

Deloitte.
Private



Father to son
The value of continuity

Continuity among generations is often considered a complicated “problem”. In reality, it is a logical necessity in all organisations, including businesses and families, which should not be underestimated and must be well planned in a timely manner and carefully managed, even by the most prosperous and well-established companies and families. Continuity among generations must be faced with appropriate tools to handle the variables at stake, so as to manage the entrepreneurial succession like a phase in the company’s development, not only from an income point of view, but also in terms of expansion of the organisation’s expertise, new alliances to drive product innovation, diversification of channels and markets, relaunching and revitalising short and long-term strategies. From the family point of view, however, generational continuity must ensure that a family’s ethical and moral values endure over time, allowing family members to develop their own talents in harmony and shared affinity.

Deloitte Private

Deloitte develops collaborative projects based on the needs of its clients, creating bespoke solutions appropriate to clients’s size and objectives.

By first listening to its customers’ needs, Deloitte supports entrepreneurs and aims to position itself as a Trusted Business Advisor, providing tailored multi-disciplinary solutions for:

- Family businesses and entrepreneurs
- Family offices and private investors
- Public and private SMEs
- Private equity firms, in their approach to SMEs
- Micro-enterprises.

Corporate needs

The principal needs of companies preparing to face a generational transition are:

Avoiding generational conflicts

Promoting constructive dialogue between the generations that allows all family members to develop their talents in mutual recognition of each member’s role, perpetuating the family’s ethical and moral values.

Preserving the family’s worth

Ensuring sustainability of the business when transitioning to the new generation of shareholders, preserving wealth, making it grow, enhancing distinctive skills and attitudes, while avoiding the fragmentation of the estate resulting from generational transition.

Separating the family from the company

Defining an estate planning strategy to ensure orderly transfer of the estate, preparing a harmonious succession plan that respects the aspirations of all family members, both at executive and management level.

Promoting a modern corporate governance model

Rewarding skills through a value system that is meritocratic and promotes excellence rather than family membership, also by assessing the skills and aspirations of each family member.



The Deloitte approach

Deloitte is a leading professional services provider, offering a wide range of service offerings. Combining a tradition of quality with innovative methods and technologies, Deloitte is the ideal partner to provide assistance in identifying value added solutions through various services:

- **Support in identifying the family's mission and values**, prior to the conclusion of family agreements, for solutions to generational conflicts through analysis of the attitudes and skills of family members, with the support of professionals specialised in mentoring and tutoring.
- **Next-generation academies dedicated to tutoring the new generations** to prepare them for future responsibilities and to develop the meta-skills necessary to manage family dynamics and preserve shared ethical values.
- **Reviewing the company structure and defining possible future organisational scenarios**, highlighting the roles and responsibilities that must be redefined for modern and effective governance, while at the same time drawing on past experience.
- **Assisting generational transition planning** in order to guarantee balanced management of family governance through extraordinary corporate transactions (mergers, acquisitions and JVs), and evaluating potential share holdings and allocations of shares as part of a holding structure reorganisation.
- **Supporting the search for industrial and financial partners**, also through the provision of networking tools such as Deloitte Lounge from the ELITE Program and programs for networking with international investors and companies.
- **Analysing capital, financial position and operating results** for the potential opening of capital to third parties following corporate reorganisation, as well as providing support to verify compliance with regulations.
- **Supporting the estate in defining roles**, possibly appointing external managers, to prevent disputes between members of the new generation, as well as monitoring the operations of those appointed to company management and assisting them in the analysis of possible critical issues.
- **Direct involvement in the reorganisation and protection of family assets**, assistance to review the ownership structure, with particular focus on drafting family agreements, creation of holding companies and trusts, and other appropriate arrangements.
- **Exploring the best tax solutions to preserve company worth** at various stages of the generational transition, whether inter vivos or causa mortis.

Contacts

For more information, please contact:

Chris Curmi
Global Employer Services Leader - Malta
Tel: +356 23432708
ccurmi@deloitte.com.mt

Deloitte.

Private

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Malta refers to a civil partnership, constituted between limited liability companies, and its affiliated operating entities: Deloitte Services Limited, Deloitte Technology Solutions Limited, Deloitte Digital & Technology Limited, Deloitte Digital Limited, Deloitte Technology Limited, and Deloitte Audit Limited. The latter is authorised to provide audit services in Malta in terms of the Accountancy Profession Act. A list of the corporate partners, as well as the principals authorised to sign reports on behalf of the firm, is available at www.deloitte.com/mt/about

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at www.deloitte.com/mt.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.