



PART II

THE ENTREPRENEURIAL JOURNEY AND ITS IMPACT ON PRIVATE WEALTH



BNP PARIBAS
WEALTH MANAGEMENT

The bank
for a changing
world



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In a world that is ever-changing, entrepreneurs seek to build their strategy with a partner they trust. At BNP Paribas Wealth Management, we are able to serve them through a holistic approach across Europe, Asia and the United States, whether by helping them grow their company or by managing their personal wealth.'



Sofia Merlo

Vincent Lecomte

WELCOME

TO OUR 2019 GLOBAL ENTREPRENEUR REPORT.

For the fifth consecutive year, we have strived to uncover the impact on the global economy of 2,763 business owners from 23 different markets. In the first of our two-part series released in fall 2018, we spotlighted entrepreneurial investments and trends. In this second part, we examine how entrepreneurs unlock growth, be it through a merger, an acquisition or organically.

Equally important is when they step back from their business. Most have identified a successor and they are committed to providing them with guidance and training to succeed. Many will put in place a governance framework to clarify the future strategy of their firm.

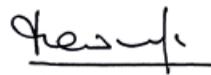
This report demonstrates again that Elite Entrepreneurs have specific needs depending on where their business lifecycle stands. When entrepreneurs face the decision to transfer or sell their business, succession planning and family governance are top of mind and they can rely on our experts to accompany them. Our 'NextGen Experience' in Paris, Hong Kong and in the Silicon Valley, prepares millennials to take leadership positions in their family businesses or develop their own entrepreneurial ventures.

We accompany some of the world's most demanding entrepreneurs. As a responsible Private Bank serving the economy, our objective has always been to improve our own understanding to better support entrepreneurs in their personal and professional wealth creation strategies, bringing them solutions across the entire BNP Paribas Group.

This is the purpose of our report.



Sofia Merlo
Co-CEO BNP Paribas
Wealth Management



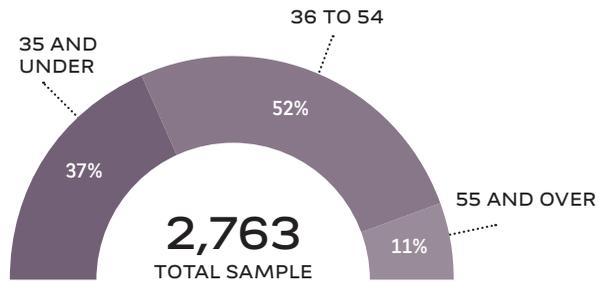
Vincent Lecomte
Co-CEO BNP Paribas
Wealth Management

RESEARCH METHODOLOGY & SAMPLING

The research program was undertaken by Scorpio Partnership (an Aon company) during Q3, 2018. The audience of participants was high net worth and ultra-high net worth investors that owned businesses.

The research methodology involved an online survey program with 2,763 participants spanning 23 countries. In addition, Scorpio Partnership conducted in-depth interviews with entrepreneurs and industry experts in the US, Europe and Asia.

AGE



ON AVERAGE



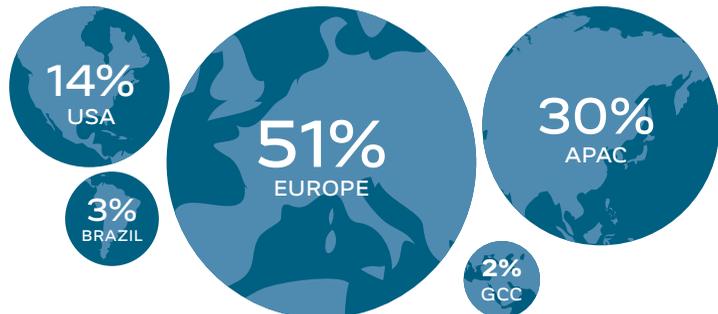
GENDER



REGIONS

COUNTRIES COVERED:

Belgium, Brazil, China, France, Germany, Gulf Cooperation Council (GCC), Hong Kong, India, Indonesia, Italy, Luxembourg, Netherlands, Poland, Russia, Singapore, Spain, Switzerland, Taiwan, Turkey, United Kingdom and United States



Throughout this report, we use the following definitions:

- **High net worth (HNW) entrepreneur:** Entrepreneur with investable assets valued between USD10 million and USD25 million.
- **Ultra-high net worth (UHNW) entrepreneur:** Entrepreneur with investable assets valued at USD25 million or more.

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Almost half of global Elite entrepreneurs are in the early stages of their journey

47% are in the 'Creation' or 'Growth' phases, where the objective is to launch a product or service, or grow revenues (Tech and Engineering are the top sectors respectively for these stages). The remainder are aiming to improve profits or productivity (particularly in Professional Services, Transport and Logistics) or planning an exit.



One in four entrepreneurs is a 'DISRUPTOR'

While innovation is the five-year ambition for many entrepreneurs, 24% hope to have developed a new product that 'disrupts their chosen sector'. The typical 'Disruptor' is 39 years old, lives in Belgium, Taiwan or the Netherlands, and works in Tech, Engineering or Manufacturing.

44%

have used credit solutions to develop their businesses

The demand is highest in Asia, where 55% have borrowed to invest in their own businesses, rising to six in every ten entrepreneurs in China, India and Indonesia. Those in the 'Development' stage are most likely to rely on lending for business financing purposes.

56%

have experienced M&A of a business

More than half of entrepreneurs have been through a **merger or acquisition** with one of their firms in the past. Those in Turkey and Brazil are most likely to have had a business acquired in the last five years, while Poland, India and China are hotspots for recent mergers.



In hindsight, business strategy support

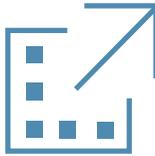
is considered critical for successful M&A

'Growth of market share', 'sector diversification' and 'accessing new markets' are the most common triggers for M&A activity. Half of those who have been through this experience say establishing their business strategy, and having the right team in place, were vitally important.

More than one in three

BABY BOOMER ENTREPRENEURS

is preparing to exit



7% of global entrepreneurs are anticipating an imminent sale or business exit, rising to 34% of those over the age of 55. 'Implementing a plan to preserve wealth' and 'finding the right time to sell' are the chief concerns before an exit (each is a priority for 41%).



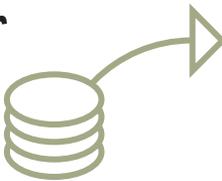
Most entrepreneurs intend for their business to stay in

the family

51% say that their plan is for ownership of their business to eventually pass to a family member: their top three reasons are to safeguard the firm's financial value, trust in the next generation to develop the business and wanting to preserve core values. Those in Poland, Italy, Russia, Brazil and Indonesia are most convinced of this approach.

However, family transfer becomes less appealing when entrepreneurs approach exit

As many as 62% of entrepreneurs in the 'Creation' stage say they will pass on company interests to a family member. However, this falls to just 37% as they approach exit and other options, such as a management buy-out or sale to a new owner, also become attractive.



More than

half

feel the next generation of business leaders need more guidance

53% of Elite entrepreneurs believe their successors are not ready to take over their responsibilities; a further 13% have not even identified anyone suitable. However, 47% of UHNWIs are fully confident in the future leaders of their firms. Overall, 92% of entrepreneurs would value succession planning from their wealth managers to prepare the next generation.

FAMILY GOVERNANCE

will help different generations reach a consensus on strategy

Almost a third (29%) of entrepreneurs will implement a family governance code before they relinquish their responsibilities. A code fulfils two important objectives: smooth integration of family members into the firm and definition of the long-term business plan.





SECTION 1

FROM IDEATION TO IPO
**THE BUSINESS
LIFECYCLE**

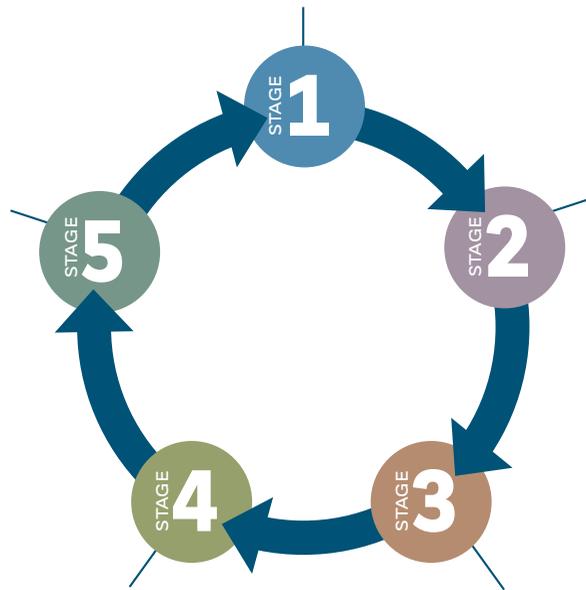
SPOTLIGHT ON THE LIFECYCLE OF A SUCCESSFUL FIRM

CREATION

Criteria of Lifecycle Stage:
Entrepreneurs with a main business objective in 2018 to launch a new product, concept or service line

GROWTH

Criteria of Lifecycle Stage:
Entrepreneurs with a main business objective in 2018 to grow sales or revenues relative to the previous year



TRANSFER

Criteria of Lifecycle Stage:
Entrepreneurs with a main business objective in 2018 to exit from their primary business

CONSOLIDATION

Criteria of Lifecycle Stage:
Entrepreneurs with a main business objective in 2018 to consolidate their business and prepare for exit

DEVELOPMENT

Criteria of Lifecycle Stage:
Entrepreneurs with a main business objective in 2018 to increase profitability, efficiency or productivity relative to the previous year

STAGE 1

CREATION

PROFILING



Population
460 Elite
Entrepreneurs
 (17% of total sample)



Average age
37 years old



Average Company
Revenue in 2017
USD6.4 million

SUCCESSION PLAN

1	Ownership will pass to a family member	62%
2	Ownership will pass to the management team	29%
3	Ownership will pass to a new owner	9%

FUTURE BUSINESS INVESTMENTS

1	Product design	42%
2	Product manufacturing	38%
3	Marketing	34%
4	Sales and distribution	32%
5	Customer experience (e.g. website)	30%
6	Mobile communications	26%
7	Finance (e.g. accounting, payments)	23%

DEEP-DIVE

- **21% of entrepreneurs aged 35 and under are at the 'Creation' stage** of the business lifecycle, compared to only **6% aged 55 and over**.
- **26% of UHNW entrepreneurs with net worth equal to or greater than USD25 million** indicate that they are at the 'Creation' stage of the business lifecycle.

TOP SECTOR HOTSPOTS

1	IT and digital technology	25%
2	Retail and culture	17%
3	Transport and logistics	17%
4	Manufacturing and engineering	15%
5	Financial services	13%
6	Professional services (e.g. medical, legal)	13%

TOP 5 MARKET HOTSPOTS

1	Russia	30%
2	Indonesia	29%
3	China	25%
4	GCC	23%
5	Poland	23%

SUCCESSION ADVICE

1	Advice on how to prepare future leaders for senior leadership responsibilities	41%
2	Advice on the correct valuation of the business	39%
3	Support finding people with the right skills and experience to manage the business	38%
4	Advice on structuring the transfer to optimise tax efficiency	32%
5	Wealth management after the transfer or sale of my business	31%
6	Facilitation during meetings to smooth the transfer	29%
7	Putting in place a family governance code for the next generation of leaders	25%

Source: 2019 BNP Paribas Global Entrepreneur Report

STAGE 2 GROWTH

PROFILING



Population
844 Elite
Entrepreneurs
 (31% of total sample)



Average age
39 years old



Average Company
Revenue in 2017
USD6.4 million

SUCCESSION PLAN

1	Ownership will pass to a family member	50%
2	Ownership will pass to the management team	36%
3	Ownership will pass to a new owner	14%

FUTURE BUSINESS INVESTMENTS

1	Sales and distribution	40%
2	Marketing	39%
3	Customer experience (e.g. website)	34%
4	Product design	31%
5	Product manufacturing	28%
6	Finance (e.g. accounting, payments)	27%
7	Mobile communications	22%

DEEP-DIVE

- Only **34% of entrepreneurs in the 'Growth' stage** believe that the next generation of business leaders are fully prepared for future management, compared with **50% of 'Creation' stage** business owners.
- More than **one in two Growth stage entrepreneurs** believe that a family governance code could help **define the future role of family members** and help **integrate them into the business**, while also helping to set up a long-term **strategic business plan for the future**.

TOP SECTOR HOTSPOTS

1	Manufacturing and engineering	33%
2	Transport and logistics	31%
3	Retail and culture	30%
4	Professional services (e.g. medical, legal)	30%
5	IT and digital technology	30%
6	Financial services	26%

TOP 5 MARKET HOTSPOTS

1	Luxembourg	59%
2	Belgium	48%
3	Poland	40%
4	Spain	38%
5	Indonesia	37%

SUCCESSION ADVICE

1	Advice on the correct valuation of the business	44%	5	Wealth management after the transfer or sale of my business	32%
2	Advice on how to prepare future leaders for senior leadership responsibilities	37%	6	Putting in place a family governance code for the next generation of leaders	30%
3	Support finding people with the right skills and experience to manage the business	37%	7	Facilitation during meetings to smooth the transfer	30%
4	Advice on structuring the transfer to optimise tax efficiency	34%			

Source: 2019 BNP Paribas Global Entrepreneur Report

STAGE 3

DEVELOPMENT

PROFILING



Population
1,262 Elite
Entrepreneurs
(46% of total sample)



Average age
40 years old



**Average Company
Revenue in 2017**
USD7.5 million

SUCCESSION PLAN

1	Ownership will pass to a family member	48%
2	Ownership will pass to the management team	38%
3	Ownership will pass to a new owner	14%

FUTURE BUSINESS INVESTMENTS

1	Marketing	40%
2	Customer experience (e.g. website)	38%
3	Sales and distribution	35%
4	Product design	35%
5	Product manufacturing	30%
6	Finance (e.g. accounting, payments)	29%
7	Mobile communications	26%

DEEP-DIVE

- In terms of **future business goals**, the majority of 'Development' stage entrepreneurs (16%) want to contribute to **innovation and development in their chosen industry**.
- 26% of 'Development' stage** entrepreneurs believe that **automation** will help **transform their business in the next five years**, compared to only **19% of their peers in the 'Growth' stage**.

TOP SECTOR HOTSPOTS

1	Financial services	49%
2	Transport and logistics	49%
3	Professional services (e.g. medical, legal)	49%
4	Manufacturing and engineering	47%
5	Retail and culture	44%
6	IT and digital technology	42%

TOP 5 MARKET HOTSPOTS

1	Netherlands	64%
2	Switzerland	63%
3	Singapore	58%
4	Italy	55%
5	Turkey	54%

SUCCESSION ADVICE

1	Advice on how to prepare future leaders for senior leadership responsibilities	44%	5	Wealth management after the transfer or sale of my business	34%
2	Advice on the correct valuation of the business	40%	6	Putting in place a family governance code for the next generation of leaders	31%
3	Support finding people with the right skills and experience to manage the business	40%	7	Facilitation during meetings to smooth the transfer	31%
4	Advice on structuring the transfer to optimise tax efficiency	38%			

Source: 2019 BNP Paribas Global Entrepreneur Report

STAGE
4

CONSOLIDATION

PROFILING



Population
107 Elite
Entrepreneurs
(4% of total sample)



Average age
47 years old



Average Company
Revenue in 2017
USD5.8 million

SUCCESSION PLAN

- | | | |
|----------|--|-----|
| 1 | Ownership will pass to a family member | 37% |
| 2 | Ownership will pass to the management team | 34% |
| 3 | Ownership will pass to a new owner | 29% |

FUTURE BUSINESS INVESTMENTS

- | | | |
|----------|-------------------------------------|-----|
| 1 | Marketing | 44% |
| 2 | Sales and distribution | 33% |
| 3 | Finance (e.g. accounting, payments) | 26% |
| 4 | Customer experience (e.g. website) | 24% |
| 5 | Product manufacturing | 22% |
| 6 | Product design | 18% |
| 7 | Mobile communications | 9% |

DEEP-DIVE

- **12% of Elite Entrepreneurs aged 55 and over** are in the 'Consolidation' stage of the business lifecycle, compared to only **3% of business owners aged 35 or under**.
- And in terms of future succession, only **37% of entrepreneurs preparing for business exit this year** intend to transfer ownership to a **family member**, compared with **62% of 'Creation' stage business owners**.

