

Playing their hand

US family businesses make their bid for the future

*PwC Family Business Survey
2012/2013*

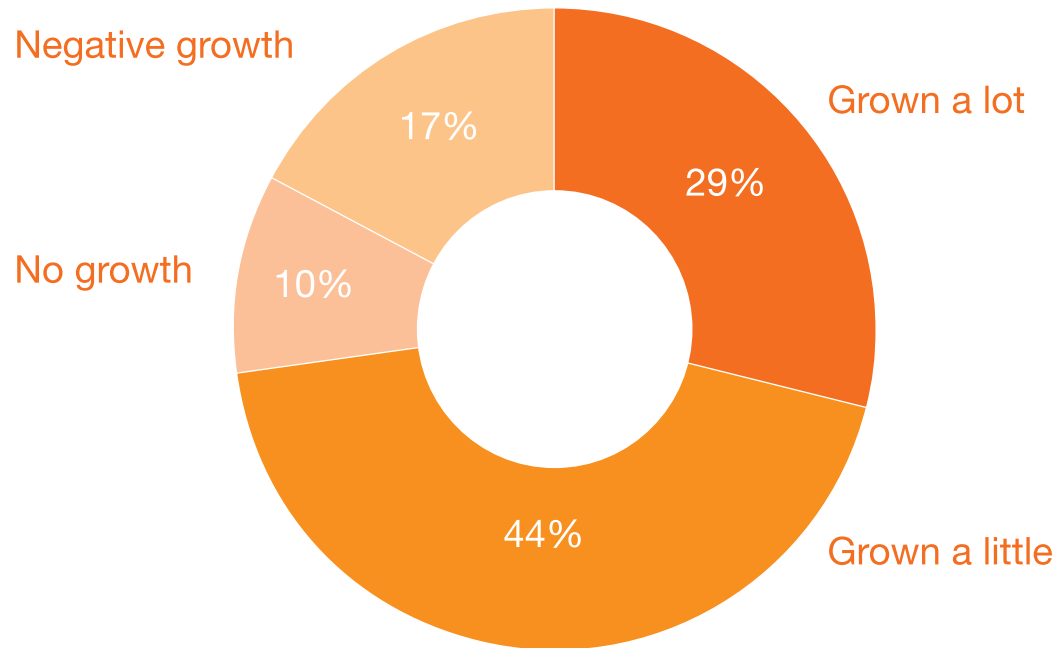
US findings



pwc

Recent performance

Nearly three-quarters of US family businesses saw sales growth in the past year



Q1. Looking back over the last financial year, would you say your sales have grown a lot compared to the previous three months, grown a little, not changed, or decreased?

Growth expectations

US family businesses are confident about growth, though most expect it to be steady rather than fast

