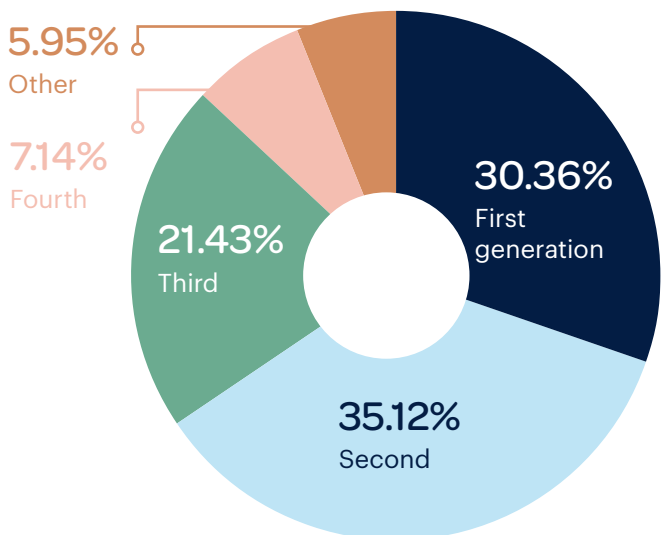
Top industry sector respondents



Distribution of business size amongst respondents



Distribution of how many generations a business has been operating for amongst respondents





Another
challenging
year for businesses,
optimism
remains
in family businesses





The 2025 Family Business Association (FBA) and Pronto Software Family Business Barometer shows that Australian family businesses continue to face the same significant challenges as the general business community, but optimism remains.

As we head into 2025, the long-hoped-for economic recovery has felt tantalisingly close, yet – so far at least – it remains just out of reach.

Things are tough out there. Business conditions are fragile, marked by tepid growth, high costs and uncertain demand. Staff retention is a persistent headache, and regulatory and compliance constraints are causing a great deal of frustration. Meanwhile, geopolitical instability is adding to the general sense of upheaval.

It's hardly surprising, then, that business confidence is below average. Indeed, Australian Chamber of Commerce and Industry data shows that nearly half of all small businesses have considered closing in the past 12 months⁴.

Still, there is a glimmer of relief on the horizon. With the post-pandemic inflationary surge behind us, the Reserve Bank of Australia is expected to embark on a series of interest rate cuts. These should gradually ease the cash rate back towards neutral, and current forecasts point to a soft landing for our economy.

The landscape for family businesses presents both unique opportunities and added complexities compared to the broader business community. Succession planning, managing family dynamics, and ensuring long-term financial security are just some of the challenges that can keep family business leaders awake at night. However, a strong commitment to family values, dedicated staff, and customer loyalty often provides distinct advantages. According to a 2023 McKinsey report⁵, family businesses' emphasis on purpose over profits, combined with their structures and best practices, enables them to withstand business challenges in uncertain times, outperforming businesses that are not family owned.

This report dissects the latest Family Business Barometer Survey findings. First conducted in 2020 as a partnership between FBA and Pronto Software, this biennial survey aims to better understand the unique experiences of family businesses, identifying and addressing barriers to growth while highlighting the key success factors that enable these businesses to thrive across generations.

4. ACCI launches 2024 Small Business Conditions Survey

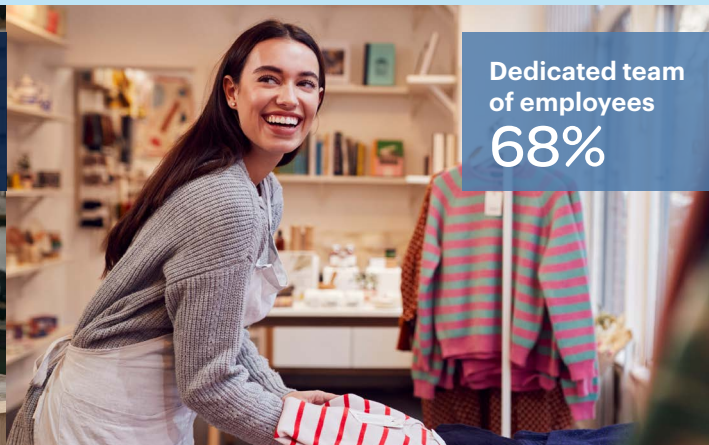
5. ['The secrets of outperforming family-owned businesses: How they create value — and how you can become one'](#), McKinsey & Company, Report, November 2023

Key findings from the Family Business Barometer survey

From concerns about the future to the need to improve business efficiencies and operations, here is what's keeping family businesses awake at night.

In 2024, the family business landscape was – in a word – complex. Rather than a standout single concern, respondents appear to be facing a convergence of interconnected challenges.

“Family businesses are not dealing with any one issue – most have at least three or four key challenges keeping them awake at night, many of which are interrelated,” says Chad Gates, Managing Director of Pronto Software. “For example, it could be regulatory issues and staff issues, or technology issues and security issues.”





Concerns & stressors

Strategies for future success

Given how difficult long-term planning is in such an unpredictable market, it's easy to understand why nearly half of survey (48%) respondents said concerns over "future vision, goals and strategy" were costing them sleep, making it the number one issue this year.

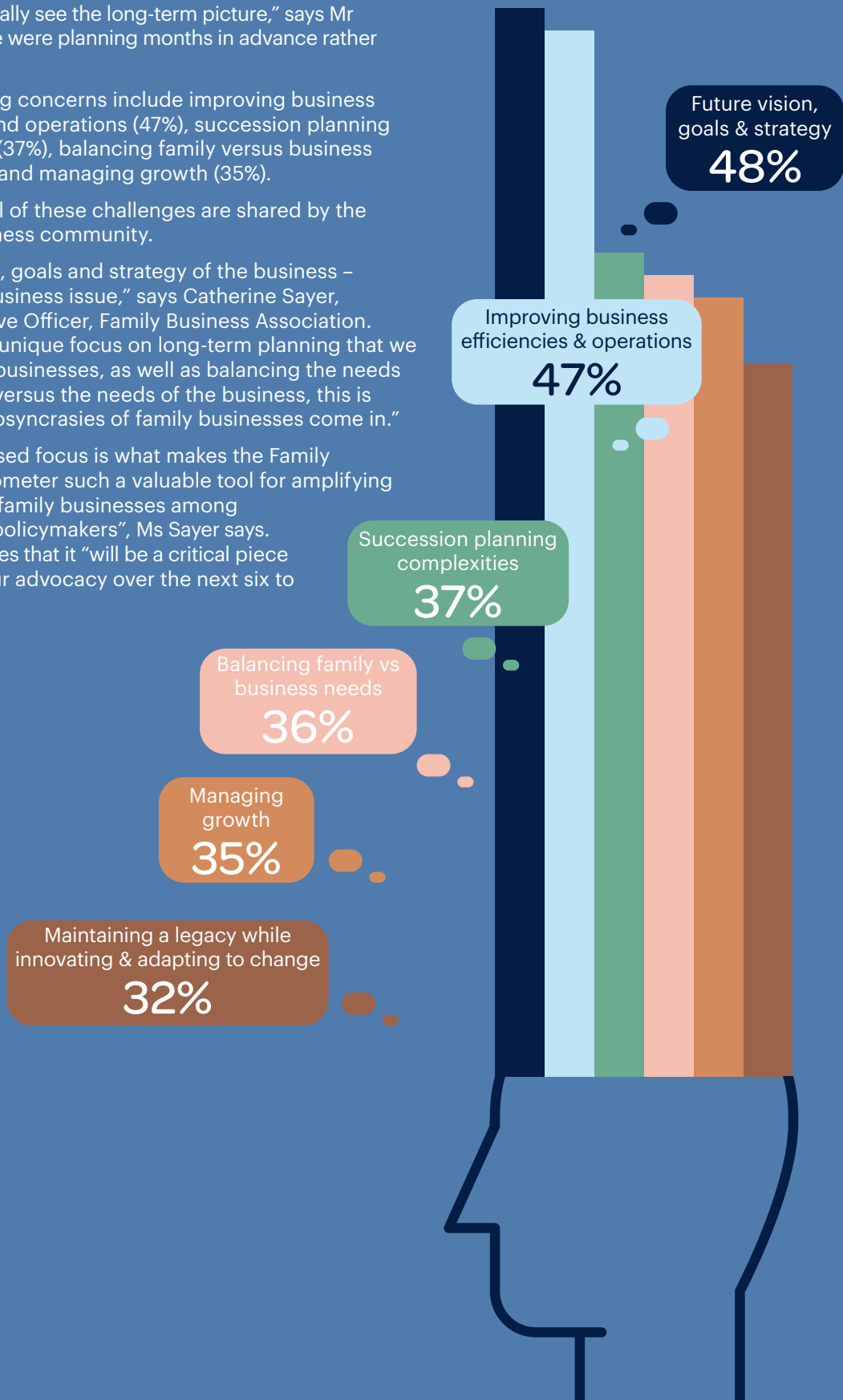
"We had a similar problem during the pandemic, where we couldn't really see the long-term picture," says Mr Gates. "So, we were planning months in advance rather than years."

