Globally, we talked to nearly 2,400 family business decision makers in over 40 countries over the last few months.

In Malaysia, we spoke to 50 family business decision makers and found out that the results here generally line up consistently alongside our global results—certainly in terms of recent commercial performance, optimism for growth, overall personal and business goals and future plans in terms of passing the business on.

Here is a snapshot of our survey findings in Malaysia.

**Growth**

- 64% recorded growth in sales last year
- 66% aim for steady growth over the next 5 years
- 18% aim to grow quickly and aggressively over the next 5 years

**Key challenges**

- 58% of family firms emphasised the need for innovation over the next 5 years
- 52% predict fierce competition
- Succession planning appears to be a key challenge to businesses in the short and long term respectively at 16% and 48%

**Professionalising the family**

Where the elements of “head” and “heart” collide, families often postpone professionalising the family as it raises too many invariably issues.

**Succession**

- 38% are looking to pass on management to the next generation
- 36% are looking to pass on ownership but bring professional managers in

The number of stakeholders increases as the business grows, and so does the potential for conflict. Transition from the first to the second generation is the easiest. After that it gets harder.

**Skills and talent**

**Key issues**

- Staff recruitment appears to be the key challenge in the short and long term respectively at 60% and 58%
- Retention of key staff seems to be a heightened issue as 44% of respondents listed it as a key challenge

**Conflict: Head and heart of the matter**

- 18% of family firms are looking to sell and exit their business
- 34% have a shareholders’ agreement
- 20% have family councils to manage any conflicts and to provide advice on issues faced

- Only 16% have a formal succession plan