Confidence in revenue growth over the next five years



Planned growth for the next five years

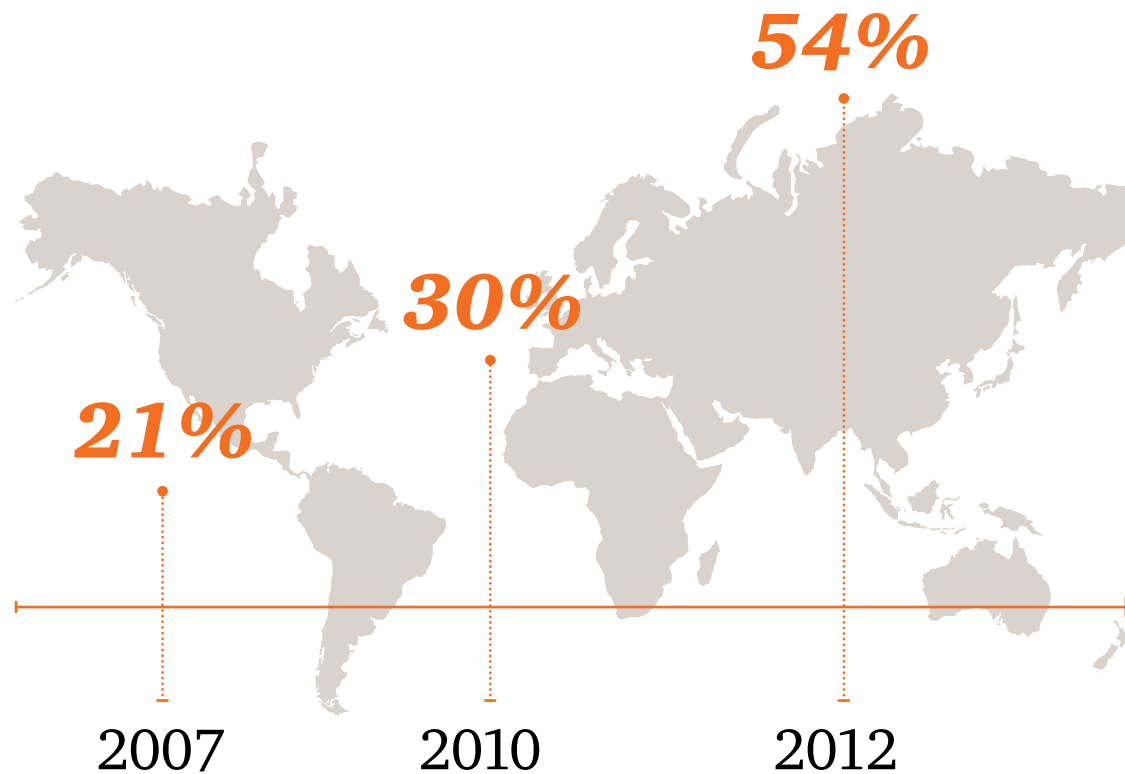


Q2a. Which of the following best describes your aims for growth over the next five years? Grow quickly and aggressively, grow steadily, consolidate, or shrink?

Q2b. How confident are you about your company's prospects for sales growth over the next five years? Very confident, somewhat confident, not very confident, or not at all confident?

