

# **PRIORITIES FOR AUSTRALIAN FAMILY BUSINESSES**

Dianne Waddell

and

Linda Glassop

Bowater School of Management and Marketing

Deakin University

Australia

Tel: 61 3 9244 6265

Email: [dwaddell@deakin.edu.au](mailto:dwaddell@deakin.edu.au)

## **ABSTRACT**

This paper reports on a national survey which identified priorities that are considered important to the success of Australian family businesses. *The FBA and KPMG Family Business Needs Survey 2005* targeted organisations of all sizes and industries across all states. Findings from the survey are extensive and provide noteworthy progress in understanding the issues deemed most important to family businesses, such as balancing family concerns and business interests, balancing short-term and long-term business decisions and increasing profits. As a result of this project, it has: provided an instrument that will allow research investigation on an annual basis; provided initial data sets that highlight key issues facing family business survival; and provided a substantial data set that can be utilised by a range of researchers and practitioners.

*Keywords: Australian Family Businesses, Priorities*

## **INTRODUCTION**

It is well documented there are many challenges to be faced by proprietors and their families that are not evident in other businesses, such as using compensating family members involved in the business, maintaining loyalty of non-family members, family values and governance issues, and of course the question as to whether joining a family business is an opportunity or obligation. Is it any wonder that only a third of Australian family businesses are passed on from the first to the second generation and only about 15% go into the third generation (Waddell, 2005). Needless to say, as their success (or otherwise) impacts on the way of life of so many individuals it is important that their unique characteristics and special circumstances be understood. Only then would any disparity between family businesses and modern business management be resolved so that a mutual synergy should exist.

*The FBA and KPMG Family Business Needs Survey 2005* identified issues and trends that are considered important to the success of Australian family businesses (Glassop, Ho and Waddell 2005). The survey, sponsored by KPMG and Deakin University, was fully endorsed and supported by Family Business Australia (FBA), who considered it an excellent vehicle to canvas members and non-members on their concerns and to update their information database. This national survey investigated: the contribution of family led businesses to the Australian economy; the relationship between governance structure (family and non-family members) and organisational performance (growth and longevity); human resource practices related to family members (performance appraisal, remuneration); inter-generation planning practices (estate planning, succession planning); and the degree of business professionalisation (business practices utilised). This paper will focus on those priorities that are of greatest concern to family businesses and governance issues, while planning issues are addressed in another paper.

## **METHODOLOGY**

Utilising an alliance with Family Business Australia (FBA), and financial support from KPMG, a multi-faceted survey instrument was designed, implemented and analysed by Deakin's Bowater staff. The target for the survey was organisations of all sizes and industries across all states of Australia. The survey was distributed to around 4,980 family businesses during June 2005, the list of which was provided by FBA. This list included both members and non-members of the Association, but did not include any publicly listed companies.

The survey was a detailed 4 page survey and contained 44 questions under 9 sections: Personal Background; What Family Business means to you; Business Details; Business Background; Management Details; Family Business Issues; Succession Issues; and Planning Issues. By the cut-off date, there were 492 completed questionnaires and 107 returned to sender unopened. A subsequent 43 surveys were received but were not included in the analysis.

## **PROFILE OF SURVEY RESPONDENTS**

This section of the paper is purely descriptive as it is a breakdown of the profile of the survey respondents. Of the 492 replies, half were 50+ years of age (50.7%), Australian born (84.2%) and married (84.0%). They were predominantly first (35.1%) and second (30.8%) generation and 30.7% had a university degree as their highest level of education.

Seventy-seven percent had the south-eastern states as their Head Office with 'Manufacturing and Distribution' (38.4%) and 'Wholesale and Retail Trade' (37.5%) being the predominant business sectors. Of interest is that 33.7% served the international market with 33.7% having an annual business turnover of A\$1 million to A\$5 million. Also, 77.6% of respondents are incorporated Companies, 13.6% are Trusts, 4.7% are Partnerships and 2.5% were sole traders or other corporate structures.

