



MEDIA RELEASE
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Being in Business with Family can be Fun

The business owners and families of Australia's two million family businesses just love to have fun.

Certainly they take their business roles seriously but they also like to get together as a family to enjoy non-work related activities.

According to a landmark survey into family business governance and management practices, the majority (51 per cent) of families have fully embraced having fun together away from business.

But the survey revealed that very few family businesses are actively learning to deal with the challenges that result from combining family with business.

Less than 30 per cent hold regular family meetings to share information build trust and achieve consensus.

The MGI Australian Family and Private Business Survey was undertaken by RMIT University supported by MGI, a leading international accounting firm specialising in advice to family and privately owned businesses.

The research, the seventh in a series, was undertaken among 5000 Australian companies.

"Getting together to have fun is an important part of family business life, said Ms Sue Prestney, Chairman, MGI and Principal, MGI Melbourne.

"It strengthens the family as a cohesive group and reinforces family values and loyalty".

"Of concern is that only 18 per cent of family businesses have formal processes in place to deal with predictable family in business issues before they arise such as succession planning and the management of the business due to the absence of a key family member.

"It is too late to deal with an issue after it has occurred as the situation may have become emotional and consequently difficult to resolve, resulting in potential damage to the viability of the business and family harmony."

"Families should get together in a structured forum to anticipate issues that can arise and identify potential negative and positive impacts.

"They can then introduce rules and guidelines in a family constitution to help prevent the negatives arising and have processes in place to deal with them, continued Mr Di Giulio.



Some further governance findings in the report were:

- Only 27.5% of Australian family owned businesses have planned for ongoing growth, transitions and foreseeable contingencies
- Clarity around family business roles is not a high priority with only 27.4% defining clear family member roles, responsibilities, accountabilities and interpersonal boundaries
- Alarming only 14 per cent of family businesses have a set of rules to strengthen interpersonal relationships and manage the expectations of family members
- Less than 32 per cent have policies on how to handle and assist family members who have personal problems and special needs

MGI is represented by 283 offices in 82 countries and has been operating in Australia and New Zealand for 26 years.

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For the full MGI Family and Private Business Survey visit www.mgiaust-survey.com
www.mgiworld.com

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