WOMEN'S LEADERSHIP FORUM • 2022

FAMILY-OWNED BUSINESS
Where Females are Taking the Lead

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Session Goals

1. Learn about the three integrated systems within family enterprises where women's roles are pivotal.

2. Discover how women today are excelling in distinct leadership roles within family businesses

3. Collaborate on the impact women in multigenerational family businesses have on our communities and in reshaping our world.

Family Businesses Are the Backbone of the World Economy

90%

Roughly 90 percent of American businesses are family-owned or controlled.

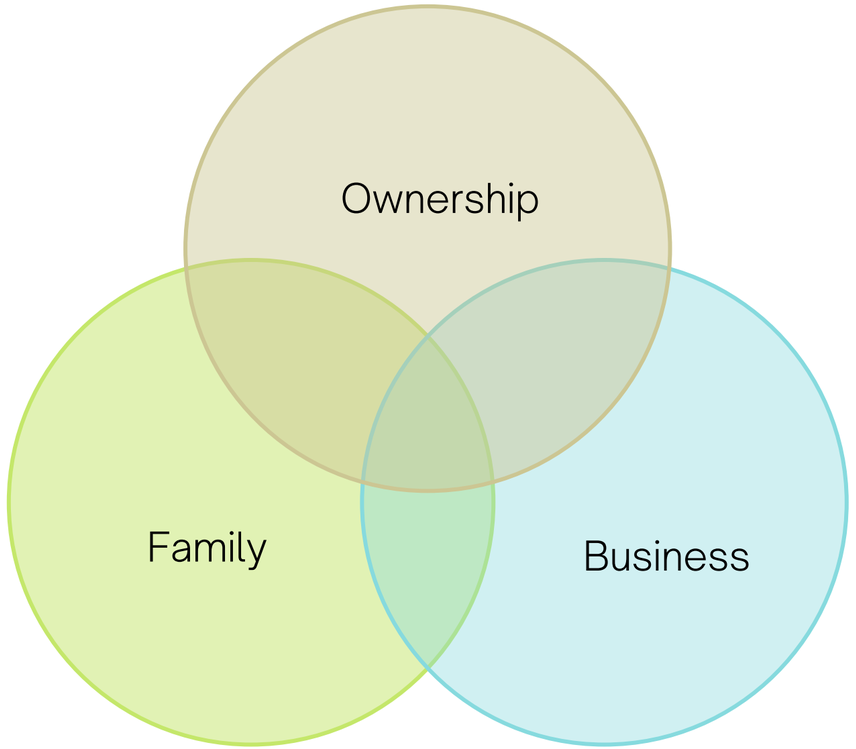
85%

85 percent of start-ups worldwide are established with family money

57%

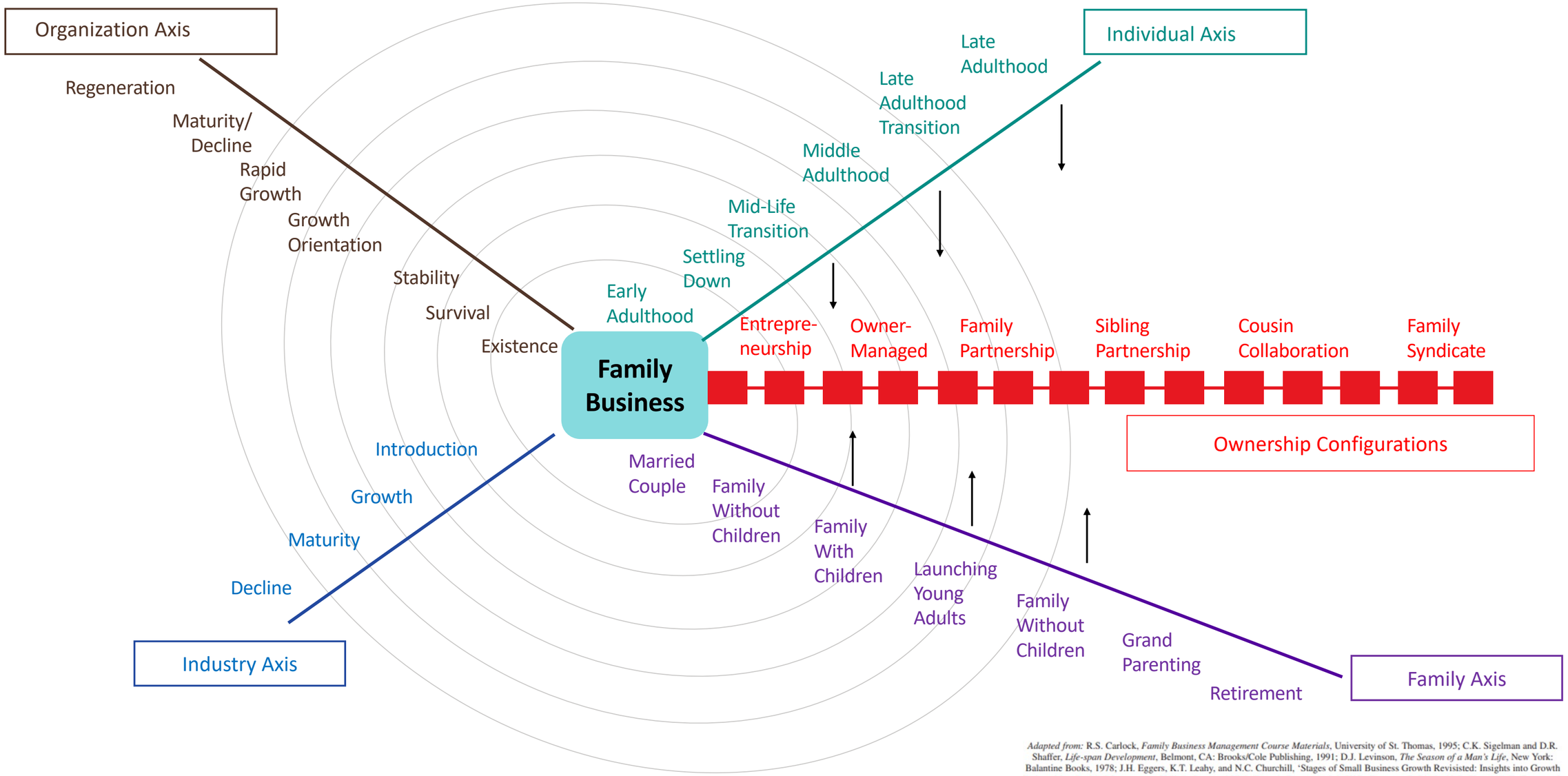
The outperformance of family firms globally is demonstrated by a 6.65 percent difference in return on assets in the US and at least an 8 percent difference in Europe, contributing more than half (57%) of the total us GDP.

