



INTEGRATED
MANAGEMENT
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Leadership and Management of Family Business

Sanaa , Yemen

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Dr. Nazem Minkara



- B.S. And M.S. I Physics
- M.S. in Computer Science
- Doctoral in Management – Organizational Leadership with concentration on Family Businesses
- President of Integrated management Consulting – Beirut
- Chairman and Managing Director of Qmed
- Chairman for ITQAN Center for Development and training
- President of Lebanese Businessmen Forum and member of Board of Governors for International Businessmen Forum
- Member of the following organizations:
 - UOP Alumni
 - Family Firms Institute
 - Academy of Management Reviewer
 - Organizational Development Network
 - Many other organizations

Integrated Management Consulting



برج بشارة الخوري – الطابق الرابع

Established 2004

راس النبع – بيروت – لبنان

تلفون : ١٤٦-٦٦٦-٩٦١١+

فاكس: تحويلة ١٠٨

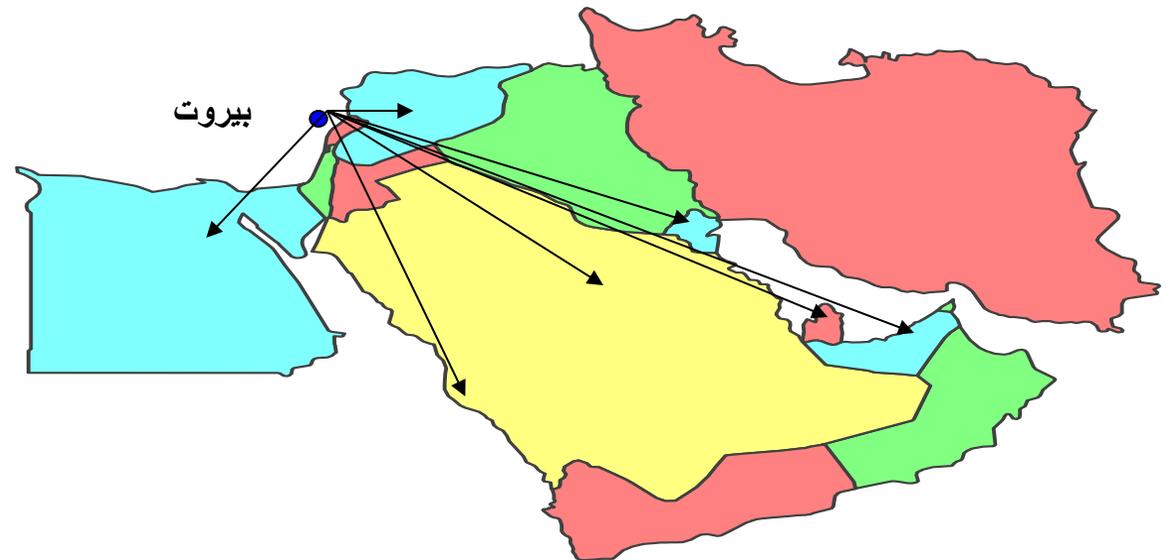
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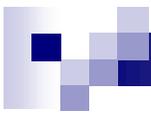
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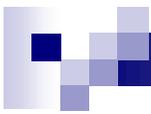
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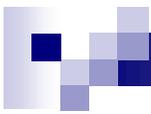
- IMC Serves the Middle East and the North African region by promoting and utilizing the latest management standards and techniques that improves organizations' performance through developing business strategies, managing knowledge and intellectual capitals, breeding innovation, and optimizing organizational behavior.
- IMC helps your transformation into a Strategy Focused Organization by developing a business strategy plan, ensuring proper organizational structure is in place, and aligning your resources with the developed strategies.



IMC – Services and Tools



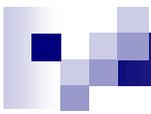
- Family Business Consulting
- Developing Business Strategy
- Developing a “Change Management” Strategy
- Enhancing Organizational Structures and Performance
- Development of the Human Capital
- Business Process Engineering and Transformation
- ERP and Technology Selection and Implementation Support
- Knowledge Management
- Balanced Scorecard



IMC – Family Business Consulting Goals



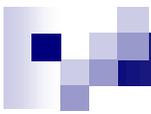
- Optimize family business operation
- Maximize the potentials of family businesses
- Fulfill the potentials of family members in the family business
- Advocate family harmony
- Sustain family wealth development
- Preserve future generations status
- Use wealth and financial resources to serve the family and its goals



IMC – Family Business Consulting Services



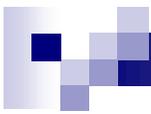
- Developing Succession Planning
- Designing Compensation scales for family members
- Building Family Teams
- Strategic Planning
- Family Retreats
- Family Board & Council Development
- Family Office Management
- Family Constitutions
- Family Business Assessment
- Communication & Conflict Resolution
- Individual Coaching



IMC – Leadership and Management



- Developing required organizational structures
- Suggesting and implementing the needed Strategic Organizational and Policy issues
- Organizational realignment with the business strategies
- Empowering leaders to make things happen in complex organizations
- Stimulating transformational change technology and working wisdom
- Enhancing organizational spirit and developing of high performance teams
- Establishing conflict management procedures
- Building management processes that promote alignment and integration between the enterprise strategy and the HR and IT activities
- Fostering Innovation
- Managing Change
- ...