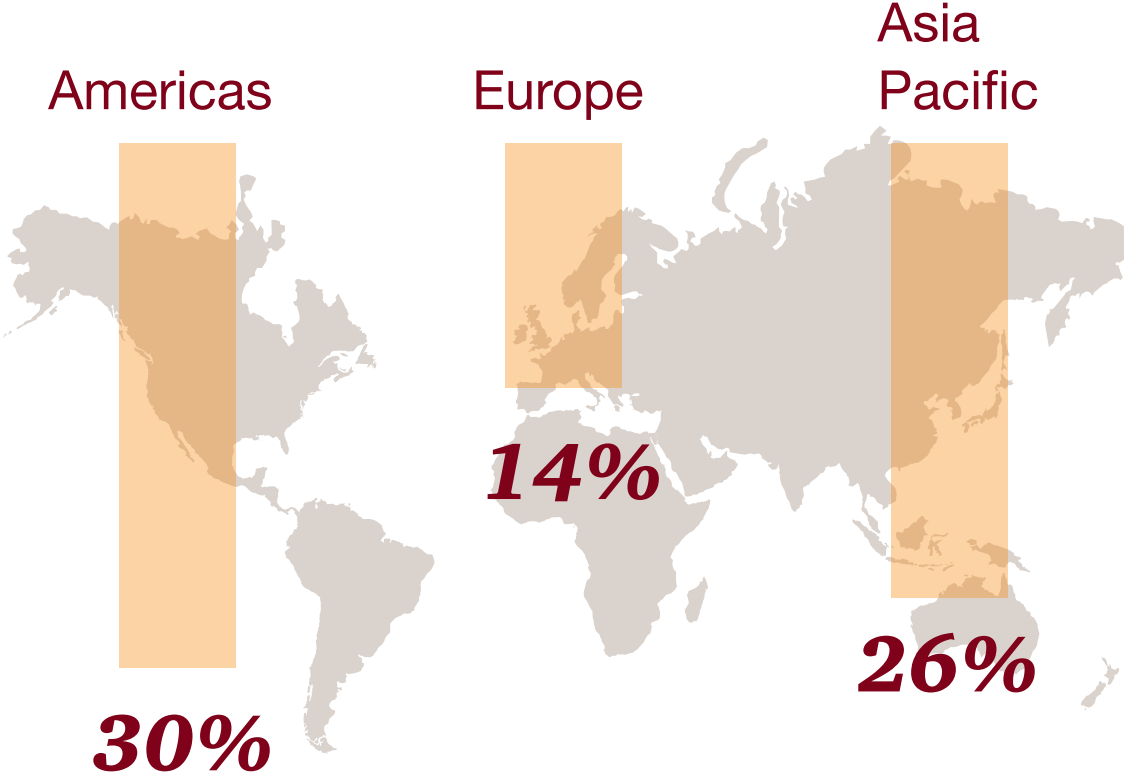
Broadening horizons

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



Top destinations

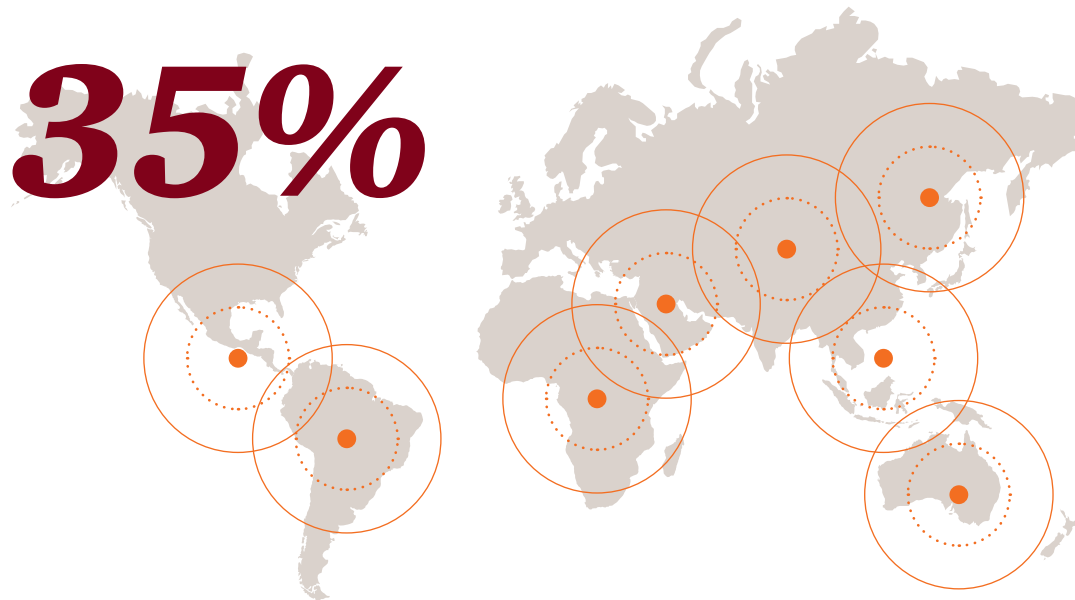
Where US family businesses say they plan to be selling by 2017



Q5. In five years' time, in which new countries or regions, if any, do you think you will be making sales?
Percentages reflect respondents who say they plan to be selling in international markets by 2017.

Reckoning with global regulation

35%



of family businesses say that difficulty complying with local regulations is a top challenge to operating internationally

Q6. What would you say are the three biggest challenges of operating in an increasingly international environment?

Risk self-assessment

Many family businesses think they take on more risk than other types of businesses

42%

of family businesses **agree** that they tend to take on **more** risk than other types of businesses