The number of employees varied with 37.2% having 10-49 full-time employees and 43.6% having 5-9 part-time/casual employees. The trend in employment over the next 12 months identifies a decline compared to the previous year with 44.8% of businesses intending to expand as compared to 51.6% in the previous 12 months.

## **PRIORITIES FOR AUSTRALIAN FAMILY BUSINESSES**

The survey sought to examine the priorities of family business managers that pertained to the family, the business, and the family business. Findings from the survey provide noteworthy progress in understanding the issues deemed most important to family businesses, such as balancing family concerns and business interests, balancing short-term and long-term business decisions and increasing profits.

The results of the cross-tabulations indicate that family-management issues appear to become somewhat more important once financial and operational issues are addressed. The survey also reveals that responses are not significantly influenced by size of business (as indicated by business turnover), which generation's hands the business is in, and the type of business structure.

## ***Family Issues***

Family business managers were asked to rate the importance of a range of family issues pertinent to their running of the business. Using a 7 point Likert Scale with 7 being *Extremely Important*, 'Balancing family concerns and business interests' was of paramount concern (mean = 5.59) with 'compensating family members involved in the business' coming in second (mean = 5.08) on their list. 'Buying out family members not involved in the business' was of least concern (mean = 2.32).

- *Balancing family concerns and business interests* Respondents to the survey noted that trying to balance family and business concerns was a key issue for them. Broadly, the literature reveals that areas of conflict can be related to issues of capital structure, risk-taking, procurement and allocation of resources, and reward systems within the business. Responses were not significantly differentiated by business size, nor the type of business structure. However, from a generational perspective, respondents from businesses that were in their fourth or more generation ranked this issue second (mean = 5.20), with the need to maintain family control of the business attaining a higher mean (mean = 5.22).

Family business founders play an important role in whether or not the balance between the family and the business is achieved as they are the ones who set the strategic tone and culture of the business. Also, it has been suggested by family business researchers and consultants that sometimes, only a neutral non-family member can balance the interests of the different factions within the family unit. This could signal an increasing trend to appoint non-family members in executive management positions as the business evolves through different size (turnover, number of employees) and generations.

- *Compensating family members involved in the business* The issue of compensating family members involved in the business was found to be the second most pressing concern for participants overall. Responses were not significantly differentiated by the type of business structure, nor generation. However, from a business size perspective, respondents from businesses that had turnovers of between A\$20 and A\$50 million, and greater than A\$50 million only ranked this issue fifth (mean = 5.00) and sixth (mean = 5.02) most important respectively. Other than being in a better financial

position, this finding could suggest that the business may have developed formal policies to address such concerns in line with the need to better manage the growth of the business.

In general, compensation management in family-owned businesses can be contentious as, on one hand, there is the notion that family members who work for the business, should be paid less to reduce the firm's payroll costs. Alternatively, some argue that family members should be paid more because they are related to the business owners. Further, sometimes the compensation paid to a family member is motivated more by tax considerations than anything related to relative worth.

- *Maintaining family control of the business* The third key concern of family business managers surveyed was ensuring that control of the business was retained by the family. Responses were not significantly differentiated by the type of business structure. As the business grows bigger however, the issue of selecting a successor (mean = 5.51) was deemed more important than maintaining family control of the business (mean = 5.23). Moreover, from a generational perspective, respondents from businesses that were in their fourth or more generation ranked this issue as most important (mean = 5.22), compared to respondents from first generation businesses who ranked this issue fourth (mean = 4.88).

The high ranking of this issue is not surprising given that family control offers advantages such as management independence from shareholder pressure; long-term perspectives; a deep understanding of the business by the owner-managers; and strong motivation and personal commitment to the business (Kets de Vries, 1993). Indeed, research has found that family control is associated with higher business performance.