PLANNING FOR BUSINESS EXIT

- | | | |
|----------|--|-----|
| 1 | Identifying the right time to sell my business | 41% |
| 2 | Putting a plan in place to protect my wealth | 41% |
| 3 | Putting a plan in place to safeguard my family's future | 39% |
| 4 | Forming a precise understanding of the value of my company | 31% |
| 5 | Refinancing my business to improve its financial performance | 20% |
| 6 | Restructuring my business to improve its competitiveness | 19% |

TOP 5 MARKET HOTSPOTS

- | | | |
|----------|---------------|----|
| 1 | Brazil | 7% |
| 2 | Spain | 7% |
| 3 | United States | 7% |
| 4 | Taiwan | 6% |
| 5 | Germany | 6% |

SUCCESSION ADVICE

- | | | |
|----------|--|-----|
| 1 | Advice on how to prepare future leaders for senior leadership responsibilities | 37% |
| 2 | Advice on the correct valuation of the business | 37% |
| 3 | Wealth management after the transfer or sale of my business | 31% |
| 4 | Facilitation during meetings to smooth the transfer | 28% |
| 5 | Support finding people with the right skills and experience to manage the business | 27% |
| 6 | Advice on structuring the transfer to optimise tax efficiency | 26% |
| 7 | Putting in place a family governance code for the next generation of leaders | 21% |

Source: 2019 BNP Paribas Global Entrepreneur Report

STAGE 5

TRANSFER

PROFILING



Population
90 Elite
Entrepreneurs
 (3% of total sample)



Average age
61 years old



Average Company
Revenue in 2017
USD16.5 million

DEEP-DIVE

- **72% of entrepreneurs at the 'Transfer' stage** of the business lifecycle are **aged 55 and over**.
- Only **37% of 'Transfer' stage entrepreneurs** would transfer their primary business to a **family member** at the point of succession, compared to **62% of 'Creation' stage** business owners.
- And in terms of **succession advice**, the majority of business owners (**44%**) planning to exit their business this year require **support sourcing the right talent** with the skills needed to manage the business in the future.

SUCCESSION PLAN

- | | | |
|----------|--|-----|
| 1 | Ownership will pass to a family member | 37% |
| 2 | Ownership will pass to the management team | 22% |
| 3 | Ownership will pass to a new owner | 41% |

AGE PROFILE

- | | | |
|----------|--------------|-----|
| 1 | 55 and over | 72% |
| 2 | 36 to 54 | 26% |
| 3 | 35 and under | 2% |

TOP 5 MARKET HOTSPOTS

- | | | |
|----------|----------------|-----|
| 1 | United States | 13% |
| 2 | United Kingdom | 6% |
| 3 | Switzerland | 4% |
| 4 | Netherlands | 3% |
| 5 | Germany | 3% |

SUCCESSION ADVICE

- | | | | | | |
|----------|--|-----|----------|--|-----|
| 1 | Support finding people with the right skills and experience to manage the business | 44% | 5 | Wealth management after the transfer or sale of my business | 15% |
| 2 | Advice on the correct valuation of the business | 33% | 6 | Putting in place a family governance code for the next generation of leaders | 11% |
| 3 | Advice on structuring the transfer to optimise tax efficiency | 22% | 7 | Facilitation during meetings to smooth the transfer | 7% |
| 4 | Advice on how to prepare future leaders for senior leadership responsibilities | 15% | | | |

Source: 2019 BNP Paribas Global Entrepreneur Report



CREATION

How businesses begin

During their time at the helm of their businesses, entrepreneurs' goals go through a profound transformation.

Initially, many decide to start their companies because they have a pioneering concept they want to commercialize and go it alone or join the family firm to enact their plans. As their ideas take off and their businesses mature, they start to think less about sales and more about sustainable growth in the form of profits. At the point when their companies are standing on a secure foundation, they may be enticed to sell, transfer ownership or even seek a public listing, before moving on to new endeavors.

Almost half of the entrepreneurs in our research audience are running businesses still in their foundation years [Figure 1].

17% are in the 'Creation' phase where their commercial objective for 2018 is simply to launch their product or service. Just under a third (30%) are in the 'Growth' stage during which increasing sales is critical.

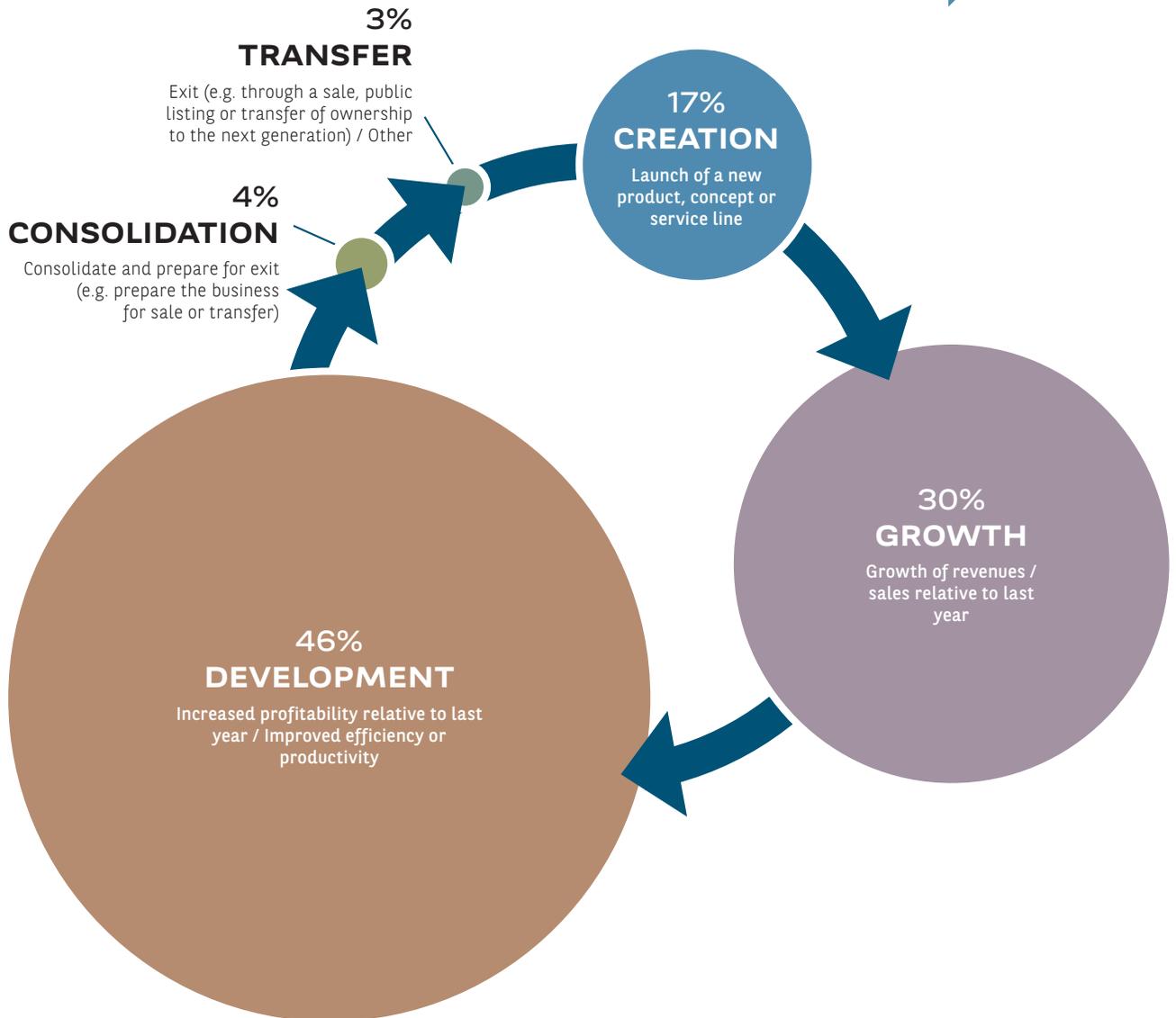
Just under half (46%) are leading more mature businesses in 'Development', where the priority has shifted from revenues to improving profits and productivity. The remainder are either preparing for (or in the process of) exit.

Almost
half
of the entrepreneurs in
our research audience are
running businesses still
in their foundation years.





When thinking about your primary company, which of the following statements best sums up your main business objective for 2018?

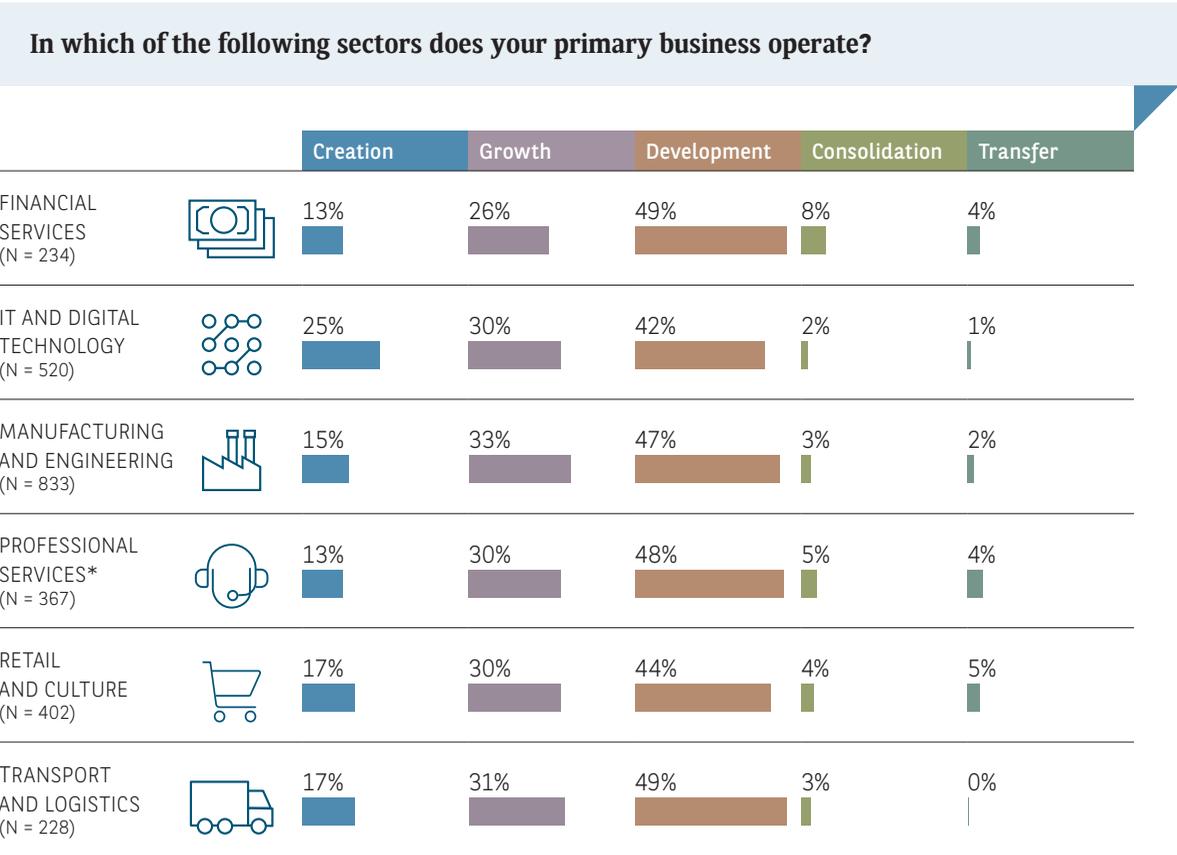


[FIGURE 1] STAGES OF THE LIFECYCLE

N = 2,763 / Source: 2019 BNP Paribas Global Entrepreneur Report

Ultra-high net worth (UHNW) business owners are particularly drawn to the excitement of the initial stages of entrepreneurship. **Almost 60% are running companies in 'Creation' or 'Growth' where their main objective is to establish a viable business model for their current venture.**

Known for its rapid project lifecycles and for inventing agile working practices, it is no surprise that the Technology sector has the highest concentration of dynamic 'Creation' businesses that aim to get new products to market quickly [Figure 2]. In contrast, half of entrepreneurs running financial services companies (including accountancy and payments) are now able to focus mostly on gaining ground on profit and efficiency.



[FIGURE 2] MAPPING ENTREPRENEURIAL SECTORS AGAINST THE LIFECYCLE

Source: 2019 BNP Paribas Global Entrepreneur Report

* e.g. medical, legal

Disruption predictor

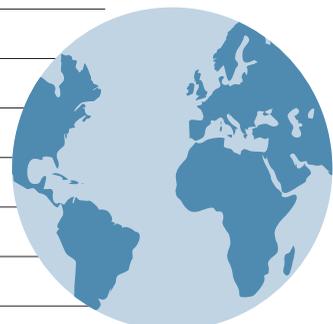
The entrepreneurial obsession with spear-heading innovation through new products and services is ingrained in their DNA, visible across the world and in all generations. Yet there are some who approach the question of innovation differently; who want to disrupt rather than contribute to incremental developments.

Just under a quarter (24%) of our research audience can be categorized as ‘Disruptors’ – individuals whose business goal is within five years to permanently change the status quo with a new product or concept. Despite the attention usually given to Millennials, Disruptors are actually slightly older, at 39 on average, and have correspondingly more business experience under their belts.

They are driven by their unique mind-set rather than by their environment, and so can be found across all regions and running businesses in diverse sectors. In Belgium, as many as 40% say that disruption is their business goal, with entrepreneurs in Taiwan (38%) and the Netherlands (36%) expressing similar views [Figure 3].

In five years’ time, what would you like to have achieved through your primary business?

Rank	Location of primary business		
1	BELGIUM	(N = 81)	40%
2	TAIWAN	(N = 77)	38%
3	NETHERLANDS	(N = 85)	36%
4	SWITZERLAND	(N = 76)	34%
5	BRAZIL	(N = 93)	33%
6	INDIA	(N = 106)	30%
7	HONG KONG	(N = 154)	30%
8	RUSSIA	(N = 50)	28%
9	INDONESIA	(N = 79)	28%
10	SPAIN	(N = 109)	28%



[FIGURE 3] DISRUPTION HOTSPOT MAP
 N = 2,692 [ANSWERED: ‘Developed a product that disrupts my chosen sector’]
 Sectors with fewer than 50 responses have been removed.
 Source: 2019 BNP Paribas Global Entrepreneur Report

New industries are being transformed each year by digital developments and a growing consumer appetite to participate in the sharing economy. Disruptors envision the same happening one day in their own sectors [Figure 4]. Entrepreneurs running businesses in Online, Mobile and Digital, Engineering and Manufacturing are most likely to believe that they will one day pioneer that change, but for now all bets are off as to who will get there first.

In five years' time, what would you like to have achieved through your primary business?

Rank	Sector of primary business				
1		ONLINE, MOBILE & DIGITAL*	(N = 143)	34%	
2		ENGINEERING	(N = 147)	31%	
3		MANUFACTURING	(N = 301)	30%	
4		ENERGY, OIL & GAS	(N = 65)	29%	
5		TRANSPORT, LOGISTICS & STORAGE	(N = 107)	28%	
6		INFORMATION TECHNOLOGY	(N = 373)	27%	
7		RETAIL	(N = 301)	27%	
8		CONSTRUCTION & BUILDING SERVICES	(N = 197)	25%	
9		MEDICAL & DENTAL	(N = 73)	25%	
10		EDUCATION	(N = 92)	23%	

[FIGURE 4] SECTORS WHERE DISRUPTORS RUN BUSINESSES

* software development

Sectors with fewer than 50 responses have been removed.

N = 2,692 [ANSWERED: 'Developed a product that disrupts my chosen sector']

Source: 2019 BNP Paribas Global Entrepreneur Report

STAGE
2

GROWTH

Reaching a crossroads: merger or acquisition?