37%
are **neutral**

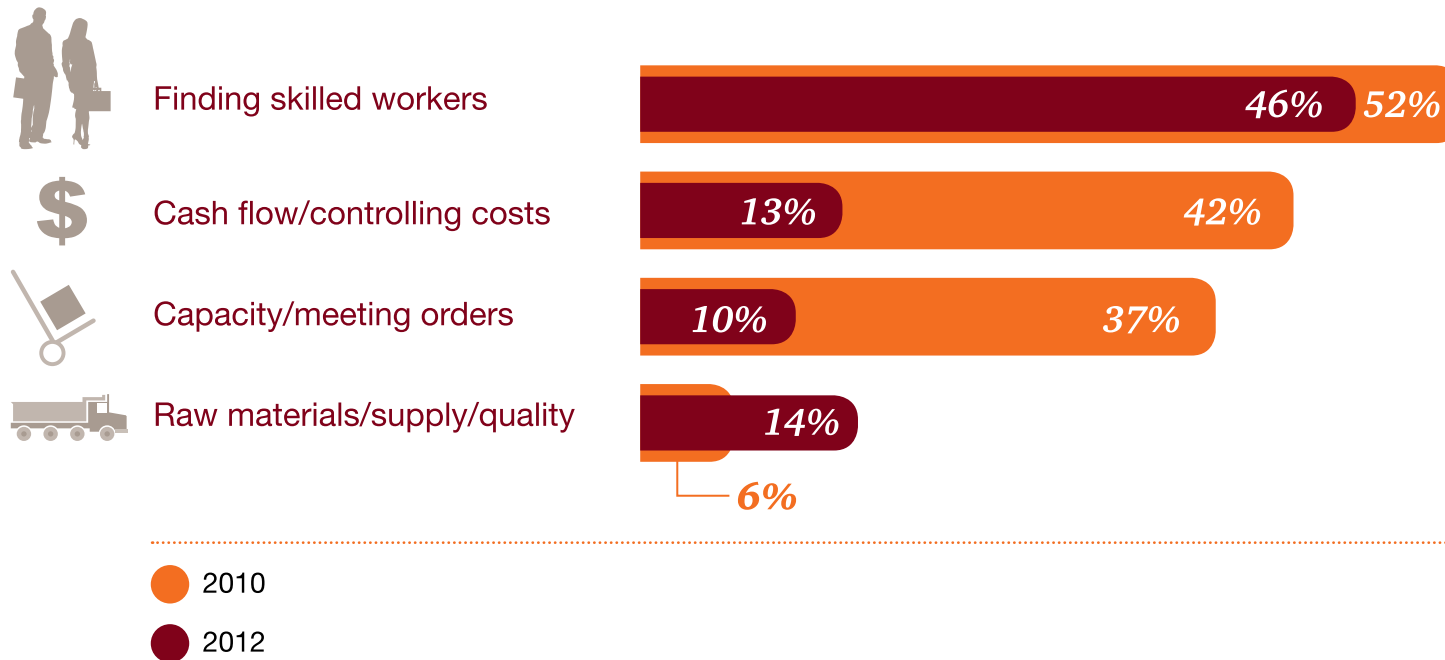
21%
disagree



Q11-5. How much do you agree that family businesses tend to take more risks than other types of businesses?

Top internal challenges — 12-month outlook

Most internal near-term challenges have waned for family businesses since 2010, though talent remains a key concern and supply-chain issues have increased somewhat

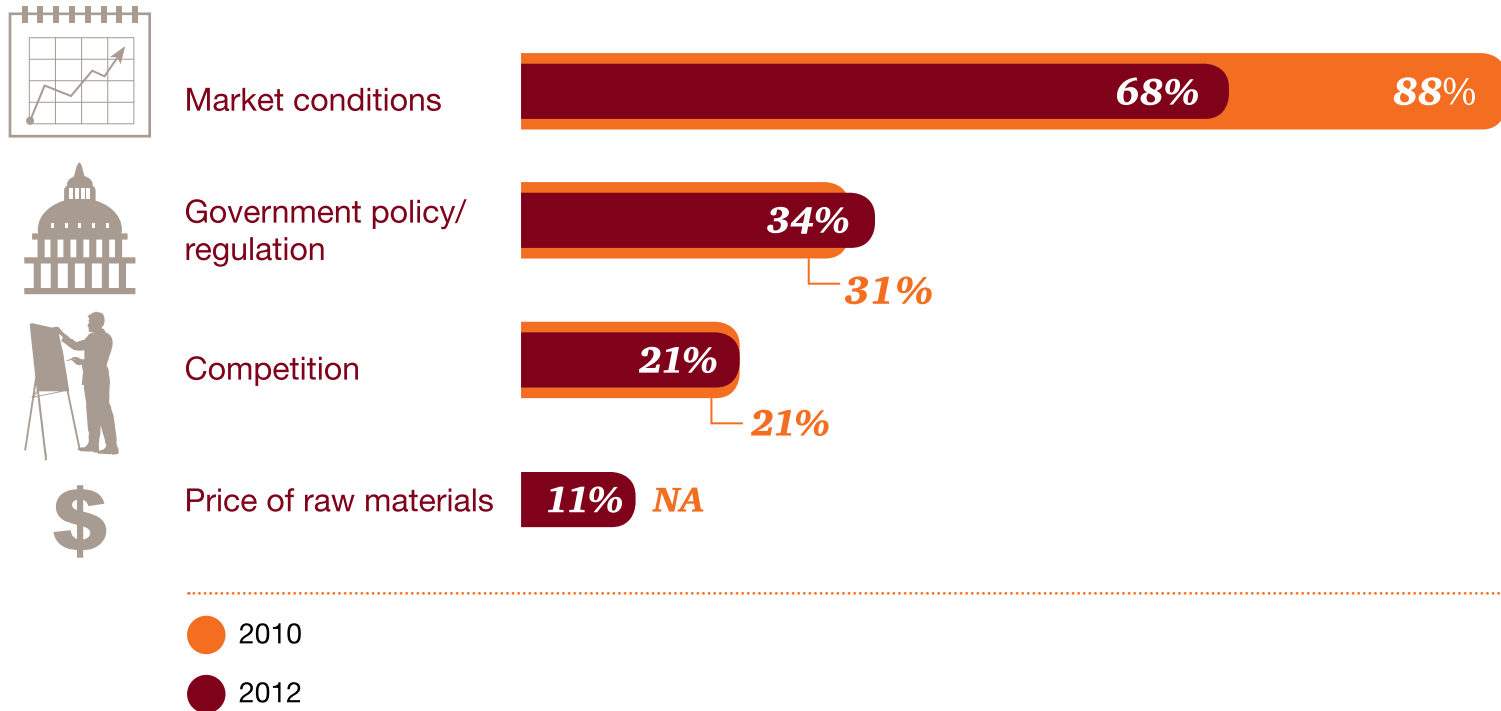


Q2C. What do you think will be the top three internal issues or challenges that will affect your company in the next 12 months?

