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64% of Singapore family businesses optimistic about growth for 2021; figure jumps to 90% for 2022

- However, only 29% of family businesses feel they have strong digital capabilities
- 35% have developed a sustainability strategy
- 26% have documented a succession plan

Singapore, 7 April 2021 - In a year where businesses faced unprecedented challenges, Singapore family businesses are confident about turning the corner in the next two years. 64% are expecting growth this year, and a

massive 90% expect the same in 2022, according to 80 family business leaders and decision makers in Singapore surveyed in this year's Global Family Business Survey 2021 by PwC.

Family business lagging on digital transformation

While 73% of family businesses surveyed in Singapore are prioritising expansion into new market or client segments, only 29% say their digital capabilities are strong, which is slightly lower compared to Asia Pacific (33%) and globally (38%).

Ng Siew Quan, Asia Pacific Leader, Entrepreneurial and Private Business, PwC Singapore says,

“Despite digital being on the business agenda in recent years, it is a concern that Singapore family businesses still lag behind the digital curve. Key reasons for this could include the high costs of implementation, inadequate internal digital infrastructure and the skills shortage.

“Family businesses can consider tapping on the Next Gens’ fresh perspectives to develop a sustainable digital transformation strategy, or a business strategy that is fit for the digital age.”

Encouragingly, over half of Singapore family businesses are focusing on rethinking, changing or adapting their business models (56%) and improving their digital capabilities (54%) in the next two years, signaling that transformation efforts will continue to gain momentum among Singapore family businesses as they adapt to the changing world.

Globally, there are clear generational differences when it comes to digital readiness: 41% of businesses that describe themselves as digitally strong are 3rd or 4th generation, and Next Gens have taken an increased role in 46% of digitally strong businesses.

Giving back but not yet going green

When asked about creating a social impact, more than half (55%) of the Singapore family businesses polled indicated that they give back by contributing to their local community. While nearly half (46%) see an

opportunity to lead the way in sustainable business practices, it's only around a third (35%) that have developed or communicated their sustainability strategy. In terms of corporate social responsibility, this is indicative that family businesses are still catching up with establishing their sustainability agenda in the midst of protecting their core business during this disruption.

The governance gap

Levels of trust, transparency and communication are felt to be quite high among Singapore family businesses. More than half reported that their family members regularly communicate about business (at 60%), have a clear sense of agreed values and purpose as a company (59%), and have some form of governance policy in place (57%). However, the figures fall when it comes to other key areas; less than half (at 40%) have their values and company mission articulated in written form, and only around a quarter (26%) have documented a succession plan.

Ng Siew Quan, Asia Pacific Leader, Entrepreneurial and Private Business, PwC Singapore says,

“The survey results this year aren't very different from the findings in the previous years. Perhaps that's worth noting, as it does indicate that family businesses aren't thinking much differently despite the world of business being set upside down by the pandemic. It's time for sustainability transformation to take centre stage, even as local family businesses keep their focus on diversification, expansion and digitalisation.”

Ends

Notes to editors

1. The Singapore findings of Family Business Survey is available to read here <https://pwc.to/39G1ABG>
2. The Singapore report is based on 80 interviews with family business leaders and decision-makers between 5 October and 11 December 2020

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