The Life Cycle of the Family Business

Introduction

Family businesses and their owners face unique challenges as they balance their ambition to grow with the effort to build the family legacy.

At EY, we understand that purpose and values underpin a family business and holds it together. For more than 100 years we have been supporting the world’s most entrepreneurial families. Globally, EY advises 80% of the top 500 family businesses in the world. With this wealth of experience, we understand the unique challenges faced, as they balance the need to accelerate growth with the effort to build the family legacy and business. We have identified the success factors for family business growth such as — the Growth DNA Model and the EY NextGen Academy that pinpoint the issues and areas of focus that will support family business leaders in achieving their ambitions and building a long-term, intergenerational legacy.

As trusted advisors to enterprise-owning families around the world, we have the experience, authority and programs to support families to grow from generation to generation.
Why EY

Family enterprises have unique needs in comparison to corporate business operations. Relationships and interests of individual family members are often diverse; some members may not be interested in continuing the business while others may wish to change it fundamentally.

In addition to ‘traditional’ concerns of entrepreneurial families, such as governance, succession and wealth management, we now see the topics of diversity, talent, digital transformation, philanthropy and inclusive capitalism progressing toward the top of the agenda in family enterprises across the world. These topics are mostly driven by the next generation of family members.

The EY approach to working with family enterprises is anchored in our EY Family Enterprise DNA Model. The Model, which supports both the personal and business performance agendas of family enterprise leaders, is based on success factors that facilitate family cohesion, business growth and long-term wealth preservation in a family enterprise.

We combine our understanding of these success factors with our vast experience and knowledge to create a framework for guided conversations on topics that matter the most to family enterprise owners.
How EY can help

Focus on Family, Values, Business and Assets

Drawing on the knowledge we have gained from more than 100 years of working with family enterprises, we have identified the key factors that help them grow the business and build a long-term, intergenerational legacy. We use our Family Enterprise DNA Model to support both the personal and business agendas of family enterprise leaders and help them succeed across generations.

- Fiscal, legal and financial questions often arise hand in hand with the very personal aims and values of family members.
- As families divide profit among more family members, sustainable growth and profitability of the business become more important.
- When business-owning families grow significantly in number and complexity, a good plan for succession becomes an imperative.
- As the complexity of managing the family wealth increases, families look to professionalize this process through family office functions.

Click on each icon above to find out more about the EY Family Business service offerings.
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