### ***Business Issues***

Family business managers were asked to rate the importance of a range of business issues pertinent to their running of the business. Of highest concern to respondents is 'balancing short-term and long-term business decisions' (mean = 5.55) with 'maintaining the loyalty of non-family members' being the second highest business concern (5.34). 'Including non-family members on the Board of Directors' (mean = 2.94) and 'finding outside buyers for the business' was of least concern (mean = 2.51).

- *Balancing short-term and long-term business decisions.* Family business managers who responded to the 2005 survey indicated that a key priority was to balance short-term and long-term business decisions. Responses were not significantly differentiated by the type of business structure and the generation involved. However, business size distinguished the responses. For example, businesses that reported turnover of between A\$20 to A\$50 million, deemed 'maintaining loyalty of non-family members' more important (mean = 6.25) than 'balancing short-term and long-term business decisions' (mean = 5.42). This is in direct contrast to businesses who reported turnovers of less than A\$1million, who ranked 'maintaining loyalty' fourth (mean = 4.22), and the latter issue first (mean = 5.24).

A focus on short-term performance is understandable given the turbulence within both the national and international economic and regulatory environments. However, financial markets, as well as employees and all other stakeholders, place a real value on a firm's future. It has been recommended that companies should think in different 'time horizons' when setting strategy, establish proper organisational processes that monitor their health and change the nature of their dialogue with stakeholders (Davis, 2005).

- *Maintaining loyalty of non-family members* A second key priority was for family business managers to maintain loyalty of non-family members working in the business. Responses were not significantly differentiated by generation. When we consider the type of business structure, we see Partnerships regarded this issue less of a priority (mean = 4.37) than Companies (mean = 5.54) and Trusts (mean = 4.16).

Highly qualified non-family members may be reluctant to accept a job in a family business, nor demonstrate commitment to the organisation, because they are not members of the controlling family and perceive limited career opportunities. Other concerns of non-family members could include: how decisions will be made, nepotism, and fairness of compensation and work-load.

- *Assistance from outsiders to solve business problems* Another key priority of family business managers is the need to access assistance from outsiders to solve business problems. 'Outsiders' are usually accountants, lawyers and family business advisers. The need to seek assistance from outsiders

is not uncommon in small and founder-managed businesses owing to resource pressures. For example, businesses that reported turnover of less than A\$1 million ranked this issue as more important (mean = 4.44) than businesses with turnover of more than A\$1 million (mean = 4.37).

Given that enterprise growth can be limited when the business's managerial resources are insufficient to adapt to environmental changes, or to take advantage of new product and service opportunities, openness to outsider assistance is an important consideration for family business managers.

### ***Business Challenges***

Broadly, the results of this survey suggest that family businesses are not unaware of the need for succession planning and formalising the business, but they are struggling with more fundamental issues such as profitability and growth. Increasing profits was definitely the greatest business challenge (mean = 6.09) with 'increasing customer base/sales/turnover' as second most important challenge. 'International competition' (mean = 2.92) was regarded as the least important business challenge for family businesses.

- *Increasing profits and growing the business* Respondents indicated that increasing the profitability of their business was the most pressing priority, followed by 'increasing customer base, sales, and turnover'. The third most important priority was 'growing the business'. Responses were not significantly differentiated by the type of business structure and generation. However, business size distinguished the responses. For example, businesses that reported turnover of more than A\$50 million ranked "Increasing profits" as their most important business challenge, (mean = 6.05), but only ranked 'Increasing customer base/sales/turnover' as fourth most important (mean = 5.55). This is in contrast to businesses who reported turnovers of less than A\$1 million, who ranked this latter issue first (mean = 6.20).

## **AUSTRALIAN FAMILY BUSINESS PRACTICES**

### ***Integrating the Family Ethos***

Family businesses differ from other businesses inasmuch as the business and the family, while being separate entities, are entwined. The business is not the business without family members, and the

family's attention is naturally directed towards their business. Survey respondents were asked to indicate the degree to which they had adopted certain family business structures – family assembly, family constitution, family council and family values – as recommended in the family business literature for managing the link between the business and the family.