Other pressing concerns include improving business efficiencies and operations (47%), succession planning complexities (37%), balancing family versus business needs (36%), and managing growth (35%).

Clearly, not all of these challenges are shared by the broader business community.

"Future vision, goals and strategy of the business – those are a business issue," says Catherine Sayer, Chief Executive Officer, Family Business Association. "But with the unique focus on long-term planning that we see in family businesses, as well as balancing the needs of the family versus the needs of the business, this is where the idiosyncrasies of family businesses come in."

"This specialised focus is what makes the Family Business Barometer such a valuable tool for amplifying the voices of family businesses among government policymakers", Ms Sayer says. She emphasises that it "will be a critical piece of work for our advocacy over the next six to 12 months."





Breaking down the barriers to growth

Family business growth can be obstructed by external forces and other challenges. To support their ongoing success, it is vital to understand the key barriers to growth in 2024 identified by our survey respondents:

1 External economic factors (e.g. inflation) 41%

2 Cost of labour 34%

3 Cash flow 34%

4 Regulatory hurdles 32%

5 Talent acquisition & retention 32%

Conversely, well over half of the respondents are actively investing and adopting new technologies.

Staffing still a concern

Finding and retaining talent was the number one issue faced by family businesses in the 2022 Family Business Barometer Survey, and it continues to be a concern for nearly one-third (32%) of respondents.

The ability to attract, develop, and retain a dedicated workforce remains a cornerstone of success for family businesses, with 68% identifying 'a dedicated team of employees' as a key success factor. "Strong family values and a dedicated team of employees are evident in family businesses which differentiates them in a positive sense," says Ms Sayer. Family businesses are also uniquely positioned to excel in this area with 54% of the workforce preferring to work for a family business over non-family businesses.⁶

"The labour market has changed since the pandemic," says Mr Gates. "It became an employee's market because there wasn't anybody around to fill the jobs and, as a result, people developed higher expectations of their employers."

These heightened employee expectations, coupled with rising costs and compliance burdens, have made talent acquisition and retention even more complex.

As immigration increases and economic uncertainty slows job-hopping, businesses now have more opportunities to hire selectively. However, "there is literally not a business I've spoken to that is not thinking heavily about staff retention, acquisition and turnover," says Mr Gates.

6. '2024 Edelman Trust Barometer', 'The 2019 Edelman Trust Barometer: Implications for Family Business report', Edelman

Playing the long game

Family businesses are uniquely positioned in the business landscape, with their decision-making processes and operational strategies often guided by a deep-rooted commitment to legacy and long-term vision.

Over half of this year's survey respondents (54%) identified providing financial security for future generations as a top priority, followed by planning a successful exit strategy (45%) and passing on the business to the next generation (42%). The transfer of wealth is a significant aspect to this long-term thinking, with \$3.5 trillion of wealth⁷ transitions expected to transfer to the next generation of family members across Australia over the next 20 years.

"Family businesses think long-term and build their balance sheet to navigate the peaks and troughs of the economy," says Ms Sayer. This sets family businesses apart from other sectors, where short-term profitability often dominates decision-making.

Legacy is central to the identity of family businesses, ensuring that their mission and values remain aligned with their long-term goals. According to KPMG's Unlocking Legacy in Family Businesses 2024 report, the strength of a family business's legacy is closely linked to its long-term performance. "This forward-looking, legacy-building approach is one of their unique strengths, enabling greater resilience in challenging times and positioning family businesses to thrive across generations," says Ms Sayer.



- **Financial security for future family generations**

54%

- **Plan for successful exit strategy**
- **Pass on the business to the next generation**
- **Expand product or service offering**



Government policy opportunities

- Taxation policies & incentives for family-owned businesses

74%

- Simplified regulatory compliance processes
- Workforce development & employment schemes
- Access to funding, government backed loan programs & grants



7. 'Wealth transfers and their economic effects, Research paper', Australian Government Productivity Commission, November 2021

The power of family values

Strong family values foster dedicated teams and loyal customers, creating a foundation for lasting success and a powerful legacy across generations.

When Family Business Barometer respondents were asked about the factors that they attribute the success of their family business most selected strong family values (73%), followed by dedicated employees (68%) and customer loyalty (56%).

All three of these attributes interconnect, says Ms Sayer, with family values fostering a loyal workforce, which in turn strengthens customer relationships and trust. As she points out: "Values are often the beacon for businesses. And I see family businesses as having strong values that are genuinely embraced in the business. If everyone is aligned in values, then everyone is on the same page and the business is much stronger."

As businesses scale, emphasising strong family values can provide a sense of continuity across generations, helping to build a lasting legacy. This helps to create a stable, motivated workforce that understands and embraces the business's mission.

It's also worth noting that values are increasingly becoming a deal-breaker, especially for younger employees. As one LinkedIn study found, 60% of Gen Z and Millennials said company values were a deciding factor in job decisions⁸. Which reinforces why 54% of the workforce prefers to work for a family business over non-family businesses.

Building engagement through shared values

Engagement is not a characteristic you can hire for. Rather, it's an experience created by organisations, team members and – perhaps especially – managers.

Unfortunately, the average business fails to engage the majority of its employees. In fact, research by Gallup suggests that as many as 62% of the world's employees are not engaged at work, while a further 15% are actively disengaged.

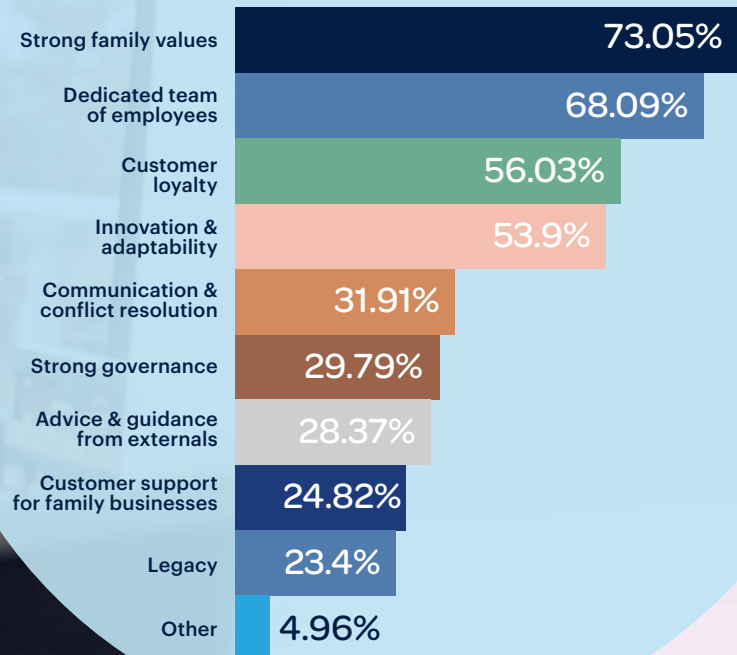


What you told us

"Strong family values and caring for each other is what sets us apart."