Percentages reflect the number of businesses citing these challenges as among their top three “internal issues” for the next 12 months.

Top external challenges — 12-month outlook

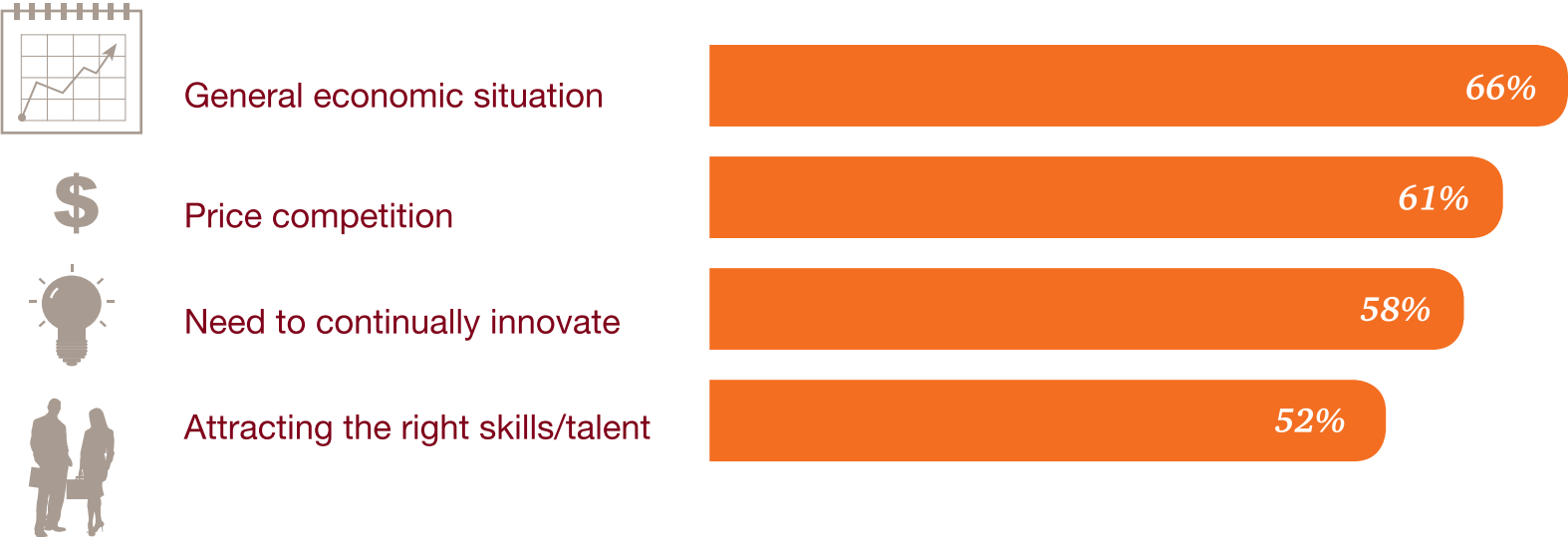
Near-term concerns about market conditions have dropped considerably since 2010 but still top the list of family-business challenges



Q2D. What do you think will be the top three external issues or challenges that will affect your company in the next 12 months?

Percentages reflect the number of businesses citing these challenges as among their top three “external issues” for the next 12 months.

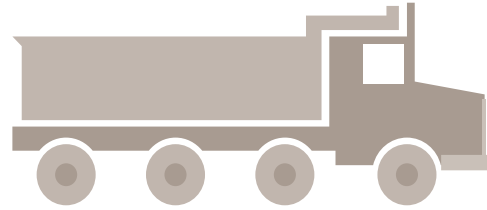
Top challenges for US family businesses over the next five years



Q3. How much of a challenge do you think each factor will be for your business in five years' time?
Percentages reflect the number of businesses citing these issues as major challenges over the next five years.

Supply-chain issues — 5-year outlook

26%



of family businesses think that supply-chain issues will pose a substantial challenge in five years' time

Q3-9. How much of a challenge do you think issues to do with suppliers and the supply chain will be for your business in five years' time?

