

Grant Thornton Family Enterprise Insights 2007

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“Canada is essentially a large country made up of many small communities. These communities breed the family enterprises that are the real engine of the Canadian economy.”

Jim Mills, FCA, Partner, Tax Services and National Leader, Family Enterprise, Grant Thornton LLP

That’s a very thought-provoking statement. Family enterprise—as a business model—reflects what we are as a nation, culturally and economically. And yet, since family enterprises have historically been privately held, holding their cards very close to the vest, they have been little understood, giving rise to myths and misperceptions.

With decades of experience serving this sector, we felt it was time to share what we know about what drives this sector’s success, and to delve deeper into the stuff that drives family enterprise, that drives our economy.

Three pivotal questions rise to the surface:

Is the need for effective succession planning being adequately addressed?

What are family enterprises doing to innovate and compete?

How are they addressing sector specific issues such as the loss of long-term clients and the competition for new talent?

In an effort to answer these questions and explore the themes surrounding them, we interviewed business owners and senior executives at 201 private mid-sized family enterprises about the issues that matter most to their businesses.

Some of the answers were surprising, some were reaffirming. We learned that family enterprises

- are optimistic about the future;
- are generally more prepared for succession than is widely perceived;
- fall short of other sectors when it comes to investment in innovation; and
- are under-prepared for potential sudden loss of key personnel, customers and suppliers.

The interpretation and expansion of these questions—*Family Enterprise Insights 2007*—draws from in-depth interviews with Grant Thornton practitioners who provide insights from their client- and sector-based experience, and with experts who support Canada’s family enterprise sector.

We discuss what still lies beneath the surface. We also explore solutions to the challenges faced by this sector, such as the need for family enterprise leaders to understand succession planning, not just as an event, but as a highly involved process that requires substantial and ongoing communication.

To supplement the usefulness of this report, we have created a benchmarking survey to assist family enterprises in measuring their outlook against their peers.

Request your copy of the report and utilize the benchmarking tool by visiting www.GrantThornton.ca/FamilyEnterprise

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