Family business success factors



According to its estimates, this adds up to US\$8.9 trillion in lost productivity. That's 9% of global GDP⁹.

Strong family values might be one antidote to this issue. In another Gallup study, businesses that aligned employee behaviours with core values were rewarded with a 29% bump in workforce engagement, an 18% boost to productivity and a 23% increase in profitability¹⁰.

Then again, while family values are an asset, implementing them effectively requires careful balance. Strong values should foster trust and respect without blurring professional boundaries or hindering adaptability.

Mr Gates agrees that trust can be a major factor in a family business's success, and this often circles back to values. "Businesses survive and thrive on trust, not only of the product, but also the brand and what the family stands for – and their values are what determine that."

"If everyone is aligned in values, then everyone is on the same page and the business is much stronger."

Catherine Sayer,
Chief Executive Officer,
Family Business Association

8. 'Why strong company values are essential for attracting the next generation of professionals', World Economic Forum, April 2023

9. 'State of the Global Workplace', Gallup, 2024

10. 'What Is Employee Engagement and How Do You Improve It?', Gallup



●● The value of innovation and adaptability

For family businesses, the ability to innovate and adapt continues to prove critical to their success.

“Efficiency-focused innovation – whether through tech adoption or new processes – can yield substantial benefits without excessive costs.”

Chad Gates,
Managing Director,
Pronto Software

In today’s dynamic and challenging business environment, innovation isn’t just a luxury, it’s a necessity.

For family businesses, the challenge lies in adapting without losing sight of their legacy. But embracing innovation shouldn’t be daunting. In fact, Mr Gates encourages business leaders to “simply think of it as problem-solving in the context of scalability”.

Automating accounts payable, reducing paperwork or connecting equipment to analytics platforms for predictive maintenance are all examples of tried-and-tested approaches that work. By focusing on “quick wins”, family businesses can adapt without overextending resources.

“Efficiency-focused innovation – whether through tech adoption or new processes – can yield substantial benefits without excessive costs,” says Mr Gates.

Perhaps that’s why 54% of Family Business Barometer respondents highlighted “innovation and adaptability” as a key factor in their success.

Creating a culture of innovation

According to a global study by McKinsey, companies that boldly embraced innovation during the pandemic were able to double their revenue by introducing new products or services¹¹.

But fostering a culture of innovation is more than just updating technology or processes, says Mr Gates. It requires a culture where creativity can thrive.

11. ‘McKinsey Global Surveys, 2021: A year in review’, McKinsey & Company, December 2021

Mr Gates shares how Pronto Software achieves this through regular “hackathons”. These events allow employees at every level to pitch and prototype ideas in a collaborative, low-risk environment.

“We call them ‘hackathons’, but you could just as easily call it an ‘idea-a-thon’ or ‘suggestion box day,’” he says. “The most important part is creating a safe space where people aren’t afraid to have their ideas rejected.”

For Pronto Software, the inclusive approach, coupled with incentives like donations to charities of the winners’ choice, not only sparks creativity but also strengthens team morale.

Innovation doesn’t always need big budgets either. Starting small can offset some of the reluctance felt by some people within a family business. In these cases, identifying business pain points and tackling easy-to-implement solutions, such as process automation or streamlining workflows, can help pave a path forwards.

Balancing legacy and change

For family businesses, strong traditions can sometimes be both a strength and a barrier to adaptability. And it’s a tension that is reflected in the fact that nearly a third (32%) of survey respondents struggle to balance legacy with the need to innovate.

Resistance to change is one such barrier. Family businesses often prioritise stability and risk mitigation, especially if past successes are attributed to traditional practices. To combat this, a focus on innovations that align with or enhance family values is key. For example, a family-owned furniture maker could maintain its legacy craftsmanship while embracing sustainable materials and AI-driven inventory management to reduce waste.

That was certainly the case for Pronto Software client A&G Engineering, a manufacturing business specialising in stainless-steel fabrication and distribution, and retail. Implementing the Pronto Xi ERP was part of a strategic drive to improve efficiency across all areas of A&G Engineering’s operations, particularly pricing, order management and labour tracking, which were previously challenging to maintain.

“Improving efficiency by even half a percent could equate to millions in revenue,” says A&G Engineering CEO Tom Gallagher.

Finally, with 64% of respondents part of a second generation (or later) family business, the generational divide can sometimes be yet another obstacle to innovation. The trick here, says Mr Gates, is to find ways in which older and younger generations can collaborate on innovation projects, blending fresh perspectives with the wisdom gained from lived experience.

“Don’t be afraid to send your people to events or webinars and things like that to network with other family businesses and see what other like-minded people are doing. Because sometimes we get blinded by our own business, and we get blinkers on. So, anything that gets the blinkers off is really valuable.”

What you told us

“Our family style working environment combined with a willingness to grow and change backed by strong governance has gotten us where we are.”

Cash (flow) is king



As family businesses feel the strain of mounting financial pressures, cash flow has emerged as a significant challenge.

In an environment marked by high costs and volatile consumer demand, cash flow management is even more essential than ever for business survival.

Unfortunately, just over a third (34%) of Family Business Barometer survey respondents cited cash flow issues as a major barrier to growth. This made it the third-most-common pain point for family businesses, behind rising labour costs (35%) and external economic factors like inflation (41%), which are further squeezing margins. None of this is surprising, as most businesses would identify with the same issues.

Balancing financial vigilance and smart investments

Family businesses are built on a legacy of long-term thinking, and creating financial security for future family generations is the top long-term goal for 54% of respondents. However, that's clearly easier said than done in today's economic climate.

In these challenging times, success can hinge on a two-pronged approach of careful financial management and strategic investments.

What you told us

“[A key issue for us is] trying to manage through the current weakness in the economy so that we still have a solid business when the cycle turns.”

In other words, “If you don’t know your numbers, you’re in for a world of pain,” says Ms Sayer. She emphasises that “developing a clear understanding of cash flow, costs and opportunities allows business leaders to respond confidently to economic volatility.”

Mr Gates agrees that “plugging cash flow leaks” as quickly as possible is important – but he advises against overly conservative strategies.

“Cautious positive investment, even during an economic downturn, ensures that when things turn around, you’re ready to accelerate out of the curve,” he says.

This approach is supported by a recent study, which concluded that during the 2007–09 financial crisis, companies that balanced cost-cutting with a willingness to strategically invest in research and development and corporate social responsibility outperformed their peers post-crisis¹².

Similarly, research conducted by McKinsey found that the top economic performers during the pandemic were those that prioritised digital transformation, new partnerships and talent acquisition, enabling them to adapt quickly and emerge stronger¹³.

Investing in technology to cut costs and build resilience

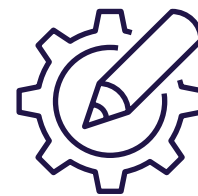
In tough times, smart investments enable businesses to adapt quickly to market demands, mitigate cash flow challenges and build a foundation for sustainable growth.

One area where investment can yield immediate results is technology. Adopting the right tools – from managing inventory to automating payroll and data entry and reducing paper-based tasks – can create a leaner, more agile business.