No entrepreneurial journey is the same as another, nor are the growth stories of any two firms. During the second stage of the lifecycle, entrepreneurs – who have worked hard to create businesses with distinct identities and in many cases carefully preserved multi-generational family heritage – may end up at a crossroads. For commercial reasons, they will face a decision to merge with another firm or be acquired.

The implications for business success could be transformational and crystallize growth ambitions; yet the impact on culture and brand are uncertain and therefore not without risks.

Faced with that choice, most entrepreneurs are hard-wired to take any opportunity that could catapult their businesses to new heights.





56% of our respondents have already been through the M&A process with one of their firms. Memories are fresh as these experiences have mostly taken place within the last five years.

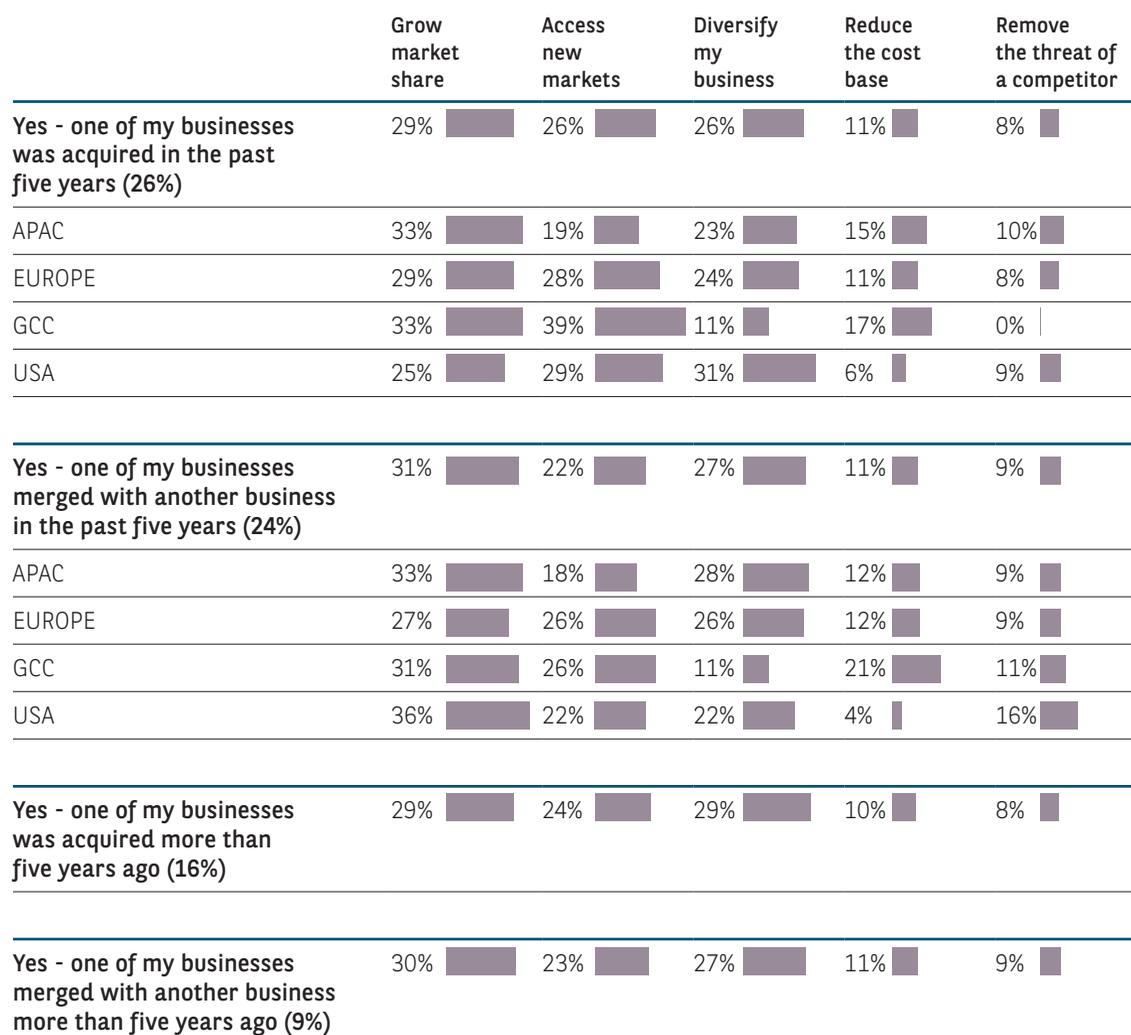
Those who agreed to an acquisition were usually motivated by the chance to grow market share or access new markets, while those who consented to a merger had similar aspirations and sought to diversify [Figure 5].

Their insights illuminate important considerations for their peers who are yet to go down one of these paths. Naturally, professional guidance was vital to ensure the transaction could be financed and completed. However, upon reflection, their most valued source of advice did not relate to execution of the deal.



Over
50%
of entrepreneurs who have had an M&A experience say that professional support for devising their business strategy, and having the right team in place, were both vital.

Have any of the businesses you've owned in the past, or businesses you currently own, been through a merger or acquisition?



[FIGURE 5] TRIGGERS FOR M&A ACTIVITY

Not all responses shown. The chart above only shows responses from those who answered that their businesses had been acquired or merged.
N = 1,535 / Source: 2019 BNP Paribas Global Entrepreneur Report

STAGE
3

DEVELOPMENT

The road to 2023

The question 'Where do you see yourself in five years' time?' is frequently posed and difficult to answer. Succinct and simple, it forces individuals to hone in on their hoped-for achievements and commit to a definition for future career success.

Imagine how much more difficult it is for people who are already successfully running their own businesses to give their response. Entrepreneurs play multiple roles every day: they are leaders of their workforce, problem-solvers for their clients and visionaries in their industries. They are responsible for their employees and families, and accountable to their shareholders.

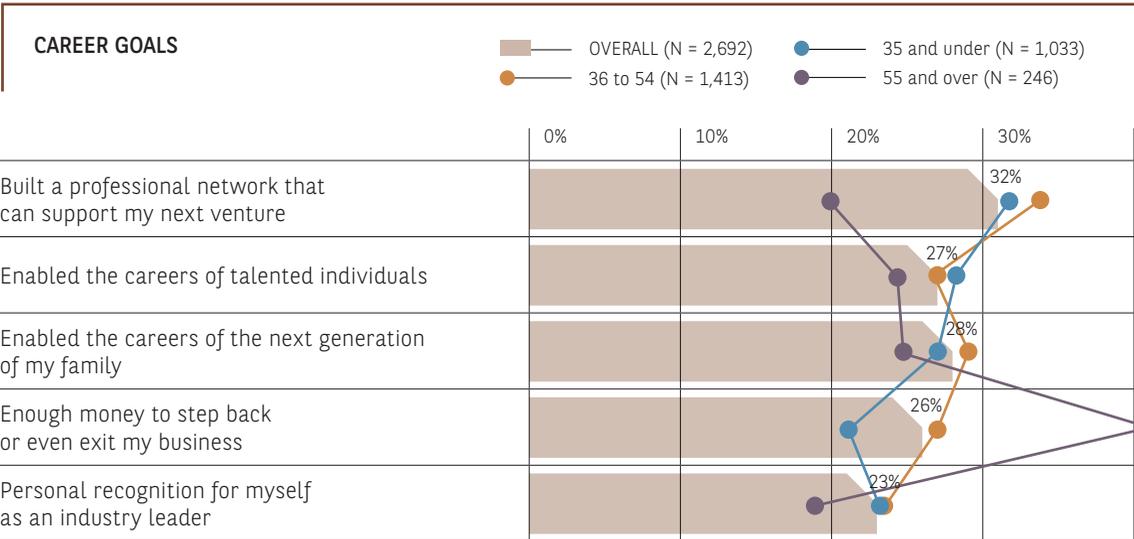
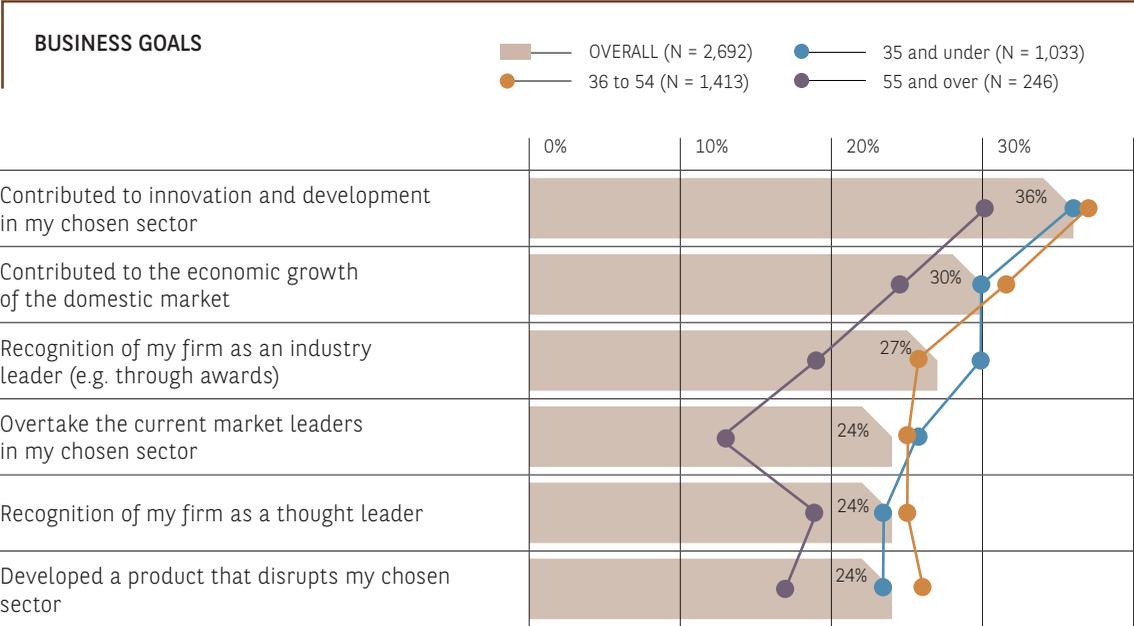
Ask them to choose, however, and they come to a clear conclusion. **In five years' time, entrepreneurs' primary business objective is to have contributed to innovation and development of their chosen sector [Figure 6].** Just over a third (36%) highlight this as a critical success metric. With one eye looking ahead, another third intend to have built a network that will support new commercial ventures.

In five years' time, entrepreneurs' primary business objective is to have contributed to innovation and development of their chosen sector.





In five years' time, what would you like to have achieved through your primary business?



[FIGURE 6] ENTREPRENEURS' FIVE-YEAR VISION FOR THEIR BUSINESSES

Source: 2019 BNP Paribas Global Entrepreneur Report

Each entrepreneur has their unique lens on what constitutes a worthwhile achievement. Some focus on contributing to growth of the local economy, which is important to more than 40% of those based in Indonesia, the Netherlands and Brazil.

Others are striving to gain personal recognition as award-winners and thought leaders: this is the prism through which success is viewed in the GCC. **The entrepreneurial ambition in India, Germany and Switzerland is for the next generation of their families to have meaningful careers.**

Millennials are the first 'digitally native' generation, so it is no surprise that they measure themselves primarily on their contribution to innovation in their sector; but they are also motivated by the career potential offered by entrepreneurship. Although they are young, many are anticipating that the network they build will springboard their next business.

Meanwhile, the oldest generation of entrepreneurs – those aged 55 and over – are mostly interested in attaining financial security. They are in the final stretch of their careers and envision being able to step back from their responsibilities to enjoy their wealth and free time. Like their younger counterparts, many hope to make their mark on their sector but even more want simply to have enough money to retire.

Their attitudes contrast sharply with those who, arguably, have it all – those worth USD25 million and over. **Stepping back barely registers with ultra-high net worth entrepreneurs.** Instead, their ambitions are chiefly **to develop their sectors and generate growth – and support the professional development of the talented people who work for them.**

Stepping back barely registers with ultra-high net worth entrepreneurs.



The investments into their businesses

The technology revolution has opened up possibilities for entrepreneurship that would have been inconceivable just two decades ago. Most entrepreneurs are committed to continuing that advancement: in Part I of the 2019 BNP Paribas Global Entrepreneur Report, we uncovered that 55% of business owners have technology investments and see it as their number one growth sector for the future. For them, digital is ubiquitous and underpins all their commercial activities.

They also know that they will need to invest in their own businesses if they are to be perfectly positioned to take advantage of coming changes. With agile new competitors arriving on the scene, the primary focus for entrepreneurs is ensuring brand and product differentiation [Figure 7].

More than a third of entrepreneurs say most of the investments they have planned over the next two years relate to marketing, sales and distribution.

In Asia, product design is the priority with 44% focused on this – the highest of any region and particularly evident in China, Taiwan and Hong Kong. Over the next two years, those in Singapore will prioritize sales and distribution while entrepreneurs in the GCC are most committed to future-proofing the product manufacturing process.

The immediate investment focus in Europe (particularly for the Netherlands, Belgium, Luxembourg, France and Switzerland), and the US, is building out marketing. When it comes to attaining their goals, those in the Netherlands, Poland, Spain and Turkey will introduce more automation to their processes.

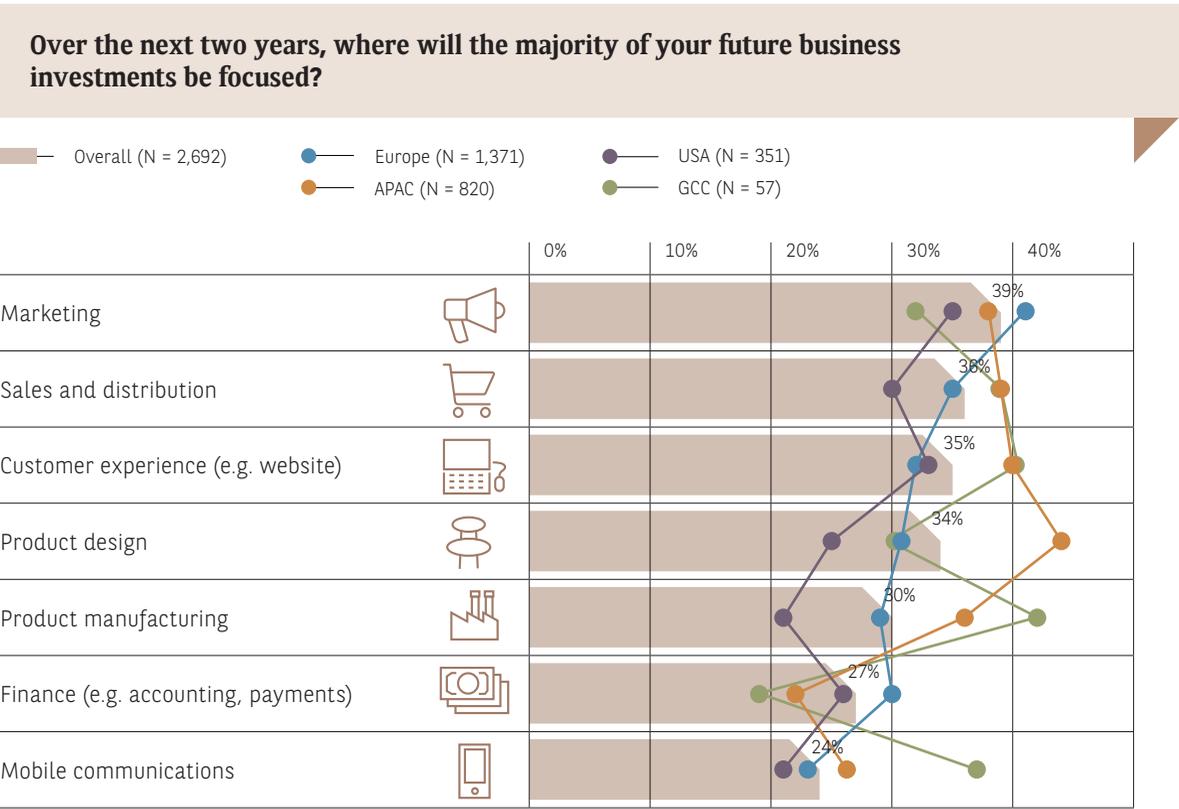
Few will take the risk of being complacent in this increasingly competitive environment, so even entrepreneurs running businesses in the most technologically-advanced industries are investing now to prepare for the future.