Tackling technology

39%

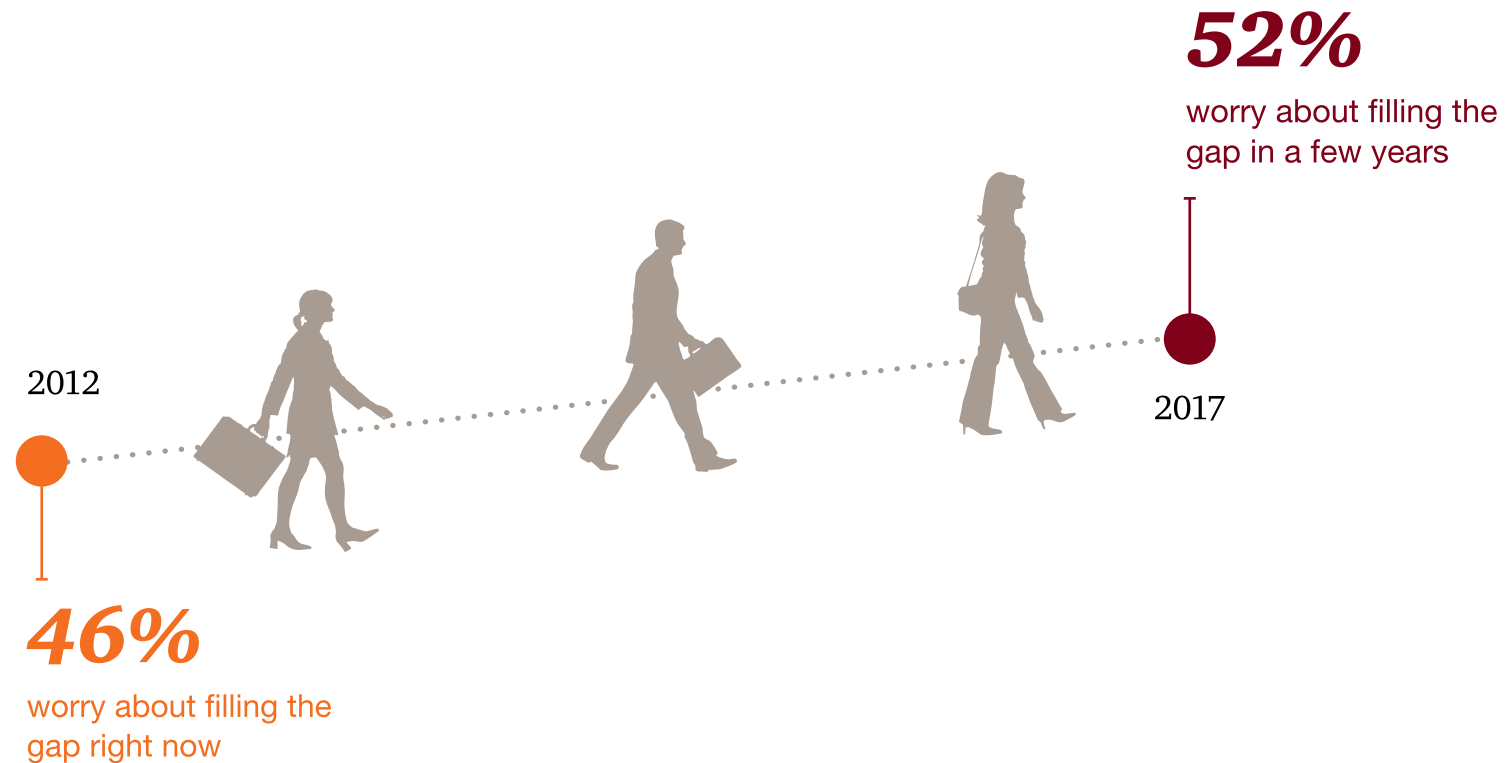
of family businesses say that the need for new technology will be a substantial challenge for them in five years' time



Q3-6. How much of a challenge do you think the need for new technology will be for your business in five years' time?

Mind the talent gap

Family businesses worry about how to fill the skills gap now and in the future



Q2C. What do you think will be the top three internal issues or challenges that will affect your company in the next 12 months?

Q3. How much of a challenge do you think the ability to attract and retain the right skills and talent will be for your business in five years' time?