For instance, inventory management software can help you track seasonal demand patterns, which reduces excess stock and frees up cash flow. Similarly, AI-driven analytics can predict cash flow gaps and provide insights into optimising working capital.

“It could be something as simple as hooking up a piece of plant or equipment in a factory with an analytics platform for preventative maintenance. That’s an example of where you’ve got all your existing stuff, but you get them to talk to each other, and suddenly you’ve got information you never had before,” says Mr Gates.

By reducing operational inefficiencies and labour costs, investing in automation saves money and minimises human error, freeing your employees to focus on higher-value tasks, like strategic planning or customer engagement.



“Cautious positive investment, even during an economic downturn, ensures that when things turn around, you’re ready to accelerate out of the curve.”

Chad Gates,
Managing Director,
Pronto Software

12. ‘Strategic management during the financial crisis: How firms adjust their strategic investments in response to credit market disruptions’, Caroline Flammer, Ioannis Ioannou, Strategic Management Journal, Wiley Online Library, July 2021

13. ‘McKinsey Global Surveys, 2021: A year in review’, McKinsey & Company, December 2021



Family Business Diagnostic Tool

For family business leaders ready to confront the sore points within their organisation, FBA offers a diagnostic tool to help pinpoint problems and pave the way for meaningful change.

Breaking free from inefficiencies

Lack of awareness, a reluctance to tackle internal conflicts and limited use of external resources are hindering family businesses from addressing inefficiencies.

“Sometimes, believing you can fix everything yourself can be false economy.”

Chad Gates,
Managing Director,
Pronto Software

Inefficiencies are more than a drain on resources – they’re a barrier to growth and resilience in an increasingly competitive market.

No wonder, then, that nearly half (47%) of Family Business Barometer respondents cited “improving business efficiencies and operations” as one of the things causing them stress.

According to Mr Gates, inefficiencies in family business often stem from a mix of denial, avoidance and a lack of clarity. “Sometimes there’s an unwillingness to dust off the skeletons in the closet, because it seems too hard,” he says.

These “skeletons” might include outdated processes that everyone knows are inefficient but avoid addressing, or underperforming family members who remain in the business out of obligation. That latter scenario is more common than you think: just over a fifth (21%) of respondents highlighted concerns about the competency of family members working in the business.

Asking for help

One of the biggest barriers to improvement in family business is a tendency to keep everything in-house, with one in 10 respondents flagging limited access to external expertise as a key concern.

But bringing in outside experts or participating in peer networks can be an incredibly effective way to illuminate blind spots. For instance, an external consultant might identify inefficiencies in supply chain management or highlight opportunities to reduce overheads that internal teams overlook.

“FBA has Family Business Accredited Advisor members. They are specialists in providing advice to family businesses and help navigate through a raft of family business issues”, Ms Sayer said.

“Sometimes, believing you can fix everything yourself can be false economy. You may be able to fix everything yourself, but it could be that getting external advice might open the window to efficiency. And it might just be as simple as having a conversation with a peer,” says Mr Gates.

Hiring well

Bad recruiting can significantly affect productivity and, according to a survey by Robert Half, could cost employers between 15% and 21% of their salary, depending on the industry and role¹⁴.

“Hiring culturally aligned people is even more crucial than finding people with the skills you need,” says Mr Gates. “You can teach skills, but you can’t teach cultural fit.”

To support efficiencies, family businesses should invest in robust training and onboarding programs. Clear expectations and well-defined roles not only enhance productivity but also reduce risk. As Mr Gates puts it: “If your staff don’t know what they’re doing, they are a commercial risk.”

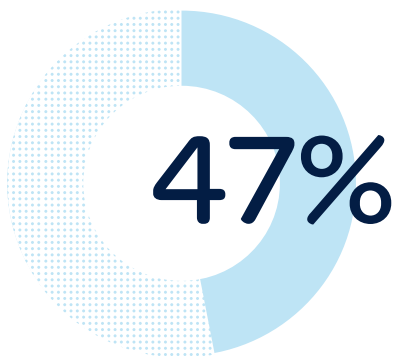
Balancing delegation with accountability

According to Gallup, poor management can create “a lot of stress”, with micro-managed employees 60% more likely to experience stress than employees working in environments with good management practices¹⁵.

Leaders who micro-manage day-to-day details risk losing sight of the bigger picture. Instead, empowering trusted team members to handle tasks, while maintaining clear lines of accountability, creates a better workplace experience. This approach ensures that inefficiencies are addressed promptly while enabling leaders to focus on strategy and growth.

Mr Gate’s advice? “If you’re a business owner or a CEO, obviously don’t try and do every little nitty-gritty thing yourself. Of course, you still have to maintain a high level of accountability – but balance detail versus accountability with your team, and don’t assume things aren’t being done just because they’re not escalating.”

Savvy tech adoption can also help with this. “Tools like project management software or ERP [enterprise resource planning] systems can help leaders track progress and outcomes without excessive oversight,” Mr Gates says.



of respondents say improving business efficiencies and operations is keeping them up at night

14. ‘The rising costs of a bad hire’, Robert Half, August 2021

15. ‘State of the Global Workplace’, Gallup, 2024



Using ERP and data analytics to drive efficiency

ERP software provides the operational clarity family businesses need to address inefficiencies.

For example, when Bruno Fine Foods, a family-owned business specialising in high-quality food products, implemented Pronto Xi as their ERP, it aimed to streamline operations. The result? The business saw a 45% reduction in sales processing costs, allowing it to strategically relocate resources towards enhancing customer relationships and facilitating growth¹⁶.

ERP software has other benefits too, including:

1. **Full traceability:** ERP tools answer the “who”, “when” and “how” behind every transaction, helping leaders uncover inefficiencies and address them proactively.
2. **Resource optimisation:** ERP systems help allocate resources more effectively, ensuring scalability and agility as businesses grow.
3. **Real-time analytics:** With access to real-time data, leaders can make swift, informed decisions that streamline operations and improve productivity.

On that last point, Mr Gates is adamant. “Getting real-time analysis of that information is critical for business decision-making, which is why reporting and analytics, and business intelligence is an essential part of any business.”

16. 'Bruno Fine Foods – Specialising in quality customer experience', Pronto Software, September 2023

What you told us

“Our business has grown rapidly. None of us have ever managed a business the size of where we are today, so there are skills gaps.”

Customer loyalty breeds success

“The Edelman Trust Barometer indicates that family businesses are the most trusted businesses, and that really feeds into those strong family values and having dedicated teams of employees.”

Catherine Sayer,
Chief Executive Officer,
Family Business Association

For family businesses, building trust and connecting with customers is proving to be their superpower.

According to 2025 Family Business Barometer results, more than half (56%) of respondents see customer loyalty as a primary factor in their success.

In addition to their strong values, family businesses benefit from several other unique strengths that foster customer loyalty, such as deep community roots and a reputation for reliability, friendliness, and high-quality goods and services. Customers are also naturally drawn to their sense of heritage, stability and authenticity.

For Ms Sayer, this boils down to one key concept: trust.

“The Edelman Trust Barometer indicates that family businesses are the most trusted businesses, and that really feeds into those strong family values and having dedicated teams of employees,” she says.

Sure enough, 2024 data from the Edelman Trust Barometer shows that 68% of people trust family businesses to “do the right thing”, making them the most trusted type of business for the 10th year running¹⁷.

Building loyalty through storytelling and consistency

Digital storytelling – through social media, email newsletters or a compelling website – is one of the most powerful tools for building customer loyalty.

Sharing your business history, your values and even family milestones can help customers see your business as more than just a service provider.

As Ms Sayer puts it: “The clearer you are about your story, the more connected people feel.”