For example, entrepreneurs from the IT sector are bringing new advances to their customer experience; engineering firms are considering whether their product lifecycle could benefit from more efficient design and manufacturing; and those working in finance are actively improving payments and accounting processes.

For entrepreneurs in the ‘Development’ phase, where improving profit margins and productivity is critical, automation is the most important advantage.

Entrepreneurs at the earliest stages of the business lifecycle are most optimistic about the transformations digital will bring. Asked to project the impact on their sectors, those at the 'Creation' stage point enthusiastically to the chance to interact more frequently through virtual means with potential clients as they launch new products.

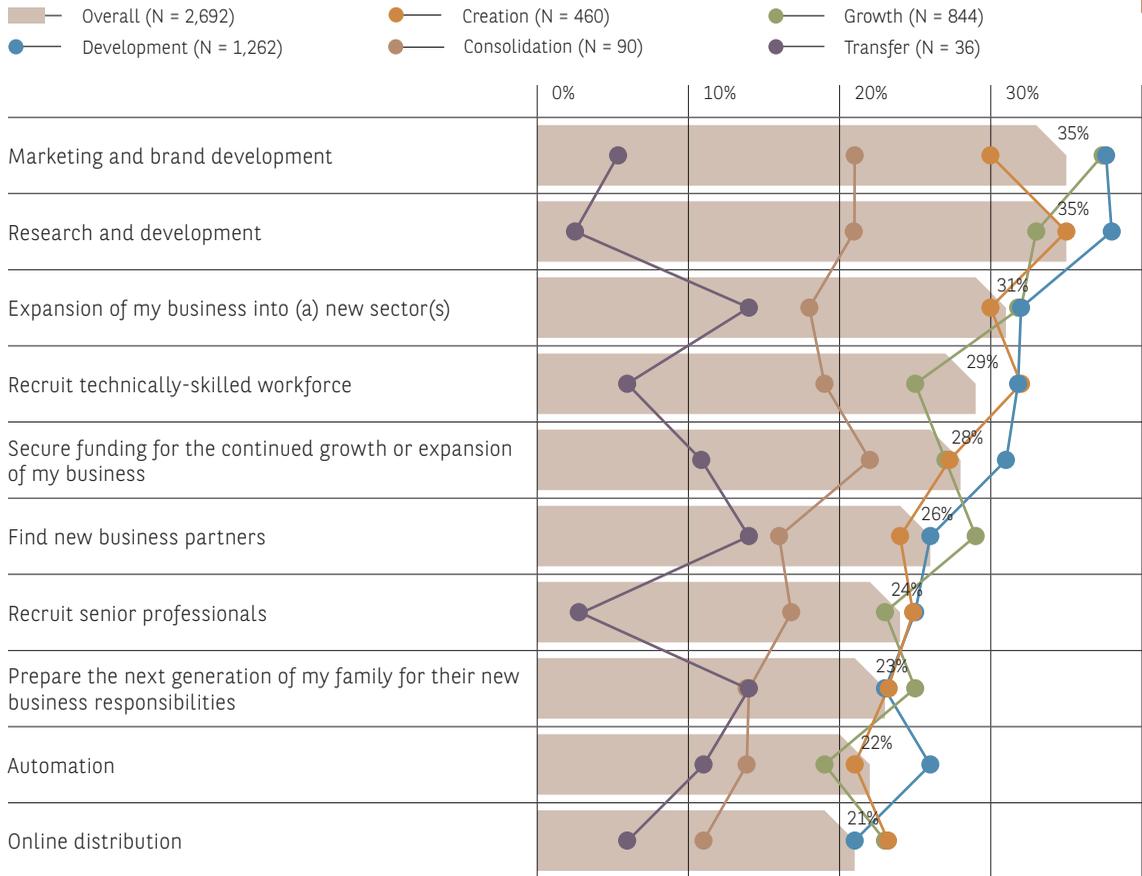
For entrepreneurs in the 'Development' phase, where improving profit margins and productivity is critical, automation is the most important advantage [Figure 8]. At this point, business owners believe technology will help them strip out the inefficiency of manual processes.



[FIGURE 7] BUSINESS INVESTMENTS OVER THE NEXT TWO YEARS

Source: 2019 BNP Paribas Global Entrepreneur Report

What steps do you plan to take in the next five years to help you achieve those goals?



[FIGURE 8] BUSINESS INVESTMENTS ACROSS THE LIFECYCLE

Source: 2019 BNP Paribas Global Entrepreneur Report

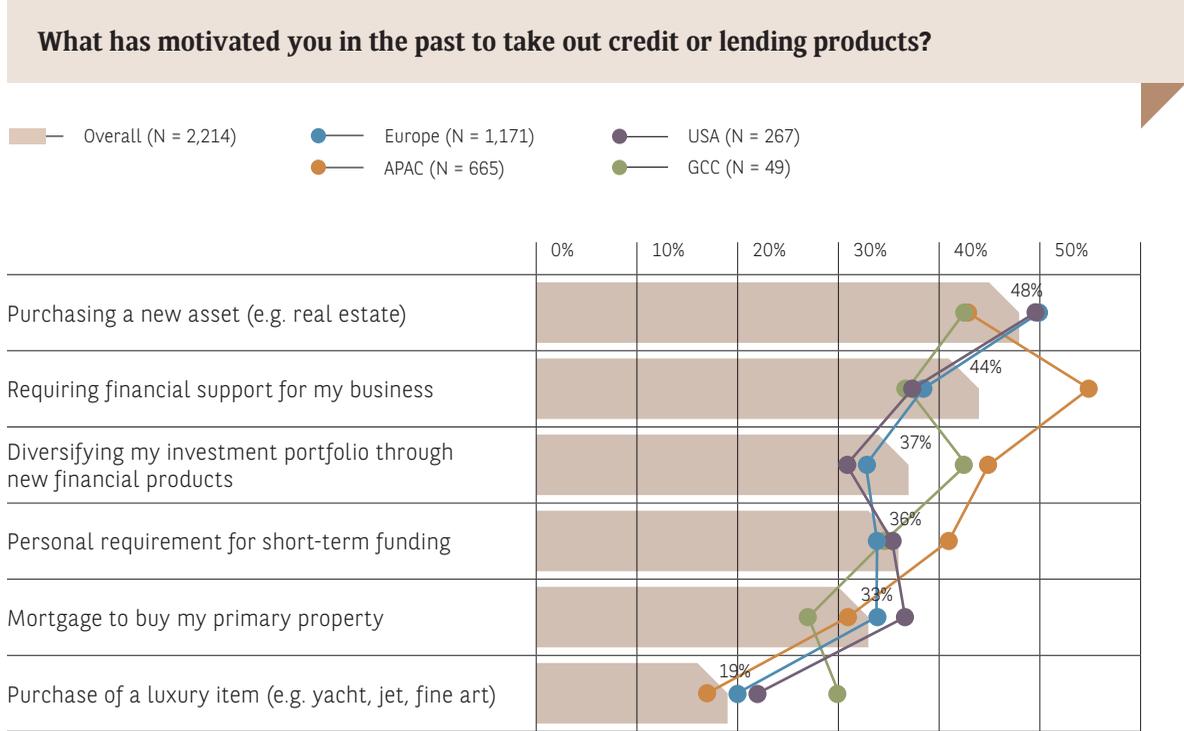
Securing credit to drive development

During the 'Development' phase, the primary goal is to improve business performance by investing in changes that impact productivity and profit. At this point, many seek support from a financial institution; in fact, 'Development' stage entrepreneurs are more likely to take out credit to finance their businesses than those at any other stage of the lifecycle.

In Asia, 55% of entrepreneurs have sought to borrow to invest in their own businesses.

In Asia, 55% of entrepreneurs have sought to borrow to invest in their own businesses [Figure 9]. This rises to more than six in every ten business owners in China, India and Indonesia. In the mind of the entrepreneur, the opportunities offered by these solutions are clear and they are comfortable using credit to simultaneously achieve personal objectives, including diversifying their investment portfolios (45%) and fulfilling short-term funding requirements (41%).

In Europe, entrepreneurs rely on credit solutions to purchase a new asset (for example, real estate), which half of them have done at some point. However, many also depend on these solutions for business financing, in particular in the Netherlands, the UK and Switzerland.



[FIGURE 9] ENTREPRENEURIAL USE OF CREDIT SOLUTIONS

Source: 2019 BNP Paribas Global Entrepreneur Report



CONSOLIDATION

Timing is everything

For almost 7% of entrepreneurs globally, the difficult decision on the horizon is choosing when to exit their business. While they only form a small proportion of our research audience today, all business owners will one day face the same question of whether they want to continue leading the firm they've worked hard to build up. If the answer is no, they need to know how to prepare for what comes next.

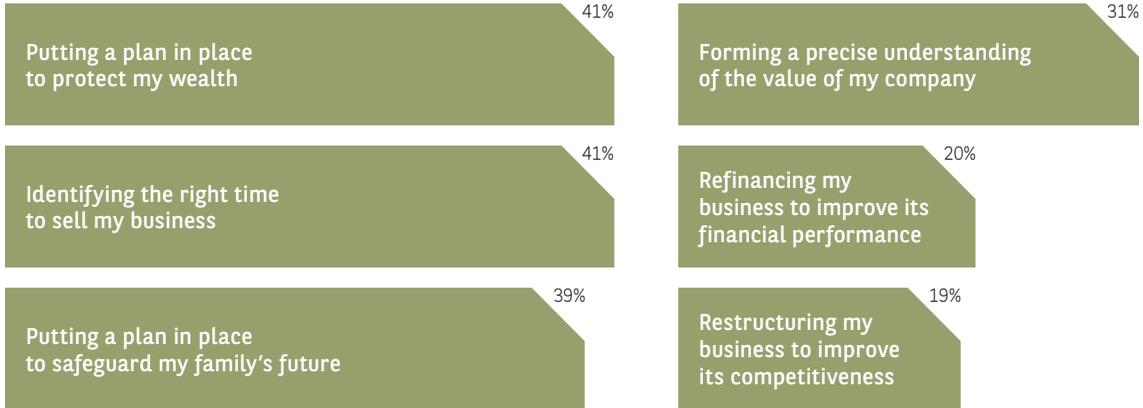
These considerations are front of mind for the Baby Boomer generation, more than one in three of whom is intending to exit this year. Many are already going through the process of either finalizing a sale or transferring ownership, while others are hoping to step back within 12 months. As a result, a quarter of the older generation are actively preparing the next generation to take the reins from them.

Those planning their imminent departure are already thinking about how to protect their financial interests after they have left behind entrepreneurial life. **Their main concerns are finding the right time to sell and implementing a strategy that will safeguard their personal wealth [Figure 10].** Timing is everything in business, but to end on a high, entrepreneurs know they also need a robust plan in place.

Their main concerns are finding the right time to sell and implementing a strategy that will safeguard their personal wealth.



**You mentioned that you are preparing for business exit this year.
Which of the following activities will form part of your preparation?**



[FIGURE 10] PREPARING FOR EXIT
N = 107 / Source: 2019 BNP Paribas Global Entrepreneur Report



TRANSFER

Keeping it in the family

As entrepreneurs' firms start to move into the 'Consolidation' and 'Transfer' phases of the lifecycle, their minds will turn more often to whom ownership of their firm should pass. Some will start to consider a solution that is close to home: 'keeping it in the family' is an intuitive decision for those who want the best for their firms and their staff yet are wary of selling to an external buyer that may adopt a diametrically opposed strategy.

This approach is strongly endorsed by this year's research audience, where **just over half (51%) say their eventual plan is to transfer ownership of their primary business to a relative.** In Europe, entrepreneurs in Russia, Poland, Italy, Germany and France are most convinced that this is the right approach for their businesses.

Only 14% anticipate selling to a new owner, with a further third intending a management buy-out.

There are distinct and highly pragmatic motivations underlying the preference for family involvement. Nearly half (45%) of high net worth entrepreneurs believe their relatives will safeguard the financial value of their firm. Millennials are the most likely of the different generations to hold this view.

In some parts of Asia, there are often powerful emotions at play. For instance, in Hong Kong, 44% of those intending to pass on their business to a family member say they will do it primarily because 'it is their duty'. In Singapore, the main objective is to preserve family values in future business activities.

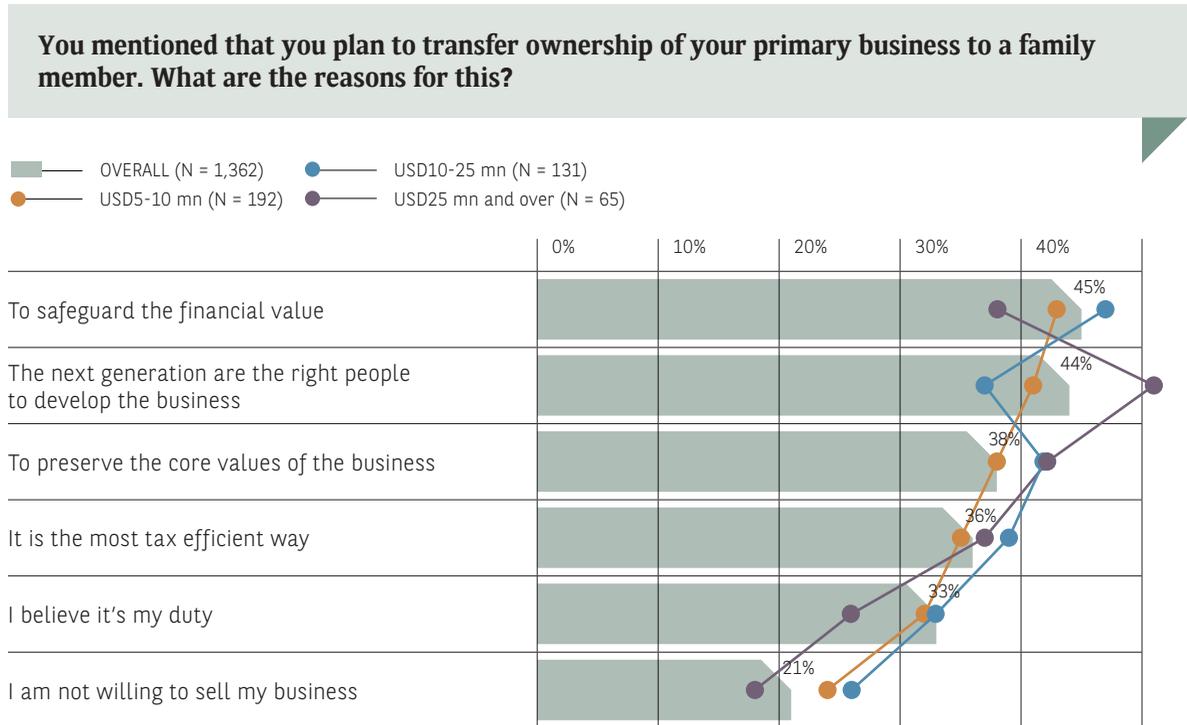
51%
of entrepreneurs say
their eventual plan is
to transfer ownership of
their primary business
to a relative.





Further up the wealth scale, the picture looks a little different. The most successful entrepreneurs – worth more than USD25 million – plan to go down this path because they believe their relatives are well-suited to the task of management. **51% are convinced that the next generation of their family are the right people to lead the firm on to new successes [Figure 11].**

In reality, transferring ownership of the firm to a family member is not a silver bullet. As business owners build their professional networks, more options open up, causing their preferences to evolve. **Almost two thirds (62%) of early-stage entrepreneurs believe their families should take over their firms one day, yet only slightly more than a third feel the same when they come to the point of transfer [Figure 12].** By that point, most entrepreneurs have decided that either a buy-out by the management team or a sale is a better route forward.