Three Circle Model: Multiple Roles, Multiple Responsibilities



By Renato Tagiuri and John Davis

Expected Changes: Life Cycles



Adapted from: R.S. Carlock, *Family Business Management Course Materials*, University of St. Thomas, 1995; C.K. Sigelman and D.R. Shaffer, *Life-span Development*, Belmont, CA: Brooks/Cole Publishing, 1991; D.J. Levinson, *The Season of a Man's Life*, New York: Balantine Books, 1978; J.H. Eggers, K.T. Leahy, and N.C. Churchill, 'Stages of Small Business Growth Revisisted: Insights into Growth Path and Leadership/Management Skills in Low and High Growth Companies', in W.D. Bygrave, S. Birely, N.C. Churchill, E. Gatewood, F. Hoy, and W.E. Wetzel (eds) *Frontiers of Entrepreneurship Research*, Boston: Babson College, 1994, 131–44.

Women, Leadership and Change

Leadership qualities required for success are increasingly in the wheelhouse of women:

- Effective Communication
- Social Connectivity
- Transparency & Trust Building
- Engaging in Fair Process
- Execution Aligned with Core Values
- High EQ, Social and Relationship Intelligence

All these transformational leadership qualities are critical to overcoming resistance to change.

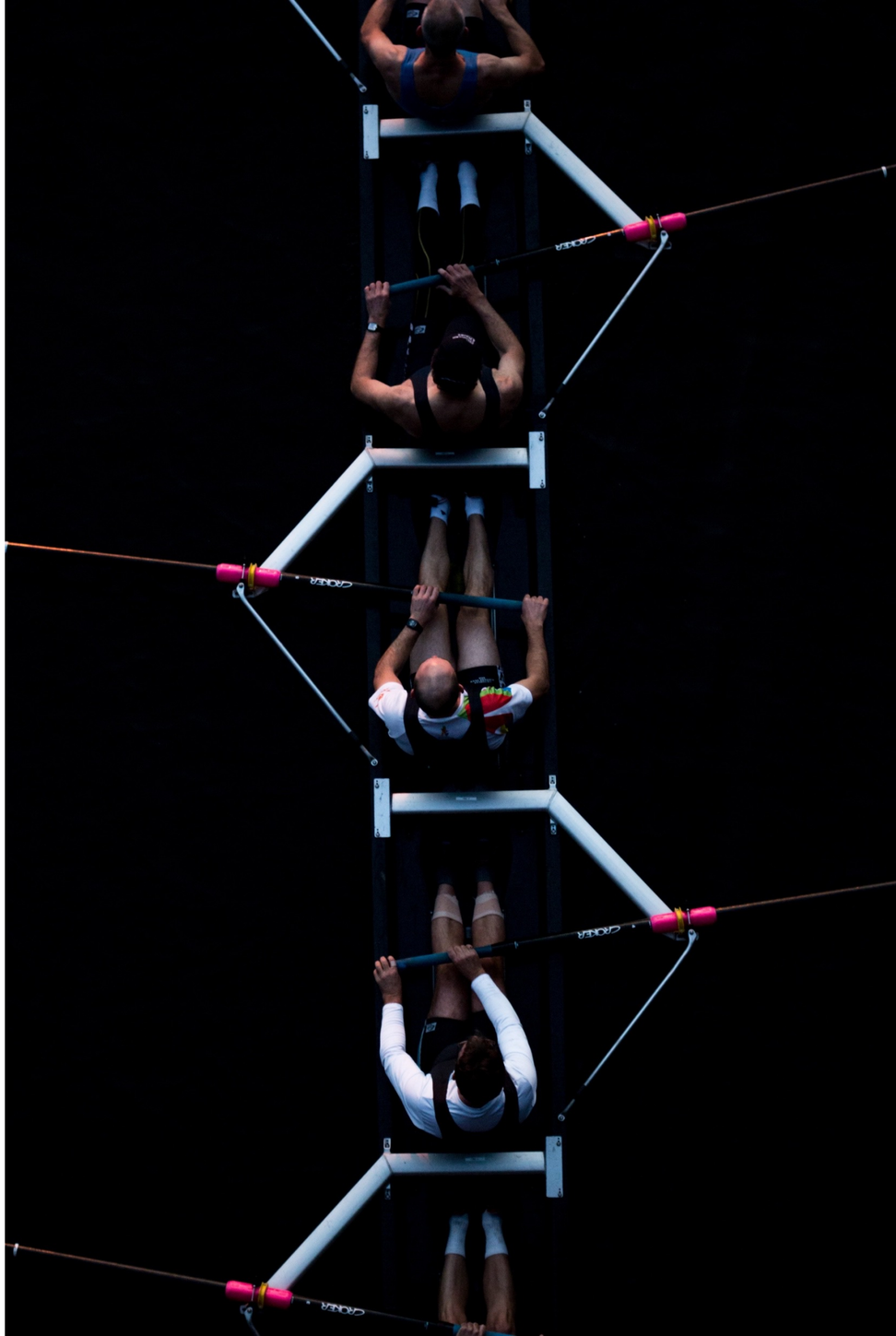
Ownership Demographics Supporting Leadership

- 18% of business leaders globally are women - this is only set to increase.[1]
- 5 years – the additional life expectancy of women in the United States.
- $30 trillion by 2030 – the amount of financial assets that women are expected control in the next decade.[2]
- The number of family businesses owned by women has increased by 37% in the last five years.[3]