Overall, we see a relatively low to poor adoption rate for these family business structures – family assembly (mean = 2.98), family constitution (mean = 1.44), family council (mean = 1.72) and family values (mean = 3.62) – except for the articulation of family values. It is of interest to note the high number of Australian family businesses that have none of these family business structures – family assembly (16.0%), family constitution (32.6%), family council (34.3%) and family values (15.8%). No previous Australian research exists to know whether this adoption rate has declined or in fact increased over time. Further research is needed to understand why Australian Family Businesses are reluctant to include these family-to-business mechanisms and whether their absence contributes to the high rate of family business failure.

- *Family Assembly.* A Family Assembly is a formal mechanism with a dual function. A Family Assembly is a means for the family to convey to officers of the business their desires about how they want the business to operate and for officers of the business to convey information to family members about the business' performance and any concerns. Glassop (2005:32) suggests that a Family Assembly “is [typically] comprised of all persons constituting a family across the generations together with any extended family members such as in-laws.”

A formal communication mechanism, such as a Family Assembly, ensures that the voice of all family members is being heard and that the business adequately conveys information about its progress and/or concerns to all family members and not just a select few. The degree to which Australian family businesses have adopted the use of Family Assemblies is relatively low (mean = 2.98). This does not suggest that Family Assemblies are of little value to Australian Family businesses, but, rather, that they may have been adopted in an ad-hoc or informal fashion. From a generational perspective we see that the adoption rate is slightly higher for second (mean = 3.36) and fourth generation (mean = 3.24) family businesses, indicating that as the family grows larger, Family

Assemblies may be an effective communication forum. As the business itself grows larger, however, we see a marked increase in the adoption rate, especially for businesses with turnovers of A\$50 million or more (mean = 3.86). Businesses with high annual turnovers tend to have more formal business processes operating. Thus, the use of a formal mechanism for communicating with family members has been included more often in these family businesses. The type of business structure – Company, Partnership, Trust – appears to make little difference to the adoption rate for Family Assemblies.

- *Family Constitution.* Glassop (2005:32) explains that a Family Constitution “... is a pivotal document that articulates the desires of the family vis-à-vis the family business. Thus, the Family Constitution can play a central role for focusing family members, shareholders, management and employees on the fact that the business is a family affair.” A family constitution is a formal document that conveys family views about matters such as hiring, firing and rewarding family members, transfer of equity, and so on.

The degree to which Australian Family Businesses have a written Family Constitution is very poor (mean = 1.44). This suggests that Australian family businesses either see little to no value in a Family Constitution or may not be aware of the advantages that a Family Constitution can bring to the effective management of the business and family harmony. From a generational perspective we see that the adoption rate for a Family Constitution is slightly higher for second (mean = 1.53) and third generation (mean = 1.78) family businesses, indicating that as the family grows larger, a Family Constitution may be an effective way to communicate familial desires about the running of the family business.

As the business grows larger, however, we see an increase in the adoption rate for a Family Constitution. Businesses with A\$5-A\$20 million and A\$20-A\$50 million turnover still have a low adoption rate (mean = 1.70 and 1.66 respectively), even though it is higher than small businesses (mean = 1.00). Businesses with a turnover of A\$50 million or more show a marked increase in the adoption of a Family Constitution (mean = 2.60). Larger businesses tend to have more formal business processes operating, indicating that the use of a formal mechanism for articulating family desires has

been included in more of these family businesses. The type of business structure appears to make little difference to the use of a Family Constitution, although Partnerships have a very low adoption rate (mean = 1.17) and Trusts are slightly higher (mean = 1.61) than Companies (mean = 1.44).

The low adoption rate for a written Family Constitution by Australian family businesses is of some concern given the high fail rate for family businesses. A Family Constitution ensures that the family's wishes are instituted in the business and can transcend generations.