[FIGURE 11] MOTIVATIONS FOR BUSINESS TRANSFER TO A FAMILY MEMBER

Source: 2019 BNP Paribas Global Entrepreneur Report

62%

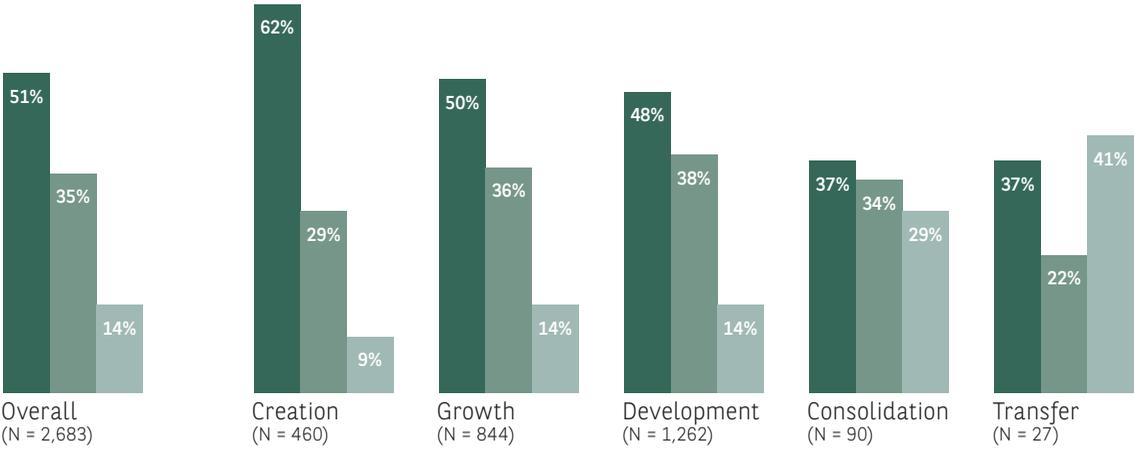
of early-stage entrepreneurs believe their families should take over their firms one day, yet only slightly more than a third feel the same when they come to the point of transfer.



Thinking about the long-term future of your primary business, which of the following scenarii best reflects your intentions?

BUSINESS LIFECYCLE

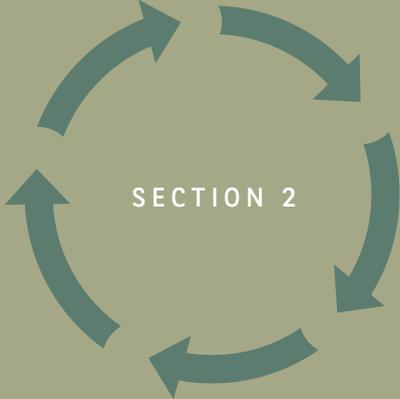
- Ownership of my primary business will most likely pass to a family member (e.g. donation)
- Ownership of my primary business will most likely pass to the management team (e.g. buyout)
- Ownership of my primary business will most likely pass to a new owner (e.g. sales)



[FIGURE 12] BUSINESS TRANSFER INTENTIONS AT DIFFERENT STAGES

Source: 2019 BNP Paribas Global Entrepreneur Report





SECTION 2

THE
SUCCESSION
QUESTION

MAKING WAY FOR THE NEXT GENERATION



47%

of entrepreneurs
are confident the next
generation are ready right
now to take on the mantle
of leadership.



Only one in three entrepreneurs believe their identified successors are fully ready to step up to that challenge.

Although they have spent years building their companies around their own leadership style and vision, most entrepreneurs know that it is vital one day that the reins are handed on to the next generation. Their successors – whether a daughter or son, or ambitious individual they have coached through their career – will bring fresh ideas that ensure their businesses can adapt to emerging challenges. The question in their minds is not just *whom* to entrust with that role, but *how* to manage succession preparation so that it serves the interests of both the business and its founder.

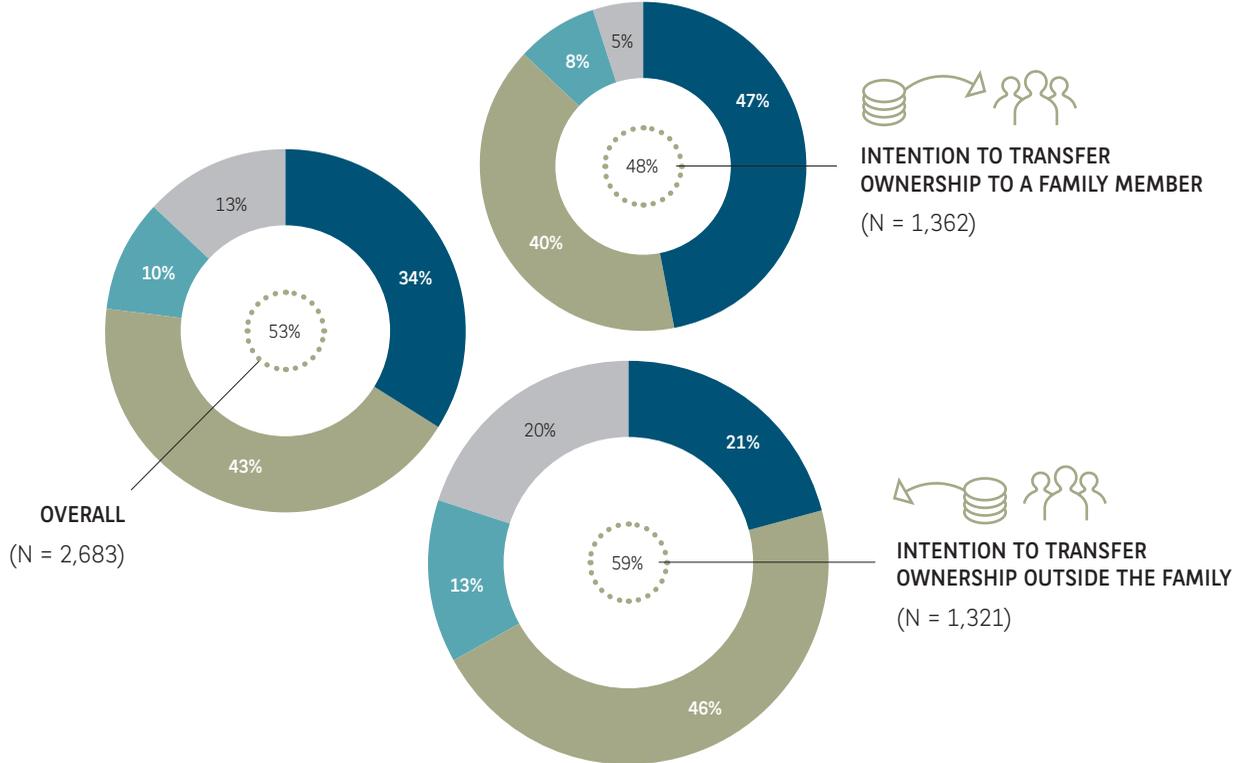
The end-game is starting to formulate in their own minds, but entrepreneurs have serious misgivings about relinquishing control. In their most honest moments, they understand that their business successors have a significant amount of learning to do before they are ready for the responsibility of running a company, being a good employer and delivering shareholder value. **Right now, only one in three entrepreneurs believe their identified successors are fully ready to step up to that challenge, while a majority (53%) feel that more guidance and training is required [Figure 13].**

The uncertainty ahead is most pressing for entrepreneurs intending one day to transfer ownership outside the family through a sale or buy-out. Only a fifth (21%) feel the next leadership team is ready. Perhaps there are questions over whether the individuals they want to run the show would successfully adapt to a new culture or ownership structure.

It is slightly less daunting for those who intend one day for their close relatives to be appointed to the Board – 47% of these entrepreneurs are confident the next generation are ready right now to take on the mantle of leadership. However, that still leaves many heads of family businesses all over the world grappling with their worries about stepping back.

How ready are the next generation of leaders in your primary business to take on management responsibilities?

- The next generation of leaders are fully prepared to take on business management
- The next generation of leaders need some more guidance and support before they are ready to take on business management
- The next generation of leaders need a lot more guidance and support before they are ready to take on business management
- As yet, there is no obvious successor(s) in my primary business
- Next generation requiring guidance and support



[FIGURE 13] CONFIDENCE IN THE NEXT GENERATION OF LEADERS TAKING CHARGE

Source: 2019 BNP Paribas Global Entrepreneur Report

IN CONVERSATION WITH MARTINE REYNAERS



MARTINE REYNAERS

Managing Director @Reynaers Group

Established in 1965 and with its headquarters in Duffel, Belgium, the Reynaers Group is a global, family-owned company, active in more than 70 countries worldwide

www.reynaers.com

'We are inspired by younger family members to make a legacy and to safeguard the company spirit for future generations.'

Martine Reynaers has been CEO of Reynaers Aluminium (the global leader in aluminium solutions for the building sector) since 1986. At the beginning of 2018, Forster Profilsysteme joined the group, extending the activities to steel solutions for the building industry. The company is headquartered in Belgium, has an annual turnover of around 500 million Euros and employs 2,200 people.

Reynaers Aluminium has been through several distinct stages in its growth story to attain the success it enjoys today. Ms. Reynaers says: 'I've been managing the company for more than 30 years and have overseen its development alongside the Board, the shareholders, the

employees – and thanks to our customers. Earlier, we were very focussed on Belgium and the Netherlands; then, we bought a company in Ireland that was operating in another industry and was international. From there, we started developing the company into Germany and France. We were fortunate to be one of the first active players in our sector in Eastern Europe, going into Ukraine and Russia, and from there to Asia, the Middle East and US.'

She credits the consistent focus on product innovation as critical to the firm's expansion into overseas markets. 'We didn't feel that sending out Belgians worldwide would be the right approach. Instead, we always tried to work with local people as much as possible, which meant building strong in-country teams and adjusting to local market expectations of design, security and safety, as well as competitive pricing on logistics, quality and pricing.'

Commenting on her personal path to join the family business, Ms. Reynaers says: 'I am second generation but sadly my father died very young, so I was never able to work with him. By the time I joined the company, we already had an outside management team and of course I learned a lot from them. Today, we maintain that mix of family and external Directors on our Board. I also continue to be active in many associations: it is so important to learn from other CEOs.'

She believes that the firm's focus on innovation has laid a strong foundation for the future. 'By definition, the future is not certain, so you cannot 'future-proof' a business. However, you can do everything possible to improve agility in the face of unexpected situations. We invest in our buildings, our equipment and our software. Innovation is very important because we sell our products at a premium price, so we need to continue to grow customer value. We have an R&D department and collaborate with universities, engineering consultancies and software houses to stay ahead of market trends.'

She sees the next generation as vital to bringing forward new ideas: younger family members are already actively involved in the governance structure of the firm.

Ms. Reynaers continues: 'It has been great to see them so interested in the business. We have joined a family business network, an active association that allows them to network and learn from other 'Next Gen' peers. We are inspired by younger family members to make a legacy and to safeguard the company spirit for future generations.'

Her advice to the next generation of leaders in the firm? 'It is very important to communicate and to be able to listen carefully, to be humble. Be collaborative when developing a clear strategic decision. At the same time, avoid becoming immobile. If there are indications that you are heading in the wrong direction, take the time to listen to that advice and then make the decision to go left, or right.'

A BLENDED APPROACH TO LEADERSHIP PREPARATION



44%

say that it is very important that the next generation participates in a succession plan devised by a wealth manager.



In entrepreneurs' minds, the best leadership preparation is less likely to be found in textbooks than in hard graft.

Ensuring a smooth business succession between different generations is critical to preserving the hard-earned gains made by those in the past. Today's business owners understand that they must play a proactive role now in preparing the future executive team for the pressures they will face.

In entrepreneurs' minds, the best leadership preparation is less likely to be found in textbooks than in hard graft. They strongly believe that hands-on experience of working for the business provides the most effective training [Figure 14].

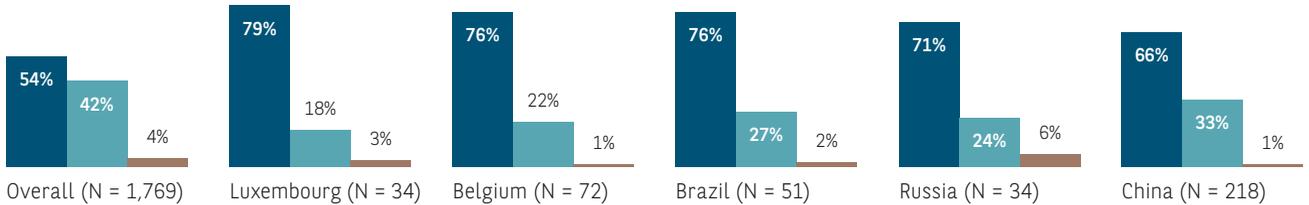
In fact, practical experience is viewed as more important than offering prescriptive guidance on how to manage company finances, handle client relationships or negotiate with suppliers. Entrepreneurs from countries as diverse as Brazil, the US, Belgium and China agree that the next generation must first immerse themselves in the culture of the firm before they can be considered ready to lead.

At the same time, most do feel it is important to balance learned experiences with formal guidance. **For example, 44% say that it is very important that the next generation participates in a succession plan devised by a wealth manager.** This rises to a majority (61%) of those running businesses in China, where management buy-outs are the preference. As they start to seriously consider succession, they realize that a structured approach to leadership preparation would ensure all bases are covered.

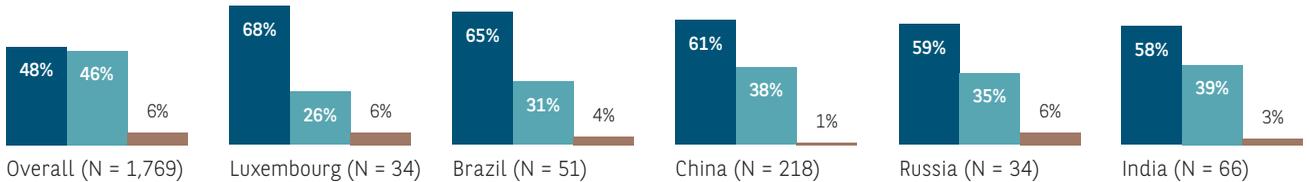
How important are each of the following in preparing the next generation for business transfer?

Very important Important Not important

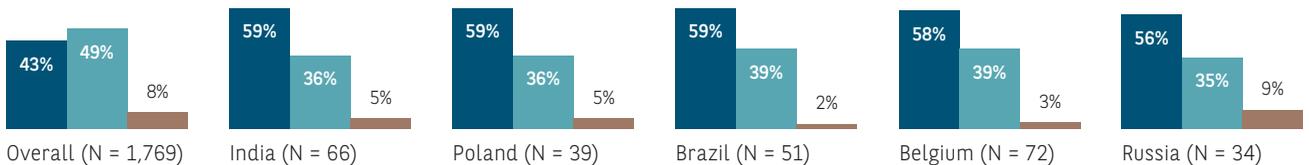
PRACTICAL EXPERIENCE OF HOW THE BUSINESS OPERATES



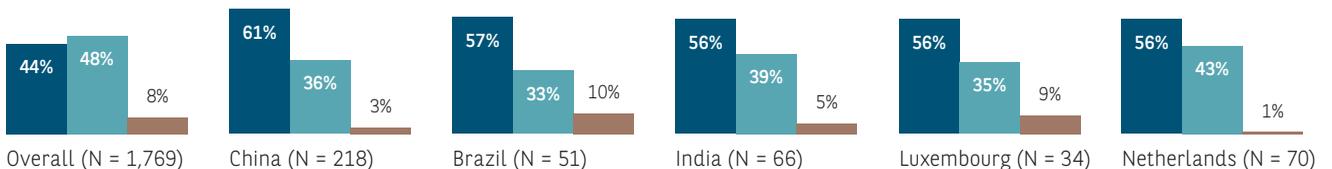
GUIDANCE ON FINANCIAL MANAGEMENT



EDUCATION ON BUSINESS SUCCESSION FROM PROFESSIONAL ADVISORS



PARTICIPATION IN A SUCCESSION PLAN PUT TOGETHER BY MY WEALTH MANAGER



[FIGURE 14] ENTREPRENEURS PREPARE THE NEXT GENERATION FOR THEIR RESPONSIBILITIES

Source: 2019 BNP Paribas Global Entrepreneur Report

IN CONVERSATION WITH CINDY GALARDI CULPEPPER



CINDY GALARDI CULPEPPER
CEO and Chairman @Galardi Group

Galardi Group is parent company of Wienerschnitzel with 330 franchised restaurants across the Western United States.

www.wienerschnitzel.com

‘We hire people who are optimist, on board with our philanthropy and will prioritize our Franchisees.’