Consistency is just as crucial. Family businesses often have the advantage of closely aligned teams, which enables them to deliver reliable, high-quality customer service across all touchpoints.

17. ‘2024 Edelman Trust Barometer’, Edelman



56%

of respondents attribute their business's success to customer loyalty

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THOUGHTS
AND EXPERIENCE



Mr. Number9

First time for this shop but very impressed.
I am happy with it :) Fine quality
Online administrator so nice and helpful
Best experiences i ever had. Recommended.



SUBMIT

Meaningful engagement beyond transactions

Loyalty thrives when people feel part of something bigger than a simple transaction. Family businesses can cultivate this sense of belonging by actively involving customers in their journey.

For instance, a family-run clothing brand might invite customers to co-design a new product or vote on a charity to support, fostering a sense of ownership and loyalty.

Mr Gates offers these ideas on enhancing customer loyalty in family-run businesses:

- sharing updates on new products, charitable initiatives or family milestones through digital channels
- hosting events or offering behind-the-scenes glimpses into your business operations to make customers feel included
- creating open feedback loops. Surveys, online reviews and direct conversations can reveal valuable insights, while acting on this feedback and sharing the changes you've made shows customers that their voices matter
- centralising customer insights through a CRM. Track preferences, purchase history and feedback – a well-maintained CRM ensures customers feel remembered and valued, increasing loyalty

“Customer loyalty is often thought of only in terms of retail. But everybody is a customer of somebody. Everyone has a supply chain, and that loyalty has to be fostered all the way through the supply chain. Because really, people don't need a lot of reasons to stay, but a lot of businesses give customers a reason to leave,” says Mr Gates.

What you told us

“[Our success is based on] many years of experience, personalised service, clear and honest communication and making the complicated simple to understand. Instilling client confidence that we know what we are doing.”

Planning for success



What you told us

“[We’re] concerned about] whether to keep growing the business and keep it to pass on to the generation below, or sell it and have less worries!”

Succession planning and exit strategies remain a priority – and a consistent challenge – for family businesses.

A clear, thoughtfully executed succession strategy secures both family harmony and business success, helping support growth across generations and the legacy you’ve worked so hard to build.

However, despite its importance, succession planning remains a significant challenge for Family Business Barometer respondents. While 45% identified a successful exit strategy as a long-term goal, only 23% said they have a formal plan in place, and 37% admitted that they find the process complex.

So, what’s the most important factor in a smooth succession? According to Ms Sayer, it might be “communication and time”.

“Succession planning should begin at least three years, or even up to 10 or more, before the anticipated exit,” she says. “This allows family members to address unexpected challenges and gives successors time to gain the necessary experience and confidence.”

Navigating the family construct

For family businesses, succession planning isn’t just about leadership transitions – it’s about navigating delicate family dynamics, such as reconciling differing visions between generations or addressing sibling competition for leadership roles.

(Notably, sibling rivalry emerged as a key concern for nearly one in 10 survey respondents, again highlighting the unique complexities inherent to family enterprises.)

A well-structured exit or succession plan provides a clear roadmap for transferring ownership and leadership while protecting the business legacy and preserving relationships.

This level of preparation stabilises the business for future growth, reassuring employees, investors and family members of its continuity, and allowing space for thoughtful, measured decisions.

Foundational areas of focus for long-term success

Creating a clear exit strategy is essential, says Ms Sayer. Her suggestions are to “define your values, have a succession plan, communicate, have a strong tribe, document everything and ask for help”.

Here are some additional areas to focus on:

- **define exit goals:** is the priority maximising financial returns, preserving family legacy or ensuring leadership continuity? Your specific goals will shape every decision in the succession process
- **select successors early:** identify and mentor successors – whether family or non-family – based on skills, leadership potential and alignment with company values
- **document the plan:** a written plan reduces uncertainty by clarifying roles, responsibilities and timelines. Include legal and financial details to cover leadership and ownership changes
- **communicate clearly:** schedule regular family meetings to ensure alignment, manage expectations and address concerns. Transparent communication reduces misunderstandings and fosters collaboration
- **strengthen stability:** build robust processes and document operations to reduce dependency on exiting leaders, ensuring business continuity during the transition
- **seek expert guidance:** advisors bring objectivity and expertise, helping avoid pitfalls and navigate complex dynamics. This makes their input invaluable in balancing family and business priorities
- **preserve the legacy:** a legacy plan outlines family values, vision and mission, giving successors a strong foundation to build on

Mr Gates added, “Think about: What does the business look like in a few years? Am I setting my business up for succession? For sale or exit? In the case of an unexpected event? Make sure you don't look inwardly too much and potentially shoot yourself in the foot when it comes time to move on.”

“Succession planning should begin at least three years, or even up to 10 or more, before the anticipated exit.”

Catherine Sayer,
Chief Executive Officer, Family Business Association

Sources:

- [Company values are deal-breaker for new professionals: LinkedIn study | World Economic Forum](#)
- [Employee Engagement Strategies: Fixing the World's \\$8.8 Trillion Problem](#)
- [How Employee Engagement Drives Growth](#)
- [How to Improve Employee Engagement in the Workplace – Gallup](#)
- [State of the Global Workplace Report – Gallup](#)



Embracing digital transformation

Budget constraints, resistance to change and a lack of in-house expertise – family businesses face all these barriers as they digitally transform their business.

It should come as no surprise that almost 85% of family businesses use technology, with 55% of those actively investing in and adopting new solutions. Yet the Family Business Barometer results also revealed that 30% of respondents struggle with implementation and integration, highlighting the importance of strategic planning in digital adoption.

“I think that’s pretty telling,” says Mr Gates. “There’s a lot of untapped opportunity for businesses to do things better.”

Businesses that overcome these challenges and embrace digital transformation are reaping the rewards, with research consistently highlighting the positive impact of technology on performance. One example is Menz, an Australian family-owned confectionery company. They implemented Pronto Xi ERP to gain accurate data insights, which improved business performance and profitability¹⁸.

Start small, scale strategically

Starting with foundational systems – like accounting software or CRMs – can deliver immediate results without overwhelming employees or disrupting operations.

“Initial successes will build trust within the family and workforce,” says Mr Gates, “making it easier to expand to more advanced tools, such as inventory management, payroll automation or predictive analytics.”

Tools like inventory management systems or payroll automation simplify processes and optimise workflows, while predictive analytics can unlock valuable, data-driven insights.

According to another recent report¹⁹, predictive maintenance can boost labour productivity by up to 20%. It could also reduce facility downtime by up to 15%, inventory carrying costs by 20%, and new equipment spending by 5%.

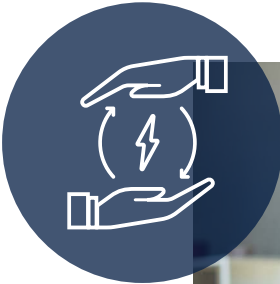


Empowering generational collaboration through technology

Younger generations often have a natural fluency with technology, while older members contribute important institutional knowledge and experience. Aligning these strengths can create a powerful synergy for family businesses.

“Remember,” says Mr Gates, “technology is just the enabler, not the end game. One of the critical elements to success is a good understanding of what success looks like from the very start with any technology investment.”

For example, involving younger family members in pilot projects for new tools can encourage innovation and equip them with the skills and confidence to lead future initiatives. At the same time, input from older generations will ensure these projects align with the broader strategic vision and company values.



85% of respondents of family businesses use technology

Overcoming financial and technical barriers

Budget constraints and limited technical expertise are common hurdles when adopting new tech. So, consider partnering with external consultants, technology providers or IT experts who understand family business dynamics.