Reckoning with succession



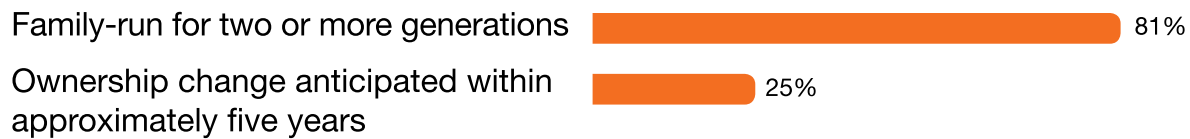
38%

of family businesses think that succession planning will pose a substantial challenge in five years' time

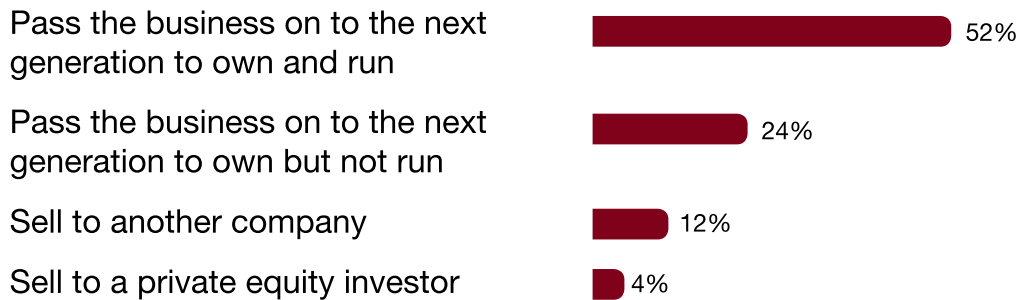
Q3-3. How much of a challenge do you think succession planning within your company will be for your business in five years' time?

Lifecycle of a family business

US family business snapshot



Contemplated form of ownership change



Q13: How many family generations have managed the company?

Q16: Do you anticipate any change in the ownership of your business over the next five years or so?

Q17a: What sort of changes do you anticipate in the next five years or so?

Innovation imperative

69%

of family businesses feel they are more entrepreneurial than other companies



...but

58%

view the need to continually innovate as a major challenge

Q3-2. How much of a challenge do you think the need to continually innovate to keep ahead will be for your business in five years' time?

Q11-3. How much do you agree that family businesses tend to be more entrepreneurial than other types of businesses?

Recurrent reinvention

46%

of family businesses feel that family businesses reinvent themselves with each new generation

...but

31%

worry that having family members in key positions makes the company less open to new ideas



Q11-2. How much do you agree that family businesses reinvent themselves with each new generation?
Q11-6. How much do you agree that having family members in key positions can mean the company is less open to new thinking and ideas?

US family businesses feel they play an important role in job creation and add stability to the economy