Cindy is CEO and Chairman of Galardi Group. Founded by her late husband in 1961. GGI franchises Wienerschnitzel, Hamburger Stand and Tastee Freez. The company, headquartered in Orange County, California has 68 corporate employees who oversee the restaurants that collectively generate approx. USD290 million a year in sales.

Mrs. Galardi Culpepper explains, 'I took the position 6 years ago when my ex-husband passed away. He left me the voting stock. I encountered some resistance and rightly so. I had been the wife of the founder, John Galardi, for 27 years. The employees only knew me socially. They did not have any confidence in my ability and I had to develop trust with them and the Franchisees.'

She believes the company's purpose of Serving Food to Serve Others is key to understanding the firm's success. 'Our first priority is serving the Franchisees. We listen, we respect and we help with their success. We assist Franchisees in creating programs to improve the lives of their employees. We train Franchisees and managers to improve customer service. The happier the customer, the more sales. More sales = more philanthropy. We believe our responsibility is to leave the world a better place.'

When asked how she has changed the company, Cindy says they start with why. The book 'Start with Why' by Simon Sinek explains our purpose.

Her son is President. Now 30, he began working in the restaurants at 13, cleaning the dining room and restrooms. He worked his way to cashier. Every summer he had to work. We wanted him to learn all the aspects of business from finance to marketing. If not working in the business, he sold retail snowboard clothing or did manual labor. He actually began earning money at age six selling newspapers. Cindy is very proud of him.

Upon completing University studies, he was a partner in a music business company. When learning of his dad's illness, he went to work in the family business full time.

As President, he oversees each Department and answers directly to Cindy. He is responsible for the direction and goals that have been set.

When asked what she would like her legacy to be, Cindy said, 'That the company continue its success another 50 years and be known for its culture and responsibility to the world.'

PROTECTING FINANCIAL VALUE AND PERSONAL WEALTH



41%

say that their main priority will be sourcing professional guidance on establishing the correct valuation of their business.



Irrespective of whether they intended to transfer their business or sell to a new owner, entrepreneurs will need to think carefully about one thing: how to protect the financial value that they have generated through years of hard work.

Most business owners know this but tend to channel their thoughts towards securing the right valuation; **they are less focused on wealth preservation after that sale or transfer has gone through.**

For example, at the point of transferring ownership, entrepreneurs say that their main priority will be sourcing professional guidance on establishing the correct valuation of their business (41%). It is as important to them as preparing the next generation of leadership (41%).

The stakes are even higher for UHNW entrepreneurs, half of whom cite valuation support. These individuals tend to be more confident in their heirs' capabilities, so the focus for almost half (48%) is finding other senior staff, probably from outside the family, with the skills and experience to manage the business well.

However, entrepreneurs should also consider what happens in the period after business transfer has happened. **Worryingly, just under a third think they will need wealth management advice, even though it is clear they are concerned about safeguarding their achievements.** It is least likely to be on the agenda of those based in Luxembourg, Germany and the Netherlands. Even the most successful individuals, worth more than USD10 million and for whom the risks are elevated, express the same views and say that wealth preservation is a lower priority than securing a good valuation.

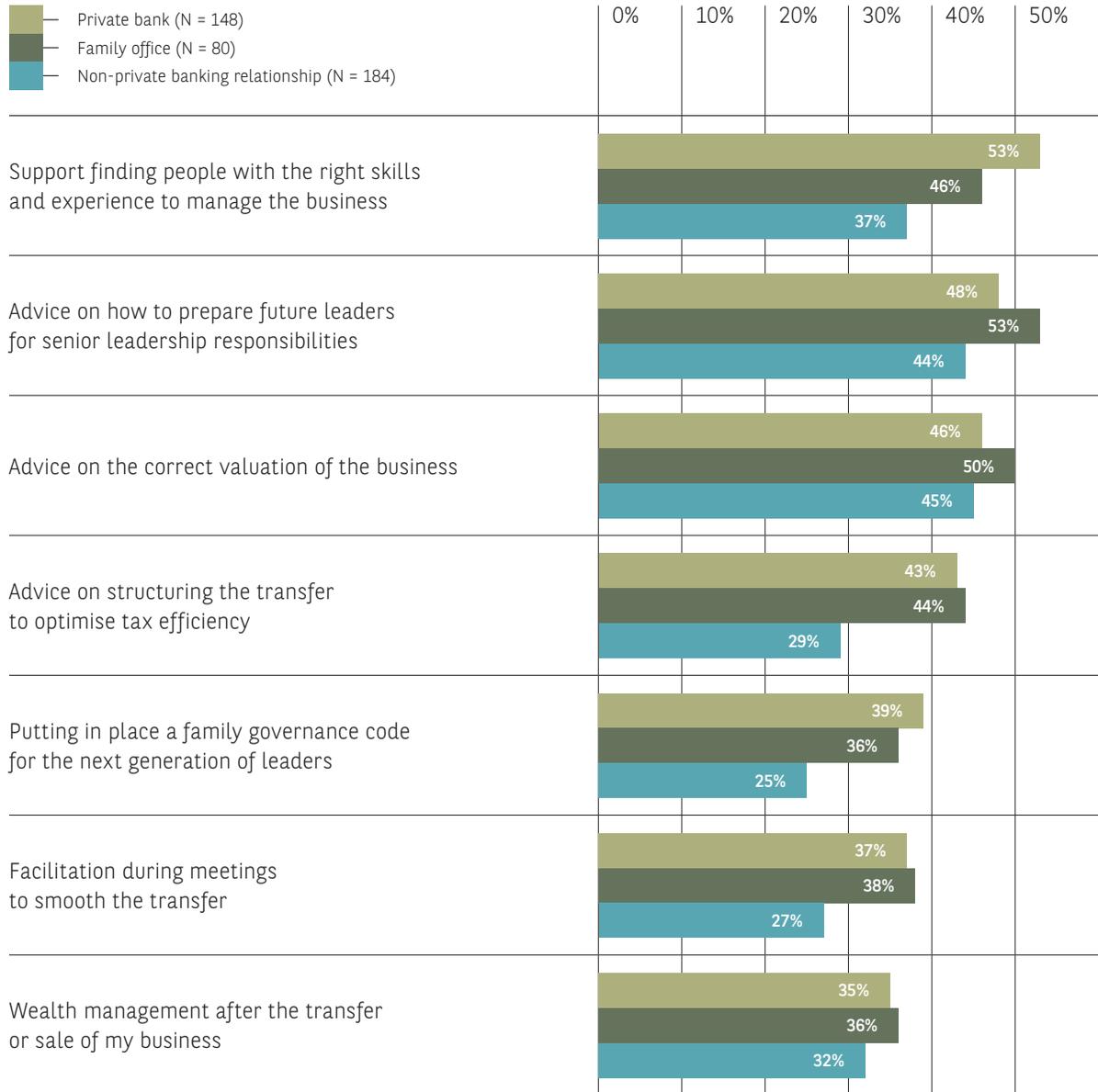
Entrepreneurs' receptiveness to specialized financial advice is linked to how they currently manage their wealth. Many leverage the support of professional advisors, such as investment consultants (used by 60%) and private banks (39%). Just under a fifth work with family offices, a trend that rises to one in four entrepreneurs in France, Germany and the UK.

Business owners without an existing private banking relationship are more neutral about what professional guidance they will need in the future to ensure a successful business transfer **[Figure 15]**.

By contrast, those who currently work with family offices and private banks take a holistic approach. They value strategic advice around finding people with the right skills and experience to manage the business, as well as technical advice on tax optimization and wealth preservation. For example, 53% of those who partner with family offices see a role for professional guidance in leadership preparation for the next generation while substantial minorities also believe they will need support in other areas.

DEFINITION: A family office provides financial services for relatively wealthy individuals or families.

Thinking ahead, what kind of advice do you anticipate requiring for the successful transfer of your business?



[FIGURE 15] ANTICIPATED ADVICE FOR BUSINESS SUCCESSION

The chart above only shows responses for those individuals with a net worth greater than or equal to USD10 million

Source: 2019 BNP Paribas Global Entrepreneur Report

A LEGACY OF GOOD GOVERNANCE



29%

believe that a family
governance code will be
required before they are
able to transfer their
businesses.



Before they step back from their responsibilities to give space to new leadership, entrepreneurs running family businesses have a chance to offer a powerful legacy. Good governance plans can act as effective guidance and need not restrict the plans of the upcoming generation. After all, no one knows their firms better than they do, which means they are well-positioned to define the values that should endure to preserve the family heritage.

There is evidence that entrepreneurs are thinking about governance as a key part of succession. **In our research audience, 29% of entrepreneurs believe that a family governance code will be required before they are able to transfer their businesses.** Different generations and branches of the family could have diverging ideas for the future of the business, which could make it difficult to reach consensus.



BENOÎT FRIN
Estate Planning and Lending
Director @BNP Paribas Fortis
Private Banking

IN CONVERSATION WITH BENOÎT FRIN

Benoît Frin is Director for Estate Planning and Lending at BNP Paribas Fortis Private Banking. Reflecting on his experiences of supporting family business entrepreneurs, he says: *'My first question to family members is: who do they want involved in the future of the company? Secondly, I ask all the members of the family, not only the active shareholders but also the passive shareholders, what are your objectives for the company? Where do you see it going in future? Will it have a local focus or national, international? In which markets? It's very important that we discuss as much information as possible, with ideas coming from family members; not advisors, but rather the younger and older generations in order to strike a balance between different family interests.'*

From the commercial stand-point, leaders of family businesses worry about the difficulties of making sound strategic decisions when the direction is not well-defined: this is when dissenting views are likely to emerge. **A majority (57%) of entrepreneurs believe that a family governance code could address this risk by clarifying the long-term strategy [Figure 16].** A codified approach is particularly relevant to business owners living in Belgium, Taiwan, Poland, Singapore and China, where more than seven out of ten are driven by this motivation.

However, the personal perspective is never far from their minds and they think carefully about how to pull together talent from different generations. Fifty-seven percent of entrepreneurs who are considering a governance code say it will help them successfully integrate different family members into the firm. This is the single most important driver for business owners in the US, for example.

Entrepreneurs running family businesses know that there is potential for discord in their firm, just like in any other. Their valuable legacy to the next generation of leaders is to address these risks proactively through a codified approach to governance.

57%
believe that a family
governance code could address
the risk of discord by clarifying
the long-term strategy.

Mr Frin adds: 'Many people think family governance has to be implemented just before business transfer to the next generation. In reality, it should be implemented far in advance. If you leave the question of family business governance too close to the transfer of the company, you will have tension within the next generation, which can influence the sale of the company to a third party, not necessarily at the best price. Planning ahead on governance allows the company to continue under the control of the next generation, according to their personal and new vision, without too much friction between the family members and branches; or to be sold in a better condition.'

You mentioned that you anticipate needing advice to put in place a family governance code in the future. What are the reasons for this?



Overall (N = 783) Europe (N = 390) USA (N = 78) APAC (N = 270) GCC (N = 18)

PERSONAL MOTIVATION



Overall (N = 783) Europe (N = 390) USA (N = 78) APAC (N = 270) GCC (N = 18)

FINANCIAL MOTIVATION



[FIGURE 16] MOTIVATIONS FOR PUTTING IN PLACE FAMILY GOVERNANCE

Source: 2019 BNP Paribas Global Entrepreneur Report

IN CONCLUSION

In this second part of the **2019 BNP Paribas Global Entrepreneur Report**, we have focused on what comes next for successful entrepreneurs and how they are positioning their businesses to seize opportunities in the future.

They have diverse plans and trajectories ahead of them, reflecting the stage of maturity that their firm has reached. A substantial proportion are simply thinking about launching their first product ('Creation'); others are immersed in an accelerated phase of revenue generation ('Growth'). More mature businesses prioritize improvements to productivity and profit margins ('Development').

Just seven percent are preparing to pass on their businesses within the next 12 months ('Consolidation') or are in the 'Transfer' phase where a new owner has been found. It is during these latter two phases that entrepreneurs focus more intensely on how to safeguard the wealth that they have carefully built up.

Although they will take different pathways to get there, they share one goal: all over the world, **entrepreneurs are reflecting upon a future moment when they will be able to step back from their leadership responsibilities in favor of the next generation.** Irrespective of how far away that point is, most have calculated that the best way to secure the financial value of their firms is to transfer ownership to a family member. They trust those who are versed in the same values and practices to safeguard wealth, even if that next generation have a long way to go before they are ready to step up.

Our research findings clearly show **the important role for professional advice throughout the process and not just for the technical considerations of making a successful transfer.** Guidance is critical to ensure that they and their businesses are in the best possible position for life after their leadership, by introducing governance arrangements, providing executive coaching to their successors and protecting family wealth.

Their legacy to their employees, shareholders and the next generation of their families is that their businesses will be future-proofed and well-governed, ready to take on the next wave of competition.

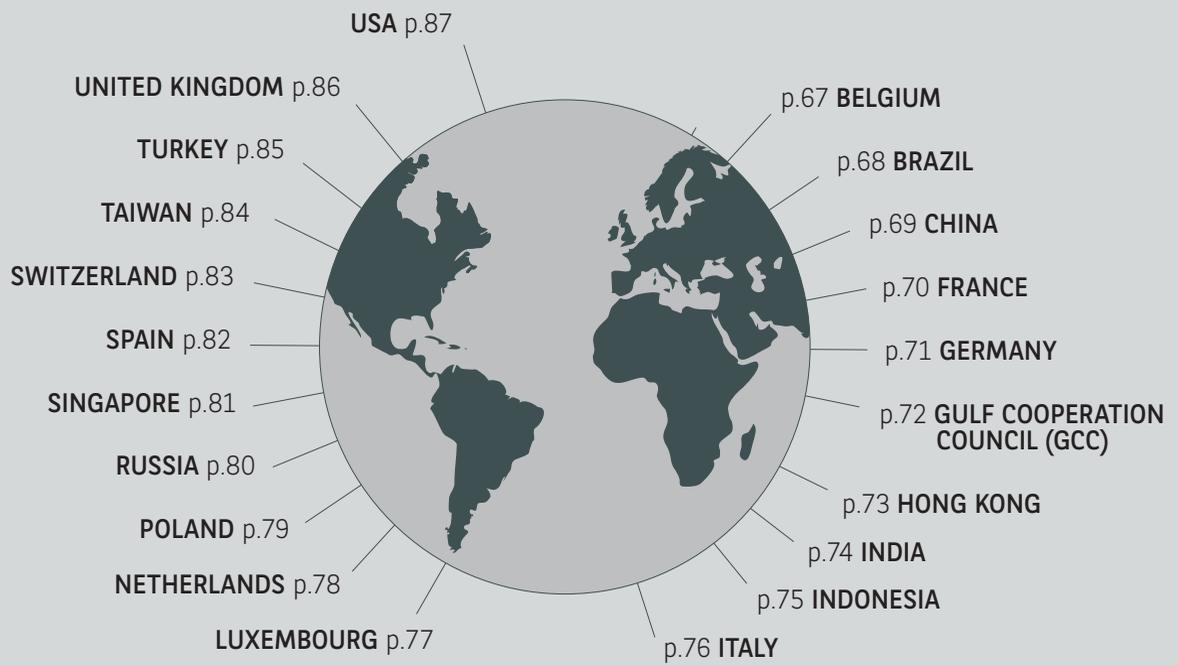






An aerial view of a city skyline, likely New York City, featuring numerous skyscrapers and a prominent antenna tower. A semi-transparent globe is overlaid in the center, with the text 'COUNTRY SNAPSHOTS' in white, bold, sans-serif font centered over it. The sky is a mix of blue and orange, suggesting a sunset or sunrise.

