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Family business succession planning and the next generation report, 2026—key takeaways

The family business insights series

Foreword

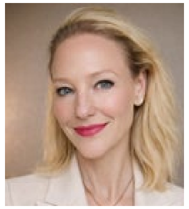
Welcome to the *Family business succession planning and the next generation* report, which is part of Deloitte Private's *Family business insights series*. This series includes five reports that delve into the evolution and character of the family business landscape globally; cybersecurity; technology transformation; succession planning and the next generation; and words of advice from leading family business executives.

This report offers invaluable insights into family businesses' experience with succession planning and the challenges they face in preparing the next generation to assume leadership roles.

To identify these insights, we surveyed senior executives from 1,587 family businesses worldwide between March and June 2025, with each having a minimum revenue of US$100 million and the families owning a controlling (51%+) share of the company.

In 2024, these businesses generated an average revenue of US$2.8 billion and collective revenue of US$4.4 trillion. We also conducted in-depth interviews with 30 senior family business executives, many of whom are the heads of multi-billion-dollar families and 100+ year old family businesses. These interviews offer insights and advice that can help family businesses navigate the playing field and plan for long-term success.

The hope is that these insights prove useful in shaping succession planning for your family business, and thank you to all participants who generously shared their time and perspectives.



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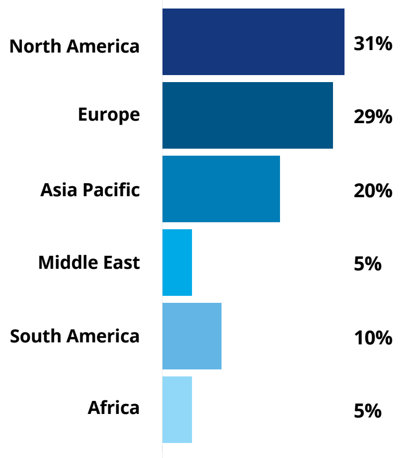
Participating family business regional headquarters locations

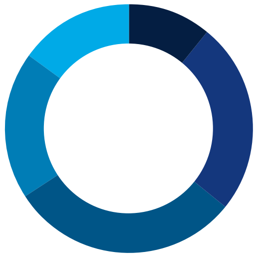


Family businesses' 2024 (CY) annual revenue

Click on each button to view the data

Global | North America | Europe | Asia Pacific | Middle East | South America | Africa

US$100 million - $249 million	11%
US$250 million - $499 million	25%
US$500 million - $999 million	30%
US$1 billion - $4.9 billion	19%
US$5 billion+	15%



Average	**US$2.8 billion**
Total revenue	**US$4.4 trillion**

Key takeaways

Succession is an important and widespread challenge

27% of families and 40% of family businesses are either currently undergoing or will undergo leadership succession within the next 10 years, underscoring the magnitude of generational change. However, while the large majority (89% of families, 82% of family businesses) report having some form of succession plan, only roughly half have a thorough, well-developed plan in place.

Main obstacles center on qualified leadership and planning

The top succession challenges are: “the next generation is insufficiently qualified or lacks experience” (35%); “difficulty identifying a suitable successor” (33%); and “current leadership is reluctant to relinquish control” (32%). This suggests a need for greater leadership development and more transparent succession planning.

Gaps in confidence of succession preparedness

Despite succession being a leading concern, full confidence in the succession preparedness of family leadership remains limited. Globally, only 48% are highly confident in current family leadership preparedness, falling to 37% for the next generation. This leaves a majority not fully confident—52% for current leadership and 63% for the next generation.

Growing lean toward outside leadership

There is a notable shift toward appointing external professionals to the CEO role after succession, with the global share projected to double from 13% currently to 26% post-succession. This trend is apparent in many regions and reflects concerns about next-generation readiness within the family, their interest in joining the family business, and the escalating complexity of family business operations worldwide.

Key takeaways

Next gen take the lead in innovation, technology, and philanthropy

While senior family members primarily hold top leadership (69%) and governance (64%) positions, next-generation family members are especially prevalent in roles that are helping to drive change—technology (51%), philanthropy/community engagement (51%), innovation/research and development (49%), and sales/marketing (50%). These domains serve as proving grounds for their future advancement.

Future transformation hinges on tech, artificial intelligence (AI), and sustainability

The next generation is poised to reshape family businesses with a marked focus on technology modernization (42%), AI (42%), new product/service development (40%), geographic expansion (39%), and sustainability/inclusion and belonging ambitions (35%).

Core challenges for next gen—technology, leadership skills, and competitiveness

The leading obstacles faced by next-gen family members working in the family business include a need for organizational technological advancement (38%), developing leadership and management capabilities (37%), and staying competitive (36%).

Experiential learning and external exposure are key development tools

To boost next-gen leadership readiness, family businesses are emphasizing real-world, accountable development: 44% require formal roles with accountability/performance management, 43% use on-the-job training or leadership shadowing, and 40% mandate outside work experience before joining the family business.