- *Family Council* A Family Council "... comprises a group of family members that operate within the business. The Family Council plays the role of interpreting the Family Constitution and ensuring that the desires of the entire family are instituted in the way the business operates, often through specific policies" (Glassop 2005:33)

The degree to which Australian Family Businesses have installed a Family Council is poor (mean = 1.72). This suggests that Australian family businesses either see little to no value in having a Family Council or may not be aware of the advantages that a Family Council can bring to interpreting the desires of the family and contributing to the effective management of the business.

From a generational perspective we see that the use of a Family Council is slightly higher for second (mean = 1.95) and third generation (mean = 1.97) family businesses, indicating that as the family grows larger, a Family Council may be an effective operational mechanism for implementing or overseeing family desires about the running of the family business. Family businesses with four or more generations report a lower adoption rate (mean = 1.56) for a Family Council, but slightly higher than first generation family businesses (mean = 1.49).

As the business grows larger, however, we see an increase in the use of a Family Council. Businesses with A\$1-A\$5 million and A\$5-A\$20 million turnovers have a low adoption rate (mean = 1.72 and 1.78 respectively), even though it is higher than small businesses (mean = 1.01). Businesses with a A\$20-A\$50 million turnover show a higher adoption rate (mean = 1.86), and businesses with A\$50 million or more turnover have the highest adoption rate (mean = 2.84). Again, we see that larger businesses, who tend to have more formal business processes operating, indicate that the use of a

formal mechanism for instituting family policies has been included in more of these family businesses. The type of business structure appears to make little difference to the use of a Family Council, although Partnerships have a very low adoption rate (mean = 1.36) and Trusts are slightly higher (mean = 2.00) than Companies (mean = 1.73).

- *Family Values.* The degree to which Australian family businesses have clearly articulated their core Family Values is reasonably good (mean = 3.62), although there is still room for improvement. This suggests that Australian family businesses believe that the values that underpin their family be clearly conveyed to business stakeholders.

From a generational perspective we see that the writing of Family Values is much the same irrespective of the number of generations operating in the business. As the business grows larger, however, we see a positive correlation with the adoption of written Family Values, with businesses that have a turnover of A\$50 million or more reporting the highest adoption rate (mean = 4.81). Larger businesses tend to have more employees than smaller businesses, thus the conveying of Family Values to non-family members may increase in importance as the number of employees grows. The type of business structure appears to make little difference to the adoption rate for written Family Values.

The good adoption rate for written Family Values by Australian family businesses demonstrates that family businesses believe that it is important for all members of the business to be aware of the Family's Values. However, the lower adoption rate by smaller businesses and the overall average adoption rate may suggest that Family Values are not seen as an intangible asset worthy of attention and management.

### ***Governance of Family Businesses***

The governance of any business is important for ensuring that the business has a clear direction, stays on that direction and manages its regulatory and tax requirements. The governance structure of a business typically includes a forum for updating shareholders (shareholder assembly), a governing body that is representative of the shareholders (for example, a Board of Directors) and an executive management team.

Australian family businesses were asked to rate the effectiveness of these governance structures, together with answering various other questions about the way they operate. Overall, we see that Australian family businesses rate the effectiveness of their Executive Management Team highly (mean = 5.07), but show some concern about the functioning of the Board of Directors/Governing body (mean = 3.56). Shareholder Assemblies appear to be of little importance to Australian family businesses (mean = 2.28). From a generational perspective, the picture does not change much, although, as the business grows, these business structures appear to be operating more effectively.

- *Shareholder Assemblies.* Public companies are, by law, required to have annual general meetings to inform shareholders of business progress and solicit votes on various matters. Private companies are not formally required to hold formal shareholder meetings. In family businesses, shareholders may or may not actually work in the business. Keeping shareholders abreast of their investment is, therefore, paramount to ensuring that they stay committed to the business and retain their investment. Withdrawal of capital is a difficult matter for any business to overcome. And, even if capital is not at risk, an unhappy shareholder might consume a significant amount of management time. Overall, family businesses report a very low attention to formally managing shareholder interests (mean = 2.28). And, as the family size grows, it appears that only when the business itself grows do formal Shareholder Assemblies grow in importance. Of interest, 28.4% of respondents report that they have no Shareholder Assembly.