1. https://womeninfamilybusiness.org/leading-the-family-business-with-confidence/
2. https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management
3. Family Business Statistics. Gaebler. Retrieved February 2017: (http://www.gaebler.com/Family-Business-Statistics.htm).

Women, Leadership and Business

- 24% of family businesses are led by a woman who holds the rank of president or CEO.
- More than a third (31.3%) of family businesses have designated a woman as their successor.
- Just under 60% of family-owned businesses have women in top management positions within the company.



Long-Term Thinking

- Women in family businesses boost ESG performance
- More than half (60%) of family businesses report that they believe they hold themselves to higher ethical standards than their competitors. The same number also report that they regularly discuss ethical issues and standards during meetings with management and during discussions with employees and customers.

PWC 2021 Family Business Survey: US Findings

International Finance Corporation: Private Sector Opinion, Issue 42

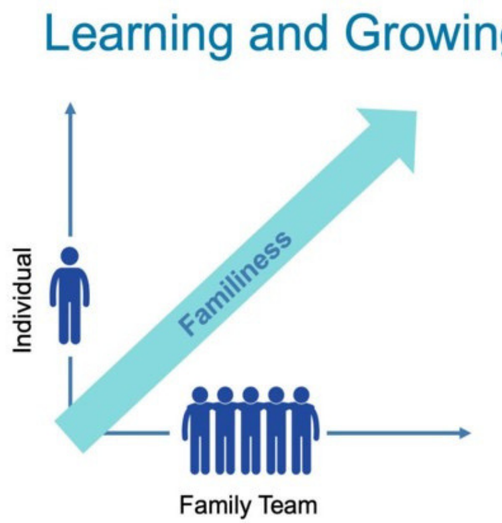
Diversity and Inclusion

- Women are used to deal with the need and benefits of diversity.
- Women have had to break down barriers and understand the challenges of those who have a hard time.
- Nurture talent and open doors for those who are well qualified, but who have barriers for entry.

FAIR PROCESS AND MERITOCRACY

Women’s Leadership in the Family

Where does that leave us?

“When you invest in women, you invest in a generation.”

African Proverb