“Work with providers who can help you make real decisions, who understand your business and can fill in the blanks, so you’re not making decisions in a vacuum or making assumptions,” says Mr Gates.

Even modest investments in consulting can yield significant returns, enabling businesses to modernise without sacrificing their values or control.



18. [‘Robern Menz – Sweetening performance and profitability with accurate data’](#), Pronto Software, December 2020

19. [‘Predictive maintenance and the smart factory’](#), Deloitte

Ensuring data security and privacy

As digital transformation accelerates, cybersecurity risks grow, with reports of cybercrime against Australian businesses increasing 12% in the last financial year²⁰.

When integrating new tools and tech, family businesses must prioritise strong data security measures, such as:

- regular employee training on cybersecurity best practices
- establishing clear protocols for data access and sharing
- investing in advanced security tools to protect against breaches

Focusing on these areas will help safeguard the business while also building trust with customers and stakeholders.



“Remember, technology is just the enabler, not the end game.”

Chad Gates,
Managing Director, Pronto Software

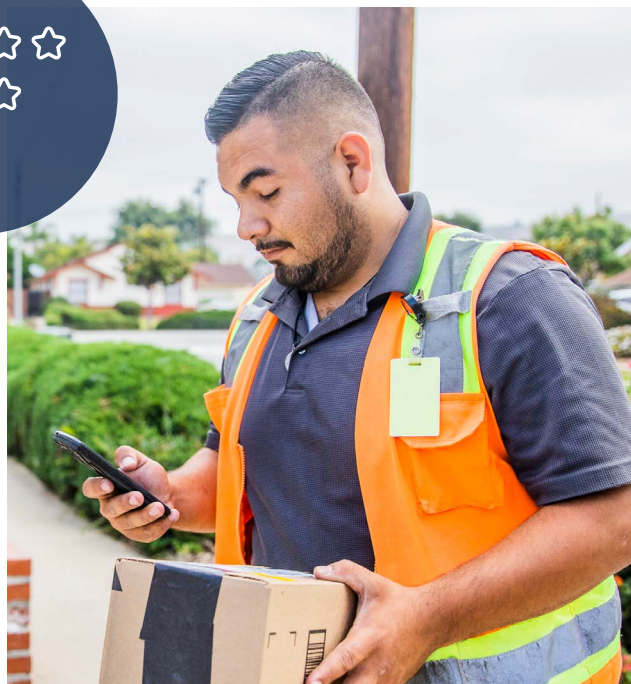
Measuring success for continuous improvement

Family Business Barometer data found that 27% of family businesses have already adopted business management software to streamline operations, with another 50% either likely or very likely to do so in the near future.

To maximise the value of any digital investment, family businesses should adopt a mindset of continuous improvement. “You’ve got to involve your key operational people in the process. And do that early,” says Mr Gates.

By regularly reviewing the impact of digital tools through performance metrics – such as cost savings, productivity gains or customer satisfaction – business leaders can make data-driven adjustments that enhance efficiency and agility.

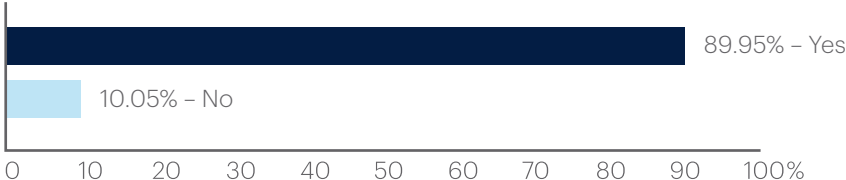
Finally, annual technology reviews will ensure that systems stay relevant and agile, helping family businesses build the resilience needed to adapt and thrive in 2025 and beyond.



Survey results

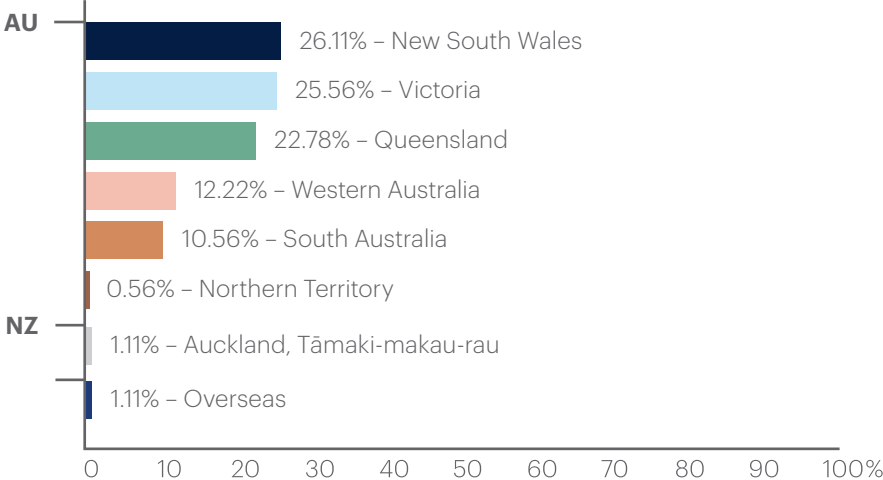
Q1

Are you a family business?



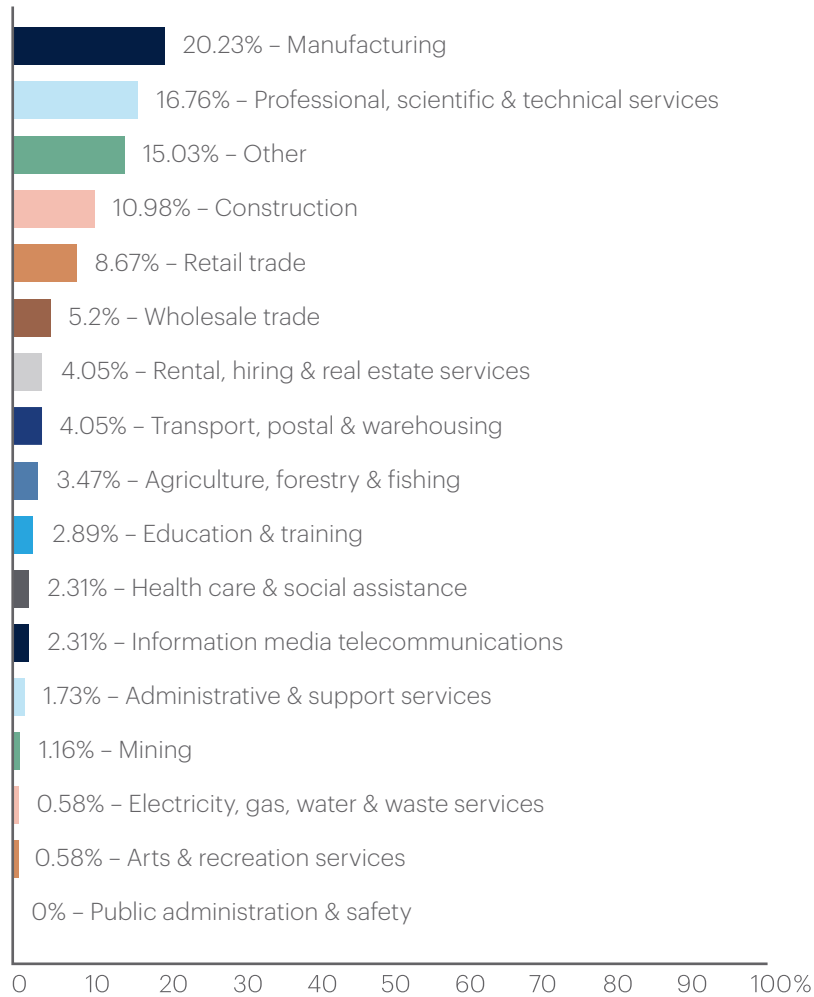
Q2

In which region is your business/operations primarily based?