Perhaps this is indicative that larger family businesses have external investors that need updating. Or, perhaps shareholders themselves only become interested when there is more investment at stake. Further research is needed to understand why Australian family businesses pay little attention to updating shareholders.

- *Board of Directors/Governing Body.* A Board of Directors (BOD) or Governing body represents shareholder interests in stewarding the business. Such structures may include executive and non-executive members and shareholder and non-shareholder members. Most importantly, BODs are coming under heavier public and shareholder scrutiny, increasing their need for openness.

Significantly, 66.3% of Australian family businesses that are Companies advise that they have a Board of Directors, while 33.7% do not. The presence of a BOD, however, increases to 74.4% for businesses with A\$5-A\$50 million turnover and then 88.1% for businesses with a turnover of A\$50m or more.

This does not suggest, however, that Companies without a BOD do not have some form of governing body. Australian family businesses that are Companies report that their BOD/Governing body is very effective (mean = 5.31); although, this result does leave room for improvement.

Of those Companies with a formal BOD, 30.4% report that they meet monthly, 25.5% meet quarterly, 6.9% meet bi-annually, 17.8% meet annually and 19.4% report that they meet, in the main, in an ad-hoc fashion. The reason for the infrequency of BOD meetings for 44.1% of Australian family businesses requires further research. Alarming, 58.8% of Companies with a formal BOD report that they have NO non-family members on their boards, although this decreases to 48.1% for businesses with a turnover of A\$20-A\$50 million and 18.9% for businesses with a turnover of more than A\$50 million.

Interestingly, of the 37 Australian family businesses in the current survey with a turnover of more than A\$50 million, 18.9% (7) have NO non-family members, 13.5% (5) have one non-family member, 27.0% (10) have two non-family members, 16.2% (6) have three non-family members, 10.8% (4) have four non-family members and 13.5% (5) have more than five non-family members on their Board of Directors. Once a business exceeds A\$50 million turnover, the number of non-family members on the BOD increases dramatically. Indeed, 67.6% of Australian family businesses with a turnover of A\$50 million or more have more than one non-family member on their BOD when compared to 21-26% for businesses with turnovers of A\$5 to A\$50 million, and 6-10% for businesses with less than A\$5m turnover. This strongly suggests that the presence of non-family members on Boards contributes to business growth. Unfortunately, Australian family businesses rate the inclusion of non-family members on their Board as a low priority (mean = 2.94). It is also significant to note that Partnerships rate their BOD/Governing body as being less functional (mean = 1.72) than Trusts (mean = 3.45) or Companies (mean = 3.82).

▪ *Executive Management Team.* The day-to-day running of a business is in the hands of the Executive Management Team. Typically, the Executive Management Team represents each business function and meets at monthly intervals to review progress and resolve issues. The effectiveness of the Executive Management Team influences the effectiveness of the business as a whole. Survey respondents were asked to rate the degree to which they felt their Executive Management Team was effective. Overall, family businesses report that their Executive Management Team is highly effective (mean = 5.07), although room for improvement is evident

Surprisingly, fourth generation family businesses report that their management teams are less effective than first and second generation family businesses. By the time the fourth generation is in place, one would expect that the Executive Management Team was well established and thus functional. Further research is needed to understand what might be contributing to this result. Not surprisingly, large family businesses with more than A\$50 million turnover report that their Executive Management Teams are very effective. It is interesting to note that as a business moves from being a small business (A\$1-A\$5 million turnover) to a larger business, the effectiveness of their Executive Management Team increases markedly. This confirms that the Executive Management Team is pivotal in directing business growth. Given that business growth was identified by survey respondents as a significant business challenge (mean = 5.72) more attention to increasing the effectiveness of the Executive Management Team appears warranted.

Partnerships (mean = 3.67) and Trusts (mean = 2.75) report that their Executive Management Teams are less effective than Companies (mean = 5.31). Given that family trusts are becoming more popular, an increased focus in this area appears necessary.