COUNTRY SNAPSHOTS



BELGIUM

- Belgium has the highest proportion of 'Disruptors' at 40%: these are entrepreneurs who hope to develop a new product that disrupts their chosen sector within five years.
- 60% of entrepreneurs in Belgium anticipate that technology will lead to more consolidation in their sector, as the biggest players gain scale (compared to 35% globally).
- Belgian entrepreneurs want to invest in marketing over the next two years, with 59% saying this is the priority (compared to 39% globally).



	Sample size	81
	Average age of entrepreneur	46
	Average primary company revenue (USD)	\$2,559,328
	Average number of companies started	2.9

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Mortgage to buy my primary property	57%
2	Purchasing a new asset (e.g. real estate)	45%
3	Personal requirement for short-term funding	42%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	36%
2	Access new markets	23%
3	Diversify my business	18%

Top advice for successful transfer of business

1	Advice on the correct valuation of the business	77%
2	Advice on structuring the transfer to optimise tax efficiency	63%
3	Wealth management after the transfer or sale of my business	40%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	6%
2	Growth	48%
3	Development	43%
4	Consolidation	3%
5	Transfer	0%

Top 3 business goals in 5 years

1	Recognition of my firm as an industry leader (e.g. through awards)	42%
2	Contributed to innovation and development in my chosen sector	41%
3	Enough money to step back or even exit my business	40%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The core values of the business can only be preserved by the family	60%
2	The next generation are the right people to develop the business	47%
3	The business must stay within the family to safeguard its financial value	40%

Top motivations to implement a family governance code

1	To set up a long-term strategic business plan for the future	82%
2	To ensure the successful integration of family members into the business	73%
3	To define the future role for each family member in the business	45%

BRAZIL

- In Brazil, 56% of entrepreneurs have used credit or lending products to finance real estate purchases, whether residential or commercial.
- Brazilian entrepreneurs are among the most likely in the world to have experienced an acquisition in the past five years (40%).
- Entrepreneurs in Brazil primarily put in place a governance code to ensure the successful integration of family members into the business (70%).



	Sample size	95
	Average age of entrepreneur	38
	Average primary company revenue (USD)	\$6,646,689
	Average number of companies started	3.8

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Requiring financial support for my business	54%
2	Purchasing a new asset (e.g. real estate)	53%
3	Diversifying my investment portfolio through new financial products	47%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Diversify my business	40%
2	Grow market share	31%
3	Access new markets	23%

Top advice for successful transfer of business

1	Advice on how to prepare future leaders for senior leadership responsibilities	44%
2	Advice on the correct valuation of the business	42%
3	Support finding people with the right skills and experience to manage the business	38%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	21%
2	Growth	30%
3	Development	41%
4	Consolidation	7%
5	Transfer	1%

Top 3 business goals in 5 years

1	Contributed to the economic growth of the domestic market	40%
2	Contributed to innovation and development in my chosen sector	38%
3	Recognition of my firm as an industry leader (e.g. through awards)	34%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	56%
2	The core values of the business can only be preserved by the family	53%
3	The next generation are the right people to develop the business	47%

Top motivations to implement a family governance code

1	To ensure the successful integration of family members into the business	70%
2	To set up a long-term strategic business plan for the future	63%
3	To determine the dividend and salaries of family members	48%

CHINA

- Credit or lending products are mainly taken out by Chinese entrepreneurs to finance their businesses (61%).
- Chinese entrepreneurs are most likely to pass ownership of their primary business to their management team, with 67% saying this is their intention.
- For Chinese entrepreneurs, a family governance code is critical to set up a long-term strategic business plan for the future (71% vs 57% globally).



	Sample size	257
	Average age of entrepreneur	36
	Average primary company revenue (USD)	\$5,221,252
	Average number of companies started	2.1

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Requiring financial support for my business	61%
2	Diversifying my investment portfolio through new financial products	51%
3	Personal requirement for short-term funding	47%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	31%
2	Diversify my business	28%
3	Access new markets	19%

Top advice for successful transfer of business

1	Support finding people with the right skills and experience to manage the business	57%
2	Advice on how to prepare future leaders for senior leadership responsibilities	52%
3	Advice on structuring the transfer to optimise tax efficiency	48%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	24%
2	Growth	25%
3	Development	51%
4	Consolidation	0%
5	Transfer	0%

Top 3 business goals in 5 years

1	Contributed to innovation and development in my chosen sector	49%
2	Recognition of my firm as an industry leader (e.g. through awards)	40%
3	Contributed to the economic growth of the domestic market	33%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	46%
2	The next generation are the right people to develop the business	46%
3	I believe it's my duty	46%

Top motivations to implement a family governance code

1	To set up a long-term strategic business plan for the future	71%
2	To define the future role for each family member in the business	63%
3	To set up a framework managing the potential sale of company shares	60%

FRANCE

- Nearly half of French entrepreneurs (48%) use credit or lending products to purchase new assets, such as real estate.
- 61% of French business owners eventually intend to pass their primary company on to a family member.
- When thinking about upcoming business investments, marketing is at top of mind for 45% of French entrepreneurs.



	Sample size	287
	Average age of entrepreneur	40
	Average primary company revenue (USD)	\$9,701,478
	Average number of companies started	3.3

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	48%
2	Mortgage to buy my primary property	40%
3	Personal requirement for short-term funding	37%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	29%
2	Access new markets	29%
3	Diversify my business	28%

Top advice for successful transfer of business

1	Advice on how to prepare future leaders for senior leadership responsibilities	40%
2	Advice on the correct valuation of the business	35%
3	Putting in place a family governance code for the next generation of leaders	34%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	22%
2	Growth	33%
3	Development	39%
4	Consolidation	4%
5	Transfer	2%

Top 3 business goals in 5 years

1	Contributed to innovation and development in my chosen sector	32%
2	Enabled the careers of the next generation of my family	29%
3	Built a professional network that can support my next venture -	29%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	43%
2	The next generation are the right people to develop the business	41%
3	I consider keeping the business in the family to be the most tax efficient approach	34%

Top motivations to implement a family governance code

1	To define the future role for each family member in the business	49%
2	To ensure the successful integration of family members into the business	48%
3	To set up a long-term strategic business plan for the future	44%

GERMANY

- Entrepreneurs in Germany say their primary five-year ambition is to enable the careers of the next generation in their families (36%).
- 62% of German entrepreneurs intend to pass their primary company on to a family member, compared to 51% globally.
- The main reason for German entrepreneurs to keep the business in the family is they believe the next generation are the right people to develop them (40%).



	Sample size	194
	Average age of entrepreneur	39
	Average primary company revenue (USD)	\$9,005,588
	Average number of companies started	3.1

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	46%
2	Mortgage to buy my primary property	37%
3	Requiring financial support for my business	36%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Diversify my business	27%
2	Grow market share	26%
3	Access new markets	21%

Top advice for successful transfer of business

1	Advice on how to prepare future leaders for senior leadership responsibilities	36%
2	Support finding people with the right skills and experience to manage the business	35%
3	Advice on structuring the transfer to optimise tax efficiency	32%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	18%
2	Growth	31%
3	Development	42%
4	Consolidation	6%
5	Transfer	3%

Top 3 business goals in 5 years

1	Enabled the careers of the next generation of my family	36%
2	Recognition of my firm as an industry leader (e.g. through awards)	28%
3	Built a professional network that can support my next venture	27%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The next generation are the right people to develop the business	40%
2	The business must stay within the family to safeguard its financial value	38%
3	The core values of the business can only be preserved by the family	33%

Top motivations to implement a family governance code

1	To ensure the successful integration of family members into the business	56%
2	To set up a long-term strategic business plan for the future	53%
3	To define the future role for each family member in the business	40%

GULF COOPERATION COUNCIL (GCC)

- The main drivers for GCC entrepreneurs to take out lending products is purchasing a new asset (such as real estate) or diversifying their investment portfolio through new financial products (43% each).
- The main goal for entrepreneurs in the GCC over the next five years is to gain personal recognition as an industry leader.
- Ensuring the successful integration of family members into the business is the primary reason for entrepreneurs in the GCC to put in place a family governance code (72%).



	Sample size	57
	Average age of entrepreneur	35
	Average primary company revenue (USD)	\$13,954,755
	Average number of companies started	3.0

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	43%
2	Diversifying my investment portfolio through new financial products	43%
3	Requiring financial support for my business	37%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Access new markets	30%
2	Grow market share	30%
3	Reduce the cost base	18%

Top advice for successful transfer of business

1	Support finding people with the right skills and experience to manage the business	51%
2	Advice on how to prepare future leaders for senior leadership responsibilities	49%
3	Facilitation during meetings to smooth the transfer	35%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	19%
2	Growth	26%
3	Development	53%
4	Consolidation	2%
5	Transfer	0%

Top 3 business goals in 5 years

1	Personal recognition for myself as an industry leader	40%
2	Built a professional network that can support my next venture	37%
3	Enabled the careers of the next generation of my family	30%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	56%
2	The next generation are the right people to develop the business	53%
3	The core values of the business can only be preserved by the family	50%

Top motivations to implement a family governance code

1	To ensure the successful integration of family members into the business	72%
2	To set up a long-term strategic business plan for the future	67%
3	To define the future role for each family member in the business	50%

HONG KONG

- Entrepreneurs in Hong Kong primarily anticipate needing a governance code to determine the dividend and salaries of family members (57%).
- 38% of Hong Kong business owners have undergone either a merger or acquisition in the past (compared to 56% globally).
- The top three business investment focus areas for Hong Kong entrepreneurs are customer experience (41%), product design (38%), and sales and distribution (37%).



	Sample size	155
	Average age of entrepreneur	41
	Average primary company revenue (USD)	\$7,534,910
	Average number of companies started	1.9

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Requiring financial support for my business	51%
2	Personal requirement for short-term funding	39%
3	Purchasing a new asset (e.g. real estate)	39%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	31%
2	Diversify my business	29%
3	Access new markets	17%

Top advice for successful transfer of business

1	Advice on how to prepare future leaders for senior leadership responsibilities	41%
2	Support finding people with the right skills and experience to manage the business	40%
3	Advice on the correct valuation of the business	39%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	21%
2	Growth	28%
3	Development	48%
4	Consolidation	3%
5	Transfer	0%

Top 3 business goals in 5 years

1	Contributed to the economic growth of the domestic market	31%
2	Developed a product that disrupts my chosen sector	30%
3	Contributed to innovation and development in my chosen sector	29%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	I believe it's my duty	44%
2	The business must stay within the family to safeguard its financial value	42%
3	The next generation are the right people to develop the business	42%

Top motivations to implement a family governance code

1	To determine the dividend and salaries of family members	57%
2	To set up a long-term strategic business plan for the future	55%
3	To ensure the successful integration of family members into the business	53%

INDIA

- Nearly three-quarters (74%) of Indian entrepreneurs have been through M&A, compared to 56% globally.
- Entrepreneurs in India say their primary five-year ambition is to have built a professional network that can support their next venture (48%).
- Indian entrepreneurs most strongly believe that advancements in technology will remove barriers to entry (at 42%, compared to 25% globally).



	Sample size	106
	Average age of entrepreneur	35
	Average primary company revenue (USD)	\$9,361,826
	Average number of companies started	2.7

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Requiring financial support for my business	60%
2	Purchasing a new asset (e.g. real estate)	51%
3	Personal requirement for short-term funding	48%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	40%
2	Diversify my business	24%
3	Access new markets	19%

Top advice for successful transfer of business

1	Putting in place a family governance code for the next generation of leaders	55%
2	Advice on how to prepare future leaders for senior leadership responsibilities	54%
3	Support finding people with the right skills and experience to manage the business	46%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	20%
2	Growth	28%
3	Development	50%
4	Consolidation	2%
5	Transfer	0%

Top 3 business goals in 5 years

1	Built a professional network that can support my next venture	48%
2	Contributed to innovation and development in my chosen sector	46%
3	Overtake the current market leaders in my chosen sector	45%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The next generation are the right people to develop the business	52%
2	I believe it's my duty	50%
3	The core values of the business can only be preserved by the family	48%

Top motivations to implement a family governance code

1	To set up a framework managing the potential sale of company shares	64%
2	To set up a long-term strategic business plan for the future	62%
3	To ensure the successful integration of family members into the business	59%

INDONESIA

- More than half of Indonesian (54%) entrepreneurs have used structured products for credit or lending.
- 54% of entrepreneurs in Indonesia are confident in the next generation's ability to take on management responsibilities (the highest proportion visible globally).
- Indonesian entrepreneurs firmly believe that enhanced technology will result in increased regulation (51% compared to 34% globally).



	Sample size	79
	Average age of entrepreneur	37
	Average primary company revenue (USD)	\$2,568,082
	Average number of companies started	3.9

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Requiring financial support for my business	68%
2	Purchasing a new asset (e.g. real estate)	48%
3	Diversifying my investment portfolio through new financial products	35%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	42%
2	Access new markets	24%
3	Reduce the cost base	16%

Top advice for successful transfer of business

1	Advice on how to prepare future leaders for senior leadership responsibilities	57%
2	Support finding people with the right skills and experience to manage the business	49%
3	Advice on the correct valuation of the business	44%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	29%
2	Growth	37%
3	Development	32%
4	Consolidation	2%
5	Transfer	0%

Top 3 business goals in 5 years

1	Built a professional network that can support my next venture	54%
2	Contributed to innovation and development in my chosen sector	54%
3	Contributed to the economic growth of the domestic market	53%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The next generation are the right people to develop the business	67%
2	The business must stay within the family to safeguard its financial value	59%
3	The core values of the business can only be preserved by the family	49%

Top motivations to implement a family governance code

1	To set up a long-term strategic business plan for the future	68%
2	To ensure the successful integration of family members into the business	64%
3	To resolve potential family conflicts	52%

ITALY

- Entrepreneurs in Italy are equally likely to take out Lombard Credit and Structured Credit to finance their businesses (39%).
- The top motivations for Italian entrepreneurs to undergo M&A are to access new markets (33%), grow market share (29%), and diversify their business (24%).
- Nearly two-thirds (64%) of business owners in Italy would like to pass on ownership of their company to a family member, compared to 51% globally.



	Sample size	157
	Average age of entrepreneur	43
	Average primary company revenue (USD)	\$4,216,579
	Average number of companies started	3.2

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	47%
2	Requiring financial support for my business	40%
3	Personal requirement for short-term funding	31%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Access new markets -	33%
2	Grow market share -	26%
3	Diversify my business -	24%

Top advice for successful transfer of business

1	Advice on how to prepare future leaders for senior leadership responsibilities	34%
2	Advice on the correct valuation of the business	34%
3	Putting in place a family governance code for the next generation of leaders	28%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	12%
2	Growth	27%
3	Development	55%
4	Consolidation	3%
5	Transfer	3%

Top 3 business goals in 5 years

1	Enabled the careers of the next generation of my family	33%
2	Contributed to innovation and development in my chosen sector	32%
3	Contributed to the economic growth of the domestic market	30%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value -	43%
2	The core values of the business can only be preserved by the family	37%
3	The next generation are the right people to develop the business	32%

Top motivations to implement a family governance code

1	To ensure the successful integration of family members into the business	44%
2	To resolve potential family conflicts	40%
3	To define the future role for each family member in the business	40%

LUXEMBOURG

- 88% of Luxembourg entrepreneurs use real estate financing in either a personal or business context.
- In Luxembourg, 44% of business owners are likely to pass on ownership of their company to an external buyer, as opposed to a family member or the management team.
- Nearly four-fifths (79%) of Luxembourg entrepreneurs believe giving the next generation of leaders practical experience of how the business operates is very important prior to succession.