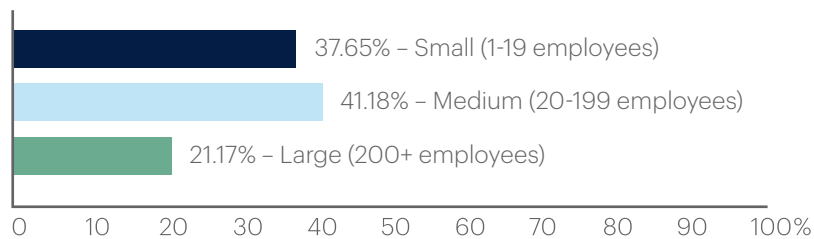
Q3

Which industry are you in?



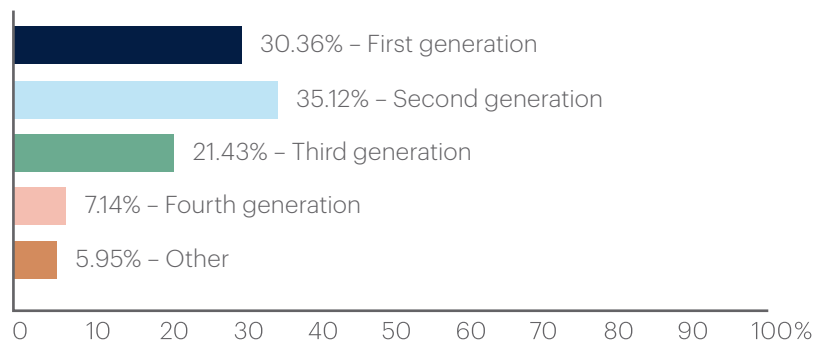
Q4

What is the size of your business?



Q5

How many generations has your family business been operating?



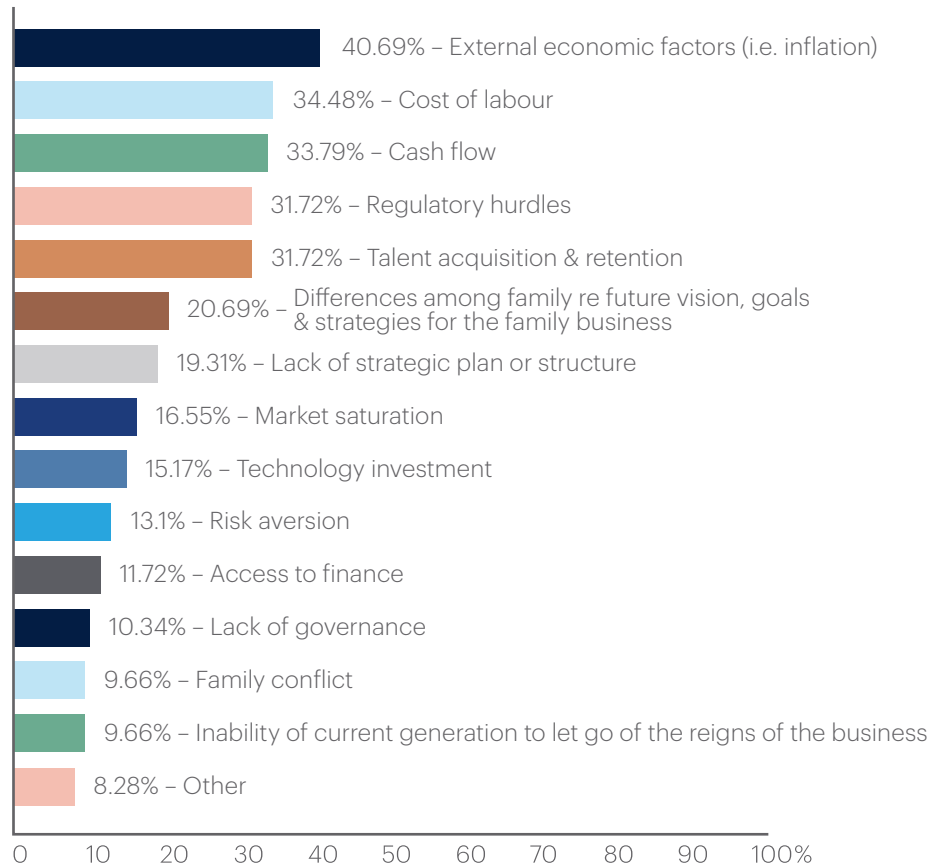
Q6

In thinking about your family business, what is keeping you awake at night?



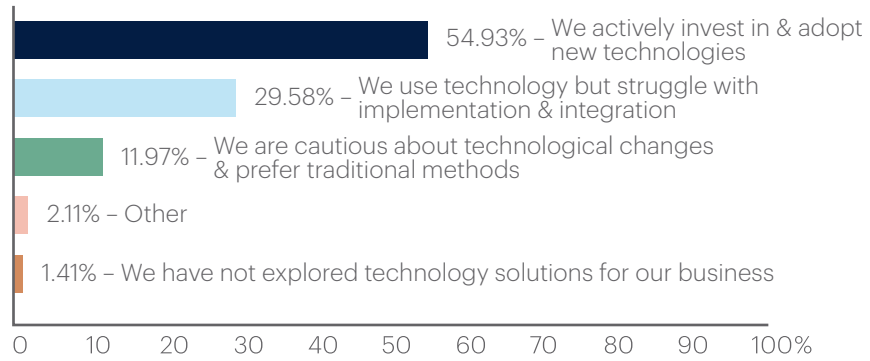
Q7

What barriers to growth, if any, have you experienced within your business?



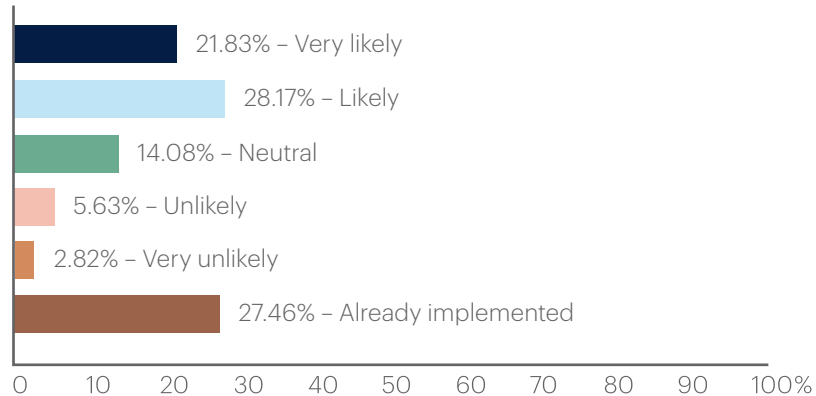
Q8

How do you currently address technology and digital transformation within your family business?



Q9

How likely are you to consider adopting business management software to streamline operations and address challenges in your family business?