## **THE DIFFICULTY IN DEFINING THE FAMILY BUSINESS**

The previous results must be placed in context and there should be caution in determining conclusions as to the priorities of family businesses. It is still very problematic in determining what a family business is. Statistics on family businesses are limited mainly because family businesses are so difficult to categorise and define. Waddell (2005) compared The Australian Family Business Survey of 1993 (Institute of Chartered Accountants), which determined that family business is the largest

form of business ownership in Australia and represents 83% of all business enterprises, with that of Basu (2004), who believes that “over two thirds of all world-wide businesses are owned or managed by families” and “around half of all businesses in Australia are family businesses”. The Australian Institute of Management (AIM) (2004) states that “the wealth of family and private businesses is estimated at A\$3.6 trillion” and that “family firms generate 50 per cent of Australia’s employment growth, account for 40 per cent of Australia’s private sector output, and are a seedbed for innovation and the formation of large companies”.

The 2005 survey results appear to support Barrett, Walker, Dunemann and Rajapake’s (2005) suggestion that a family business is an elusive concept. When respondents were asked what characteristics identified a family business, 84.0% overwhelmingly perceive ‘ownership’ as more important than ‘management’ (52.2%) or ‘involvement’ (50.5%) by family members. The notion that family businesses are characterised by their ‘potential generational transfer’ received only 43.1% acceptance. Also, of considerable interest was the issue of who is, or can be, a family member. It was not surprising that spouse (74.0%) and siblings (75.7%) were favoured, but de facto partners (10.9%) and step-relatives (8.3%) may have some concern if they intend to be considered as part of the family business.

Of the respondents, 83.4% established the business themselves, whereas 16.2% took over an existing business. The reasons for doing this varied with wanting to be their own boss being the most popular reason (32.4%). Forty percent of businesses had two generations involved in the business with 28.4% having the most senior position being occupied by the first generation, of this 45.2% were titled CEO.

## **CONCLUSION**

Findings from the survey are extensive and provide noteworthy progress in understanding the issues deemed most important to family businesses, such as balancing family concerns and business interests, balancing short-term and long-term business decisions and increasing profits and most importantly, attempting to clarify what is a family business. As a result of this project, it provides an instrument that will allow research investigation on an annual basis; provides initial data sets that highlight key

issues facing family business survival; and provides a substantial data set that can be utilised by a range of researchers and practitioners.

## REFERENCES

- Australian Institute of Management (2004) 'Keeping it all in the family', *Management Today*, Nov/Dec
- Basu, A. (2004) 'Entrepreneurial aspirations among family business owners in the UK – an analysis of ethnic business owners in the UK', *International Journal of Entrepreneurial Behaviour and Research*, Vol.10, No.1/2, pp.12-33
- Barrett, R., Walker, E., Dunemann, M. and Rajapakse, T. (2005). 'What is a 'Family Business'? Defining an Elusive Concept', in Glassop, L.I. and Waddell, D. *Managing the Family Business*, Heidelberg Press, Melbourne, Australia.
- Davis, I. (2005). 'How to escape the short-term trap', *The McKinsey Quarterly*, April, <http://www.mckinseyquarterly.com>.
- Glassop, L.I., (2005). 'Professionalising the Family Business: What does it mean?', in Glassop, L.I. and Waddell, D. *Managing the Family Business*, Heidelberg Press, Melbourne, Australia.
- Glassop, L.I., Ho, Y.C., and Waddell, D. (2005). *The FBA and KPMG Family Business Needs Survey 2005*, Deakin University, Melbourne, Australia.
- Kets de Vries, M.F.R. (1993). 'The dynamics of family controlled firms: the good and the bad news'. *Organizational Dynamics* 21(3): 59-71.
- Waddell, D. (2005). 'Generational and Cultural Indicators of Technology and Innovation in Family Business', in Glassop, L.I. and Waddell, D. *Managing the Family Business*, Heidelberg Press, Melbourne, Australia.