	Sample size	41
	Average age of entrepreneur	42
	Average primary company revenue (USD)	\$2,016,051
	Average number of companies started	1.3

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	72%
2	Mortgage to buy my primary property	31%
3	Requiring financial support for my business	21%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Access new markets	33%
2	Grow market share	33%
3	Diversify my business	17%

Top advice for successful transfer of business

1	Advice on structuring the transfer to optimise tax efficiency	76%
2	Advice on the correct valuation of the business	54%
3	Facilitation during meetings to smooth the transfer	34%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	19%
2	Growth	59%
3	Development	22%
4	Consolidation	0%
5	Transfer	0%

Top 3 business goals in 5 years

1	Enough money to step back or even exit my business	41%
2	Built a professional network that can support my next venture	27%
3	Contributed to innovation and development in my chosen sector	22%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	33%
2	The next generation are the right people to develop the business	33%
3	I believe it's my duty	33%

Top motivations to implement a family governance code

1	To set up a long-term strategic business plan for the future	100%
2	To ensure the successful integration of family members into the business	50%
3	To set up a framework managing the potential sale of company shares	50%

NETHERLANDS

- Entrepreneurs in the Netherlands who would like to keep their business in the family say it's because the next generation are the right people to develop the business (56%).
- The largest proportion of entrepreneurs focusing on automation over the next five years to achieve business goals can be found in the Netherlands (45%).
- Dutch entrepreneurs are most likely to believe that advancements in technology will bring new sources of capital (59%).



	Sample size	86
	Average age of entrepreneur	46
	Average primary company revenue (USD)	\$3,301,406
	Average number of companies started	1.8

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Requiring financial support for my business	50%
2	Purchasing a new asset (e.g. real estate)	41%
3	Diversifying my investment portfolio through new financial products	30%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Diversify my business	47%
2	Remove the threat of a competitor	18%
3	Access new markets	12%

Top advice for successful transfer of business

1	Advice on the correct valuation of the business	58%
2	Support finding people with the right skills and experience to manage the business	42%
3	Advice on structuring the transfer to optimise tax efficiency	41%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	8%
2	Growth	22%
3	Development	64%
4	Consolidation	2%
5	Transfer	4%

Top 3 business goals in 5 years

1	Enabled the careers of talented individuals	58%
2	Contributed to innovation and development in my chosen sector	51%
3	Contributed to the economic growth of the domestic market	46%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The next generation are the right people to develop the business	56%
2	The business must stay within the family to safeguard its financial value	52%
3	I believe it's my duty	52%

Top motivations to implement a family governance code

1	To define the future role for each family member in the business	71%
2	To ensure the successful integration of family members into the business	53%
3	To set up a long-term strategic business plan for the future	53%

POLAND

- The most valued advice by Polish entrepreneurs when undergoing M&A is professional support finding the right target to merge with or acquire (45%).
- Nearly three-quarters (72%) of business owners in Poland anticipate transferring their primary business to a family member, compared to 51% globally.
- The main reasons for Polish entrepreneurs wanting the business to stay in the family are they believe the next generation are the right people to develop the business and to safeguard the financial value (46% each).



	Sample size	57
	Average age of entrepreneur	36
	Average primary company revenue (USD)	\$3,865,213
	Average number of companies started	2.8

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	68%
2	Requiring financial support for my business	38%
3	Diversifying my investment portfolio through new financial products	36%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	32%
2	Diversify my business	19%
3	Reduce the cost base	19%

Top advice for successful transfer of business

1	Advice on the correct valuation of the business	42%
2	Advice on how to prepare future leaders for senior leadership responsibilities -	39%
3	Wealth management after the transfer or sale of my business	32%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	23%
2	Growth	40%
3	Development	33%
4	Consolidation	2%
5	Transfer	2%

Top 3 business goals in 5 years

1	Enabled the careers of the next generation of my family	35%
2	Contributed to innovation and development in my chosen sector	33%
3	Contributed to the economic growth of the domestic market	33%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The next generation are the right people to develop the business	46%
2	The business must stay within the family to safeguard its financial value	46%
3	The core values of the business can only be preserved by the family	37%

Top motivations to implement a family governance code

1	To set up a long-term strategic business plan for the future	73%
2	To define the future role for each family member in the business	53%
3	To ensure the successful integration of family members into the business	47%

RUSSIA

- Entrepreneurs in Russia are most likely to pass on ownership of their business to a family member (76%).
- Russian entrepreneurs believe the best preparation for the next generation is practical experience of how the business operates (71%).
- Wealth management advice after the transfer or sale of their business would be the most valued type of succession advice for Russian business owners (52%).



	Sample size	50
	Average age of entrepreneur	38
	Average primary company revenue (USD)	\$7,133,883
	Average number of companies started	3.8

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	65%
2	Personal requirement for short-term funding	35%
3	Requiring financial support for my business	24%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	35%
2	Access new markets	35%
3	Reduce the cost base	13%

Top advice for successful transfer of business

1	Wealth management after the transfer or sale of my business	52%
2	Advice on how to prepare future leaders for senior leadership responsibilities	44%
3	Support finding people with the right skills and experience to manage the business	42%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	30%
2	Growth	26%
3	Development	42%
4	Consolidation	2%
5	Transfer	0%

Top 3 business goals in 5 years

1	Enabled the careers of talented individuals	38%
2	Contributed to innovation and development in my chosen sector	34%
3	Built a professional network that can support my next venture	34%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	47%
2	The next generation are the right people to develop the business	45%
3	I believe it's my duty	34%

Top motivations to implement a family governance code

1	To define the future role for each family member in the business	75%
2	To ensure the successful integration of family members into the business	75%
3	To determine the dividend and salaries of family members	50%

SINGAPORE

- Half of entrepreneurs in Singapore feel their primary business should stay in the family, as this is the only way to preserve core values.
- In Singapore, nearly three-quarters of business owners (72%) require advice on setting up a family governance code to solidify the long-term strategic business plan.
- When planning for the successful transfer of their business, advice on the correct valuation is most appreciated (50%) by Singaporean entrepreneurs, followed by wealth management advice post-transfer (49%).



	Sample size	151
	Average age of entrepreneur	39
	Average primary company revenue (USD)	\$12,404,413
	Average number of companies started	2.5

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	51%
2	Requiring financial support for my business	47%
3	Diversifying my investment portfolio through new financial products	46%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	33%
2	Diversify my business	29%
3	Access new markets	21%

Top advice for successful transfer of business

1	Advice on the correct valuation of the business	50%
2	Wealth management after the transfer or sale of my business	49%
3	Advice on how to prepare future leaders for senior leadership responsibilities	44%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	9%
2	Growth	29%
3	Development	58%
4	Consolidation	2%
5	Transfer	2%

Top 3 business goals in 5 years

1	Built a professional network that can support my next venture	44%
2	Contributed to innovation and development in my chosen sector	37%
3	Recognition of my firm as an industry leader (e.g. through awards)	32%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The core values of the business can only be preserved by the family	50%
2	The business must stay within the family to safeguard its financial value	45%
3	The next generation are the right people to develop the business	43%

Top motivations to implement a family governance code

1	To set up a long-term strategic business plan for the future	72%
2	To set up a framework managing the potential sale of company shares	58%
3	To define the future role for each family member in the business	56%

SPAIN

- The main triggers for Spanish entrepreneurs to take out credit are purchasing a new asset (52%) and securing financial support for their business (43%).
- The main motivation for Spanish entrepreneurs to undergo M&A is to access new markets (33%).
- For Spanish entrepreneurs, the primary reason to keep the business in the family is their faith that the next generation are the right people to develop the business (51%).



	Sample size	109
	Average age of entrepreneur	38
	Average primary company revenue (USD)	\$7,271,650
	Average number of companies started	2.9

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	52%
2	Requiring financial support for my business	43%
3	Personal requirement for short-term funding	33%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Access new markets	33%
2	Diversify my business	25%
3	Grow market share	21%

Top advice for successful transfer of business

1	Advice on how to prepare future leaders for senior leadership responsibilities	44%
2	Wealth management after the transfer or sale of my business -	31%
3	Advice on the correct valuation of the business	30%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	12%
2	Growth	38%
3	Development	42%
4	Consolidation	7%
5	Transfer	1%

Top 3 business goals in 5 years

1	Contributed to innovation and development in my chosen sector	36%
2	Contributed to the economic growth of the domestic market	31%
3	Enabled the careers of the next generation of my family	28%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The next generation are the right people to develop the business	51%
2	I consider keeping the business in the family to be the most tax efficient approach	40%
3	The business must stay within the family to safeguard its financial value	38%

Top motivations to implement a family governance code

1	To set up a long-term strategic business plan for the future	60%
2	To ensure the successful integration of family members into the business	48%
3	To set up a framework managing the potential sale of company shares	44%

SWITZERLAND

- Swiss entrepreneurs believe the advancements in technology are likely to increase the amount of industry regulation (49%).
- During M&A, entrepreneurs in Switzerland most valued professional advice on establishing their business strategy (55%).
- Business owners in Switzerland would most require advice around putting in place a family governance code for the next generation of leaders (43%).



	Sample size	78
	Average age of entrepreneur	45
	Average primary company revenue (USD)	\$21,681,098
	Average number of companies started	2.7

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Requiring financial support for my business	46%
2	Purchasing a new asset (e.g. real estate)	43%
3	Diversifying my investment portfolio through new financial products	40%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Grow market share	45%
2	Diversify my business	24%
3	Access new markets	14%

Top advice for successful transfer of business

1	Putting in place a family governance code for the next generation of leaders	43%
2	Support finding people with the right skills and experience to manage the business	37%
3	Advice on structuring the transfer to optimise tax efficiency	36%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	10%
2	Growth	20%
3	Development	63%
4	Consolidation	3%
5	Transfer	4%

Top 3 business goals in 5 years

1	Built a professional network that can support my next venture	39%
2	Recognition of my firm as a thought leader	38%
3	Enabled the careers of the next generation of my family	36%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	51%
2	The next generation are the right people to develop the business	42%
3	I consider keeping the business in the family to be the most tax efficient approach	36%

Top motivations to implement a family governance code

1	To ensure the successful integration of family members into the business -	55%
2	To determine the dividend and salaries of family members	48%
3	To set up a long-term strategic business plan for the future	36%

TAIWAN

- Taiwan has the strongest entrepreneurial focus on Research and Development over the next five years to achieve business goals.
- Taiwanese entrepreneurs believe the likeliest impact of advancements in technology will be an improvement in profit margins as tasks become more automated (59%).
- Only 14% of Taiwanese entrepreneurs believe the next generation of leaders are fully prepared to take on business management, compared to 34% globally.



	Sample size	80
	Average age of entrepreneur	41
	Average primary company revenue (USD)	\$6,302,802
	Average number of companies started	2.4

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Diversifying my investment portfolio through new financial products	49%
2	Purchasing a new asset (e.g. real estate)	46%
3	Requiring financial support for my business	39%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Diversify my business	32%
2	Access new markets	22%
3	Grow market share	20%

Top advice for successful transfer of business

1	Support finding people with the right skills and experience to manage the business	58%
2	Advice on the correct valuation of the business	58%
3	Advice on how to prepare future leaders for senior leadership responsibilities	47%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	15%
2	Growth	31%
3	Development	47%
4	Consolidation	6%
5	Transfer	1%

Top 3 business goals in 5 years

1	Contributed to innovation and development in my chosen sector	60%
2	Developed a product that disrupts my chosen sector	38%
3	Contributed to the economic growth of the domestic market	38%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	54%
2	The next generation are the right people to develop the business	50%
3	I believe it's my duty	50%

Top motivations to implement a family governance code

1	To ensure the successful integration of family members into the business	86%
2	To set up a long-term strategic business plan for the future	77%
3	To define the future role for each family member in the business	68%

TURKEY

- 95% have taken out credit products in the past, with almost three-quarters (73%) having used structured products.
- Turkey ranks highest for proportion of entrepreneurs who have had a business acquired in the last five years (at 49%).
- Marketing and brand development initiatives are a priority over the next five years for Turkish entrepreneurs (47%).



	Sample size	85
	Average age of entrepreneur	36
	Average primary company revenue (USD)	\$3,142,545
	Average number of companies started	3.6

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	54%
2	Diversifying my investment portfolio through new financial products	51%
3	Requiring financial support for my business	40%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Access new markets	35%
2	Grow market share	32%
3	Diversify my business	15%

Top advice for successful transfer of business

1	Advice on the correct valuation of the business	46%
2	Support finding people with the right skills and experience to manage the business	42%
3	Advice on how to prepare future leaders for senior leadership responsibilities	41%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	18%
2	Growth	26%
3	Development	54%
4	Consolidation	2%
5	Transfer	0%

Top 3 business goals in 5 years

1	Contributed to innovation and development in my chosen sector	36%
2	Personal recognition for myself as an industry leader	35%
3	Built a professional network that can support my next venture	32%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	54%
2	The next generation are the right people to develop the business	48%
3	I believe it's my duty	42%

Top motivations to implement a family governance code

1	To ensure the successful integration of family members into the business	69%
2	To define the future role for each family member in the business	50%
3	To determine the dividend and salaries of family members	42%

UNITED KINGDOM

- UK entrepreneurs are most likely to have required yacht or jet financing (27%), compared to the global average (15%).
- In the UK, entrepreneurs are most likely to keep their primary business in the family for tax efficiency reasons (52%).
- The top goal for entrepreneurs in the UK over the next five years is to have accumulated enough wealth to step back or even exit their business (37%).



	Sample size	171
	Average age of entrepreneur	41
	Average primary company revenue (USD)	\$4,278,808
	Average number of companies started	4.0

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	52%
2	Requiring financial support for my business	47%
3	Mortgage to buy my primary property	46%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Diversify my business	31%
2	Grow market share	25%
3	Access new markets	23%

Top advice for successful transfer of business

1	Advice on how to prepare future leaders for senior leadership responsibilities	44%
2	Advice on the correct valuation of the business	41%
3	Advice on structuring the transfer to optimise tax efficiency	40%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	9%
2	Growth	31%
3	Development	48%
4	Consolidation	5%
5	Transfer	7%

Top 3 business goals in 5 years

1	Enough money to step back or even exit my business	37%
2	Built a professional network that can support my next venture	33%
3	Contributed to the economic growth of the domestic market	32%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	I consider keeping the business in the family to be the most tax efficient approach	52%
2	The business must stay within the family to safeguard its financial value	46%
3	The next generation are the right people to develop the business	46%

Top motivations to implement a family governance code

1	To set up a long-term strategic business plan for the future	66%
2	To define the future role for each family member in the business	60%
3	To set up a framework managing the potential sale of company shares	53%

USA

- The chance to integrate family members into the business is the single most important driver for US entrepreneurs to implement a family governance code (63%).
- For American entrepreneurs undergoing M&A with their primary company, the most valued advice helps them establish their business strategy and find the right target to merge with or acquire (65% each).
- The main goals for entrepreneurs in the USA over the next five years are to have earned enough money to step back or even exit their business (36%), and to have contributed to the innovation and development in their chosen sector (32%).



	Sample size	387
	Average age of entrepreneur	45
	Average primary company revenue (USD)	\$5,143,450
	Average number of companies started	2.3

CREDIT NEEDS

Top 3 motivations for using credit / lending products

1	Purchasing a new asset (e.g. real estate)	49%
2	Requiring financial support for my business	37%
3	Mortgage to buy my primary property	37%

FUTURE BUSINESS PLANS

Triggers for M&A activity

1	Diversify my business	30%
2	Grow market share	28%
3	Access new markets	24%

Top advice for successful transfer of business

1	Advice on the correct valuation of the business	38%
2	Support finding people with the right skills and experience to manage the business	35%
3	Wealth management after the transfer or sale of my business	35%

BUSINESS LIFECYCLE

Stages of the lifecycle

1	Creation	12%
2	Growth	31%
3	Development	37%
4	Consolidation	7%
5	Transfer	13%

Top 3 business goals in 5 years

1	Enough money to step back or even exit my business	36%
2	Contributed to innovation and development in my chosen sector	32%
3	Enabled the careers of talented individuals	28%

PREPARING TO EXIT

Top motivations to transfer to a family member

1	The business must stay within the family to safeguard its financial value	40%
2	The next generation are the right people to develop the business	38%
3	I consider keeping the business in the family to be the most tax efficient approach -	37%

Top motivations to implement a family governance code

1	To ensure the successful integration of family members into the business	63%
2	To set up a long-term strategic business plan for the future	58%
3	To resolve potential family conflicts	47%

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