90%

of US family businesses think they play an important role in job creation

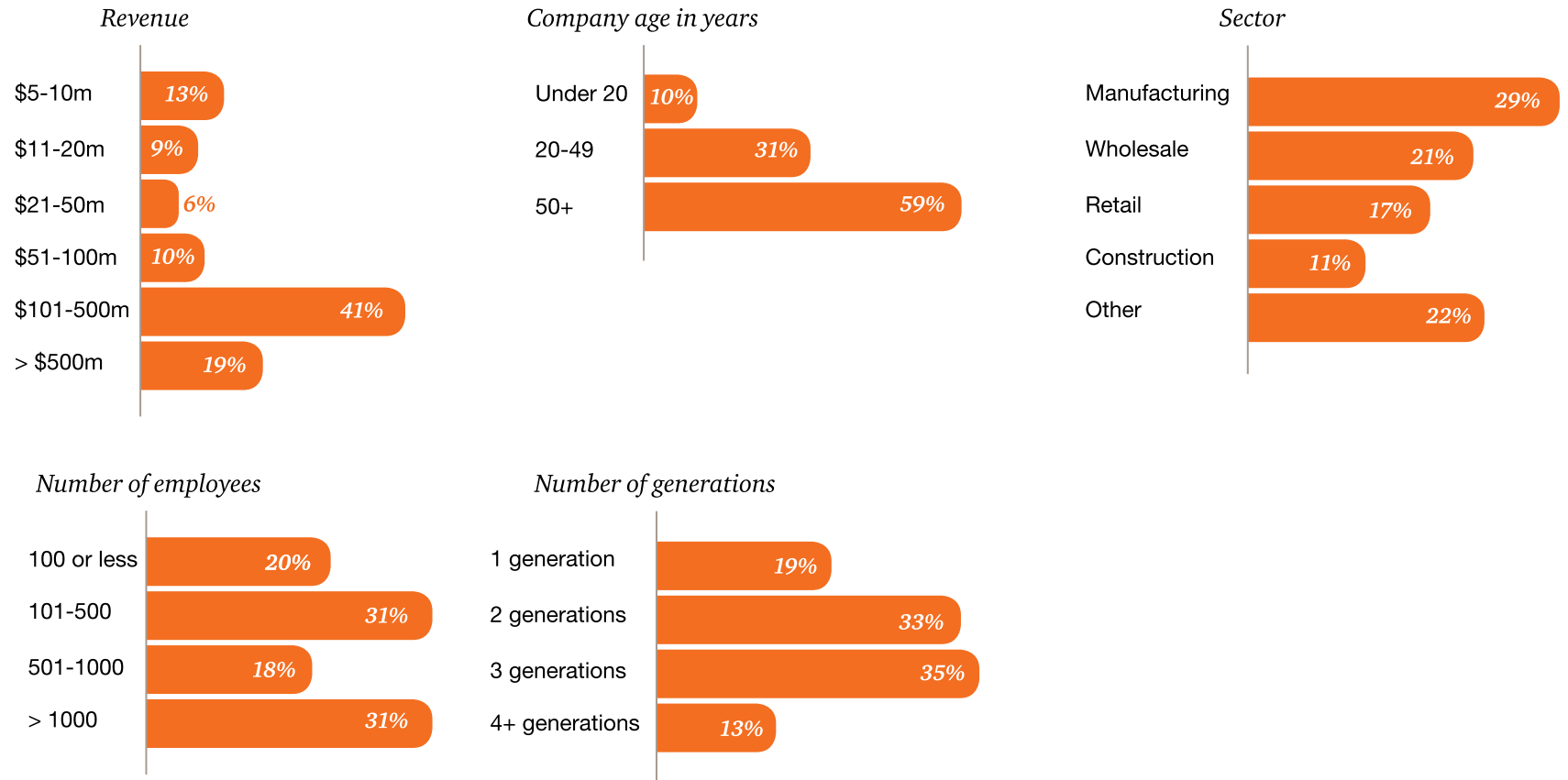
86%

feel they add stability to the economy



Q11-4. How much do you agree that family businesses add stability to the economy?
Q11-7. How much do you agree that family businesses play an important role in job creation?

Profile of surveyed businesses



S4. How many employees does your company have, in total, in all locations?

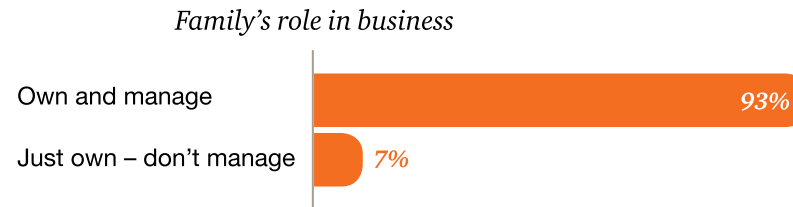
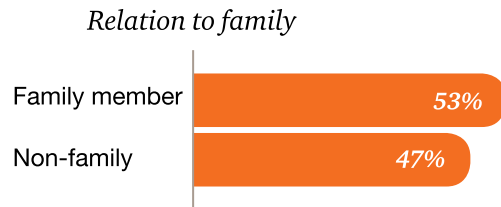
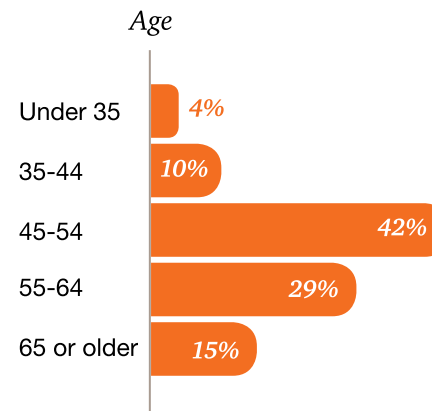
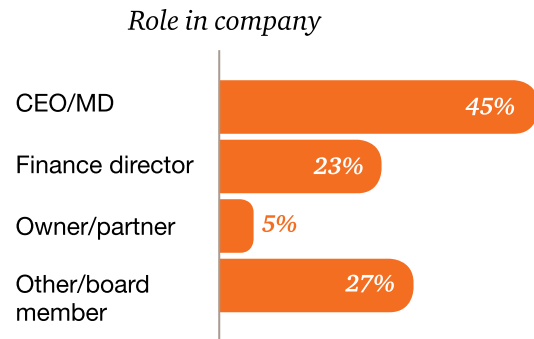
S5. In which sector does your organization work?

S6. What was your company's total turnover in the last financial year?

Q12. How long has your company been in business?

Q13. How many family generations have managed the company?

Profile of surveyed respondents



S1. Is your company a family-owned business where the owners have day-to-day responsibility for the ownership and/or management of the business?

S2. Are you one of the family members?

S3. Please can you confirm your position in your company?

Q21. Which of the following age bands do you fall into?

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