

NEXT-GENERATION CHALLENGES LOOM LARGE FOR UK ENTREPRENEURS

LONDON, UNITED KINGDOM, August 22, 2024 /EINPresswire.com/ -- Nedbank Private Wealth, an award-winning boutique wealth manager and private bank, today unveiled the results of a poll of entrepreneurs and business leaders, shedding light on the motivations, challenges, and opportunities facing today's wealth creators. Despite worries about economic uncertainties and inflation, the poll reveals that personal and family issues are the primary concerns keeping UK business leaders awake at night.

New data from over 500 leaders of medium and large sized businesses in the UK, shows that 46% involve their children in their companies with 42% doing so with future inheritance in mind. However, the difficulties of involving the next generation are not insignificant, as a quarter (24%) currently find involving their children challenging, and 23% report that past family involvement did not work out well.

These statistics reflect a common issue: while family businesses are vital to the UK economy, with 85.9% of all private sector businesses being family-owned and contributing £575 billion to GDP, their longevity is threatened. Only about 30% of family businesses survive the transition from the first to the second generation, and a mere 10% make it to the third generation of ownership and management.

With Generation Z set to represent over 27% of the UK workforce by 2025, concerns about the readiness and interest of the next generation to take over family businesses are growing. Of those surveyed who do not involve their children in the running of their business, two thirds (66.6%) say they either lack the drive or are not capable, and 37% say it is because they could not handle the challenges of running the company.

Despite these challenges, the majority of UK entrepreneurs running businesses over £5m in annual revenue (75%) say they remain optimistic about their companies' prospects over the next five years. They are calling on the new government to support business by reducing inflation (27%), lowering business-related taxes (23%), and cutting interest rates (22%).

Furthermore, sustainability remains a key focus, with 87% prioritising reducing their environmental impact through strategies such as adopting sustainable sourcing practices and committing to reducing their carbon footprint.

Stuart Cummins, CEO of Nedbank Private Wealth, commented: "As we navigate through an era of change, it is clear that the future of UK entrepreneurship hinges not only on economic stability but also on the successful transition of family businesses to the next generation.

"It's so important to work closely with families navigating this transition, getting under the skin of the concerns held by those passing on the mantle of the family business and balancing with the concerns of those stepping into the helm of UK family run businesses. Ultimately, we work with our clients and their advisers to consider the important transition of family businesses to the next generation."

Simon Gibbons, Executive Head - Wealth Management, Nedbank Private Wealth commented on the findings: "Succession planning goes beyond imparting the facts and figures of your business. Your children need to also inherit your drive and determination for the momentum to continue. Entrepreneurs often tell us they worry about the next generation's readiness to lead, facing doubts about capabilities and complex family dynamics and our new research supports this.

"As wealth planners we work closely with entrepreneurs, family lawyers, accountants, and tax planners, to fully understand these issues and help both sides navigate the transition effectively. Our comprehensive approach ensures that the succession process is smooth, legitimate, and aligned with the long-term goals of both the business and the family, ultimately securing a long-lasting legacy."

Russ Haworth, principal of 'Rise', a programme for emerging generations comments: "The notion of entitlement often clouds discussions surrounding individuals from prominent families. It's easy to assume that they've had everything handed to them on a silver platter and that they lack the resilience or drive to succeed on their own merit. However, this oversimplified view fails to recognise the internal struggles and external pressures that shape their identities and aspirations. Our work on this highlights the importance of addressing these internal and external pressures to foster a seamless and credible leadership transition"

See our latest NedTALKS with Russ Haworth, for an insight into the challenges around power transfer at the helm of UK family run businesses and what it's like to be part of the rising generation of wealth creators.

Admin

Nedbank Private Wealth

[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/737161323>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable

in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.