

People

Family business dynamics



The personal side to business

Talented people are the backbone of any great business. Having the right people in place can mean the difference between survival and success.

Like any business, family businesses must grapple with finding the right people to fill many of the critical roles within the organization.

While family members may have assumptions around their role in the business, they may not be adequately prepared to take on the responsibility. Without the right policies in place, family businesses run the serious risk of making decisions that do not consider both the family dynamics and solid business principles.

Bringing in external talent can be just as challenging. The competition to hire and retain good people can be fierce. While family businesses must navigate the same hyper-competitive “war for talent” environment that other non-family run businesses face, a scarcity of skilled labor can feel like an overwhelming barrier.

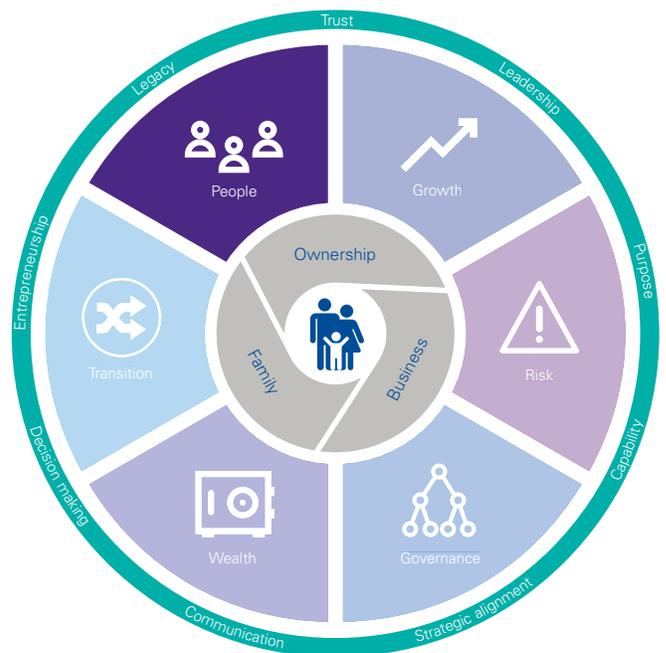
Family businesses face unique challenges that require balancing the needs of the business with the expectations of the family. By removing the emotion and developing a people strategy that fits your business, you can create an equitable environment where everyone has the opportunity to thrive.

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Just like with family, business doesn’t stand still – it evolves. Family businesses are unique. At their core exists an important dynamic that connects family and business through ownership, which offers both opportunities and challenges. When decisions are made, the outcomes could have repercussions for generations to come.

Surrounding each decision you may take, are strong family values and a purpose that helps you navigate the journey ahead. KPMG Enterprise advisers understand the dynamics of a successful business and work with you to provide tailored advice – throughout the lifecycle of your business.

“Talented people are the backbone of any great business.”



Source: KPMG Enterprise Family business dynamics, 2017

Are you ready to put the best people forward?

Proper planning can help family business owners put the framework in place that can not only address common business issues but may also prevent discord and protect family harmony.

With the right policies, practices and strategy, the sky's the limit for attracting the best talent, retaining great people, and preparing the next generation of leaders.

Consider how a broad-ranging strategy can help address these common business issues:

Compensation – Are you offering competitive compensation? Ensure that your reward packages, including remuneration plans, are based on market-driven data. Do family members enjoy opportunities or bonuses not available to other employees?

Training – Do you have adequate training in place to prepare the next generation to take over leadership roles and responsibilities? Does every employee have access to the same level of training and development, regardless of family status?

Decision-making – Who is involved in designing compensation packages or making hiring decisions? Do those in decision-making roles have the qualifications required?

Governance – Is your board of directors made up of family and non-family members? Do you have an adequate succession plan in place? Have you identified all the areas of risk for your business – from economic to competition and cyber security?

Creating an HR strategy that works

Implementing an effective people policy may require tough discussions and negotiations that go beyond family expectations and overcome longstanding and potentially inadequate practices. Working with a poor governance model or no model at all, can have serious impacts on your business.

Implementing well-defined HR policies can protect your business, your employees, and your family. Developing the right governance model for your business doesn't have to be daunting, and it may even save your business.

HR policies – Do current company policies comply with your respective country's legislation? Are there clear performance review frameworks for both family and non-family employees providing opportunities for development and progression? Are the policies, standards, and expectations the same for all employees? Is the workplace an equitable environment overall?

Communication – Is information communicated clearly and to all levels of the business? Are there cases of unfair treatment, where only certain people are "in the know" of decisions or plans moving forward?

Blending in non-family members – How are you competing with businesses that offer equity as part of their compensation plans for new talent? What can your family business offer in place of equity? Are there opportunities for advancement for employees who are non-family members?

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We're here to help

KPMG Enterprise family business advisers can help you develop a people strategy that's based on your unique circumstances. From a current state assessment to developing policies, we can help you build and implement a well thought-out plan that can help your business grow and maintain family harmony.

Contact us

Let's do this.

enterprise@kpmg.ca

kpmg.ca/enterprise

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