

Strategy and growth services



The business landscape is more competitive than ever and ongoing technological advances are disrupting just about every business model that was standard in the last century.

And, because family enterprises are focused on many of the same issues as other types of businesses, they have to operate against a backdrop of intensifying pressures, including:

- Recruiting and retaining key skills
- The need to innovate and diversify
- Price competition
- Resource scarcity
- Regulation

If that weren't enough, family businesses also have to face the fact that the conditions they enjoyed before the recession are long gone and unlikely to return. Add to that the effects of globalization, changing demographics and the digital revolution, and it's easy to see why the old *business as usual* approach is no longer enough.

Family businesses will now have to adapt faster, innovate earlier, and become more professional in the way they run their operations. In other words, they need to become more *professional*, which covers everything from basic systems and processes in areas like finance and HR, to risk management and corporate governance. Those that succeed will be the ones who anticipate change and get out in front of it or, better yet, change themselves.

How we can help you

- Advising on capital, investment and financing options
- Recommending growth strategies
- Supporting strategic acquisitions and diversification
- Consulting on expansion of product base and entering new markets
- Analyzing US and global tax structures
- Identifying cost reductions, profit improvements
- Studying the risks, rewards of expansion
- Analyzing current state of technology, requirements and improvements



How we have helped others

Supporting the family business through the company's lifecycle

We had a long-term relationship with a family business in the industrial manufacturing sector. The first generation owner wanted our help in transferring ownership of the company to his four children: two were passive owners; two were active. He also wanted help with the tax structuring of the business, including moving the company from a C Corp to an S Corp structure. For the next two decades the second generation ran the company. However, they decided that they wanted to sell the business.

The company business was historically cyclical, which generated a level of earnings volatility. As part of our sell-side due diligence support process, we helped management prepare a thorough normalized analysis of their business performance allowing them to demonstrate their ability to operate strongly even given the pressures in the commodity side of the business. The analysis also reinforced what established their regional leadership and created a valuable franchise.

Guidance every step of the way

The company also wanted to take care of their management and employee stakeholders when the business was sold. We represented the seller in the negotiations with the buyer, providing them guidance during the due diligence process such as with managing transaction risks and exposures. Our tax teams provided advice on tax considerations in structuring the transaction to optimize post deal after tax cash flows to the shareholders.

Preparation yields results

We were able to advise the company on issues identified in advance of an offer which better positioned the company and its shareholders to achieve the desired asking price and minimize due diligence concerns. Finally, we provided valuable advice on structuring and negotiating the sale. The company was ultimately sold at their desired sale price.

Helping a US-based company grow strategically

A family owned business in the consumer products sector wanted to grow internationally through a strategic partnership or acquisition.

Finding the right business partner

We looked for potential candidates and built a list of potential domestic companies with international operations. A company was finally chosen and the transaction was structured with two elements: An acquisition and a joint venture. We helped organize the process, which included:

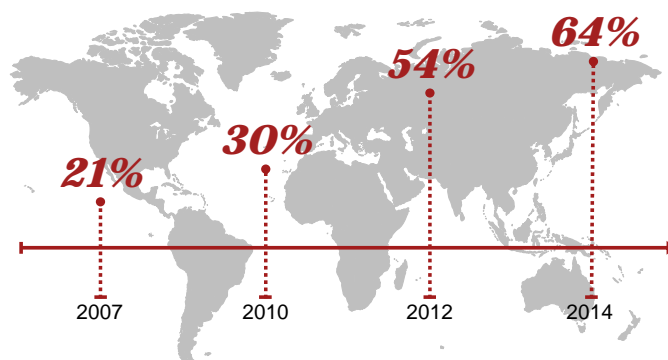
- Conducting a valuation of the business
- Structuring both the joint venture and the acquisition
- Providing a comprehensive integration plan
- Undertaking a complete tax analysis

Two teams, one mission

To best serve the company, we created two teams seamlessly linked to each other: One domestic, the other based in Latin America. Finally, we supported our client throughout the negotiations and due diligence, which led to the successful closing of the transaction.

Broadening horizons

The percentage of US family businesses planning to sell abroad has risen steadily and substantially in the past seven years



PwC's 2014-2015 US Family Business Survey

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