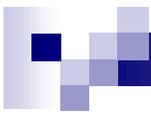
IMC – Leadership and Management – F.B.



In Family Businesses, Leadership is no different. However, additional concerns for the FB leaders in three main areas are there:

- 1.The family and its internal affairs
- 2.Incumbents and Successors
- 3.Business and family relations

In this presentation, we will concentrate on sustainability and leadership succession in family businesses



Facts about Family Businesses



- Leadership succession is critical in preserving an organization's reputation, performance, and survival.
- 70% of family-owned businesses go bankrupt during the first leadership transition, and another two thirds of the remaining companies do not survive the second transition.
- Many leaders fail to plan their succession because of the feeling that they are immortal or the fear of losing power. When these leaders do plan for leadership succession, the process of leadership succession is often ineffective.



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Contributing Factors for the Success of Leadership Succession - Family



- Shared dream and clear vision among family members
- Satisfaction of the family members with the succession process
- Expected continued payoff from the business to family members
- High level of harmony between family members
- Acceptance of family members of each others' role
- Keeping control of the business within the family

Contributing Factors for the Success of Leadership Succession – Incumbents and Successors

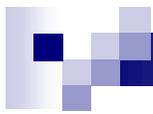


- Coaching incumbents out of the negative image of retirement
- Satisfy incumbents' personal needs
- Good relationship between incumbent and successor, built on respect and trust
- Selecting a suitable successor
- Successor's leadership and managerial skills
- Alignment of incumbent's and successor's interests
- Nurturing and developing successors
- Transition process between incumbent and successor
- Satisfaction of successor's personal needs
- Successor's willingness to take responsibility

Contributing Factors for the Success of Leadership Succession – Business



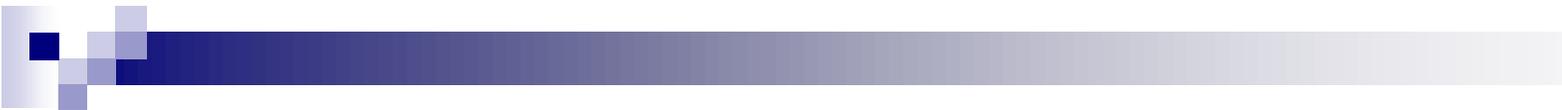
- Existence of a succession plan
- Senior managers of the business worry about the continuity of relationship
- Good relations between successor and employees of the business



Research on Families in the Middle East

The research dealt with:

- Key executives from Saudi Arabia, Kuwait, Qatar, and Lebanon
- Founders, Successors, and Retired Leaders
- The three main factors that contribute to the successful transition:
 - Criteria for success of succession
 - Cultural configuration of the business
 - Personality Type of the key executives



Research Conclusions

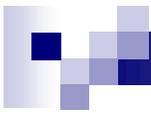


- There is a high level of collaboration among family members.
- Majority of successors exhibited personal satisfaction in taking over the leadership of the business.
- Majority of successors were not qualified to take over the leadership of the business.
- Incumbents play an important role in developing, training, and integrating the successors in the business.
- Majority of incumbents and successors had a strong and collaborative relationship
- Majority of founders preserve an on-going involvement in the family business after succession.
- Majority of successors maintained a good relationship with their predecessors after the transition process

Research Conclusions - 2



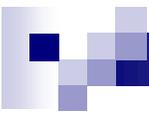
- Majority of the family-owned businesses had an effective succession plan. However only 18% of them had the plan written.
- Employees of family-owned businesses maintain good relations with family members, and the involvement of the family member with the business gradually impedes this relation.
- Majority of successors are extraverts, turning to outside world for approval. Majority of incumbents are introverts, turning to their inner world for understanding.
- In comparison to previous founders, new founders seem to be:
 - More participative in their management styles
 - Moving their families away from a patriarchal toward a collaborative family environment
 - using less paper boards and more advisory boards than did previous founders.



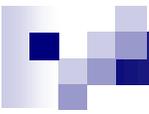
Research Conclusions - 3



- The presence of four elements may increase the success of leadership succession in family-owned businesses:
 1. Incumbents exhibit an ISTJ personality type in their leadership styles.
 2. Families of the businesses maintain a collaborative environment.
 3. Key executives promote and propagate a participative business environment.
 4. Founders select a successor with an ESTJ personality type.



Questions & Answers



Thank You