



PRESS RELEASE

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New MENA Family Business Survey reveals that Middle Eastern Family Businesses' main concerns are cash flow and digital transformation

- 51% of MENA family businesses believe it will be another 18 months until economic activity reaches 2019 levels.
- More than a third of surveyed companies believe that the most significant impact of the COVID-19 pandemic was the increase in the speed of digitalisation.
- The most significant concern for family business owners is cash flow; 56% of owners consider this the biggest risk they are currently facing.
- 49% of respondents feel satisfied with how their boards of directors responded to the crisis.
- More than half of the respondents (54%) agree that the pandemic has not affected their succession plan.
- The sentiment of MENA family business leaders confirms the global perspective on digitalisation: 86% of respondents agree that the pandemic has accelerated their digital transformation.

Dubai- Today, the Tharawat Family Business Forum released the results of their MENA Family Business Survey – a sentiment report on the challenges and priorities of family business leaders across the MENA region. The survey takes a snapshot of key areas of concern to multi-generational family firms from Algeria, Bahrain, the UAE, Egypt, Jordan, KSA, Kuwait, Lebanon, Morocco, Oman, Qatar, Sudan, Tunisia and Yemen. With the oldest participating family firm founded in 1865 the survey gives a rare insight into the mindset and outlook driving multigenerational private companies in the region.

As the private sector moves from emergency response to managing the new realities, the majority (51%) of survey respondents believe it will be another 18 months until economic activity

reaches 2019 levels; just 20% believe that we will return to pre-COVID economic levels by Q1 of 2021.

Cash Flow Is The Main Concern

With 56% of surveyed owners signalling a deep-rooted apprehension, cash flow emerged as one of the greatest concerns in the face of current uncertainty. Only 15% of respondents are concerned about their supply chain or their human resources and talent management. This sentiment echoes the experience of business owners globally. Cash flow management will have to remain at the top of the owner's agenda and play a key part of the family business' risk assessment and planning over the coming months.

Governance and Succession Planning

Despite facing similar challenges, differences in operational strategies and regional marketplaces mean there can be no one-size-fits-all solution for boards to implement when addressing a pandemic level crisis. The survey shows that 49% feel satisfied with how their boards of directors responded to the crisis, and 32% were very satisfied. With regards to succession planning, 54% of owners felt that this crisis had no impact on their process in bringing the next generation into decision-making positions.

Digitalisation as the Winner

Another clear trend that emerged from the survey was that family businesses in the MENA are keenly aware of the impact of digitalisation on their operations. 34% said that the biggest economic impact of the pandemic was the increased speed of digitalisation. A large majority of respondents (86%) agreed that the pandemic and the current economic climate accelerated their company's digital transformation plans.

Farida El Agamy, General Manager of the Tharawat Family Business Forum comments:

"This sentiment report gives us a unique snapshot of the state of mind of MENA family businesses. As the private sector is moving towards towards the next phase of this global crisis, it becomes evident that family firms will play a key role in that recovery process. With their long-term vision and commitment to their stakeholders, family-owned companies are essential to the future of the region's private sector sustainability."

For the full copy of the report, kindly visit: www.tharawat.org/mena-family-business-survey

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Survey Methodology:

To take the pulse of family businesses in the MENA and better understand the challenges they are facing in the aftermath of the pandemic the Tharawat Family Business Forum surveyed 100

owners of regional family businesses between July 15th and July 30th 2020. Respondents represented 2nd generation or older family firms from a variety of sectors and industries. Firms participating were headquartered in Algeria, Bahrain, the UAE, Egypt, Jordan, KSA, Kuwait, Lebanon, Morocco, Oman, Qatar, Sudan, Tunisia and Yemen.

About the Tharawat Family Business Forum

The Tharawat Family Business Forum is an independent, membership network dedicated to the sustainability, innovation, and growth of MENA family businesses. The organisation was founded in 2006 by 15 leading family-owned companies from across the Middle East, who shared a vision to build a strong peer community and platform for family businesses.

Today, Tharawat plays an instrumental role in developing knowledge and expertise around family businesses in the region and beyond. (www.tharawat.org)

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