

Family Business Consulting

When you google the percentage of family businesses worldwide, the range you receive from many sources like the world bank, IMF, and others that the percentage is within 70%-90%. They employ nearly 80% of workforce with variations in every country, and region. This emphasizes that it's huge market potential and significant economic impact even in heavy industrial countries like Germany. In our MENA region the percentage is even towards the higher end of this range, placing more importance on this segment of potential business for consultants.

In this type of businesses (family owned) it's important to note that the ultimate decision maker is actually the owners, not middle managers, because of higher centralization compared to publicly owned or shareholders owned corporates, where compliance and adherence to company policy is of essence.

As the majority of workforce in the family business segment by far, it's quite important to learn how to deal and succeed in such environment. The entrepreneurs, owners of family business are the ultimate shield for their business, they (most of the time) don't differentiate between their pocket and the company bank accounts, assuming full liability for the business, therefore as an employee, or consultant it's very important to think the same way as they do. Make sure that your advice is comprehensive, the overdue balances or late collection of accounts receivable should be everyone's responsibility in tough times, as well as growing the business is everyone's responsibility in good times.

Enforcing culture of ownership is also essential from the family business ownership side, sharing the benefits of growth equip employees to sacrifice in tough times. Sharing information so decisions can be enforced easily is also another key aspect for business owners to consider to make positive and needed changes less resisted.

Entrepreneurs can save months and sometimes years if they consider consultancy services as valuable inputs, we've seen businesses growing or even sustaining tough times those who mostly aware of their true needs to optimize workflow, save time, costs, through relying on valuable inputs from highly qualified experts. The ROI on such consulting costs is significant, you can only think about few ideas that widen your view of your business and look ahead of your competition in the market.

We have seen good number of businesses at different stages of their growth, startups to corporates, one factor mostly common between all, is that less focus on finances have lead to mediocre decision, or lost opportunities. As a business owner, entrepreneur my humble advice is to:

- Know your business very well
- Connect with bright minds
- Connect with your competition, it's better to be close and provide help than confronting each other, try to fragment the market as possible

- Use valuable inputs in every area of your business: Sales, Marketing, Technical, and NEVER DELAY FINANCES. Finances is not only accounting or bookkeeping!
- Build strong business model that can anticipate the future at least for one year ahead, from currency fluctuations to change in behaviors. It could be also advisable to wait or divest, the most important is to take decision while being enlightened about possible outcome.
- Lastly keep monitoring and adjust according to circumstances.

There is no secret formula for family business, however the agility they entertain and speed of making decisions is advantageous compared to corporates who have to go certain ladder of authority.

Best of Luck!