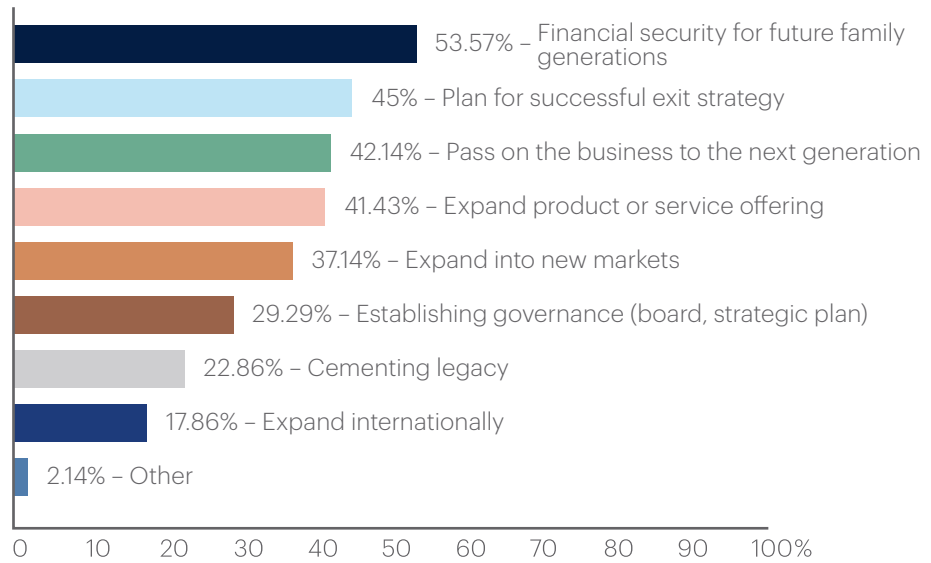
Q10

What factors do you attribute to the success of your family business?



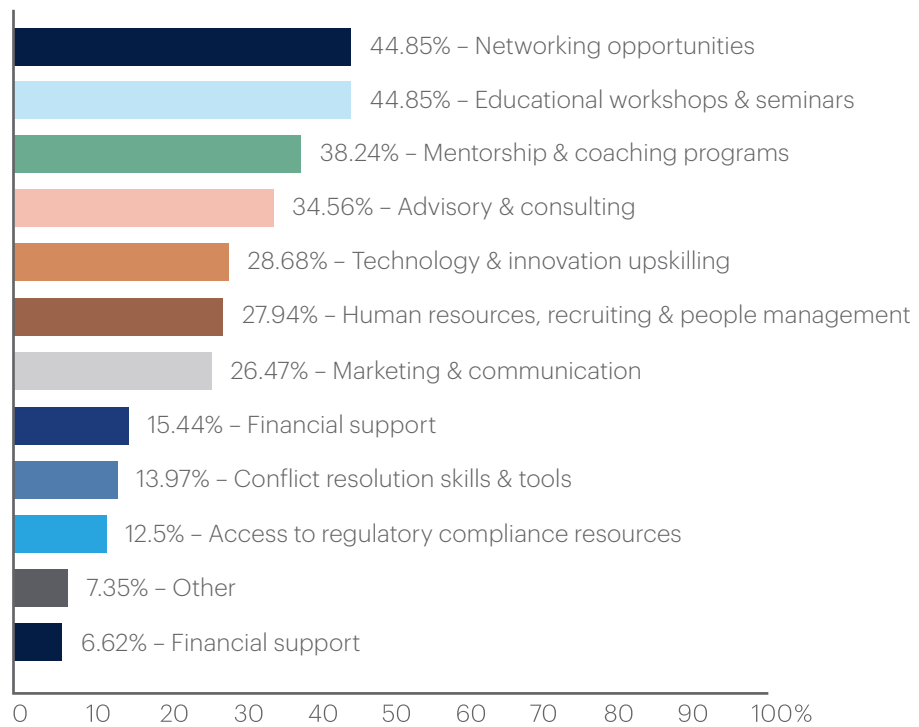
Q11

What are your long-term goals for the family business?



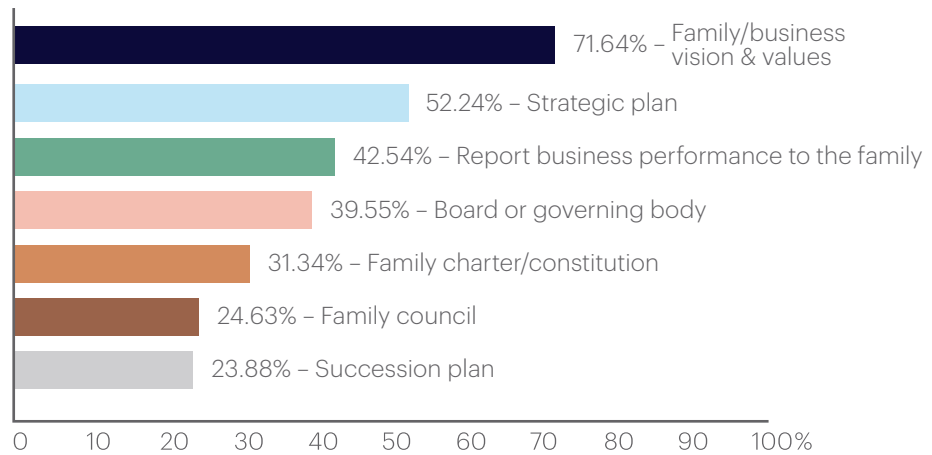
Q12

What additional support or services would you and your family business benefit from?



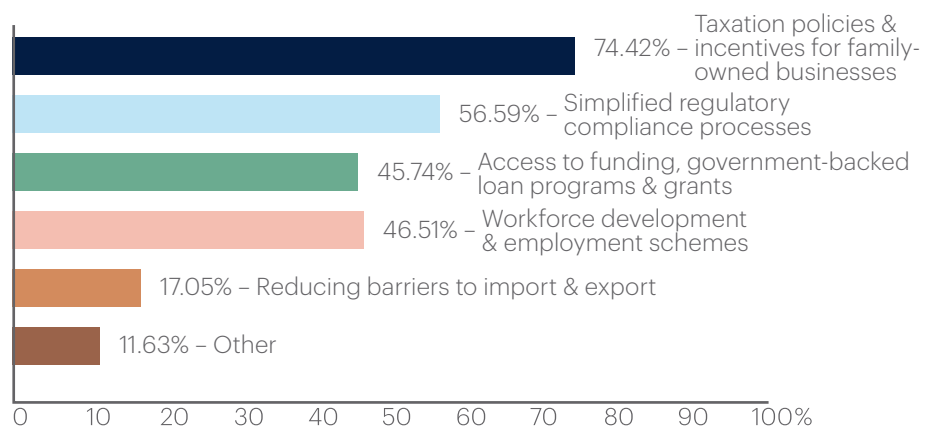
Q13

What level of governance do you have in place?



Q14

What areas of government policy, relating to the family business sector, would you benefit from FBA advocacy?



Q15


If you are an FBA member, on a scale of 1 to 10, how likely are you to recommend FBA membership to other family businesses?







About this whitepaper



Family Business Association's Family Business Barometer Survey, sponsored by Pronto Software, was first conducted in 2020. This biennial survey was undertaken in July 2024 and aims to better understand the unique experiences of family businesses, identifying and addressing barriers to growth while highlighting the key success factors that enable these businesses to thrive across generations. The survey results and analysis are presented in this report, examining the various factors that influence their success and sustainability through generations.



About Family Business Association

Family Business Association (FBA) is the peak body for family businesses in Australia and New Zealand, helping them to grow and thrive.

We advocate for a sector that plays an integral role in our economy and social fabric, accounting for 70% of all businesses and 50% of the workforce in Australia, and 75% of business and the workforce in New Zealand. Family businesses of all sizes have a unique experience and set of distinctive challenges that sets their needs apart. FBA is uniquely family business focused, helping members navigate the nuanced intersection of family dynamics and business operations, supporting both the wellbeing of the family unit and employees, and the success of the business through generations.

Learn more:



familybusinessassociation.org



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About Pronto Software

Pronto Software is an Australian developer of award-winning business management solutions. Pronto Xi, their ERP and analytics software, integrates accounting, operational and mobile features in a single system – optimising business processes and unlocking actionable insights. Over 1,500 organisations have leveraged Pronto Software's industry experience and innovation to increase growth and revenue.

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