



Today and beyond: The next generation challenges the status quo of family business

PwC's Africa NextGen Survey 2022



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Foreword

The 2022 edition of PwC's Africa NextGen Survey is the most extensive survey of the next generation of family business leaders we've ever conducted, with over 120 members of the next generation in family businesses. The survey reflects the extraordinary times we're living through, with the COVID-19 pandemic testing companies around the world, and family businesses rising to the challenge.

Our survey shows how the pandemic has united the generations around a common goal: driving growth to secure the stability of the business and the family. But this is just the beginning of the story.

The business landscape is shifting rapidly, and the responsibility and challenges you face as future leaders are complex. Business as usual isn't an option in a world characterised by economic disruption, pervasive uncertainty and climate change. You understand this, and you, in particular, see the vital link between environmental, social and governance (ESG) concerns and growth.

You also understand that family businesses can and should lead the way on ESG. To get this message across, you'll need to win the trust of the current generation while challenging the status quo. You'll need a new generational contract.

We know you're ready to do this. Our survey shows your desire to learn new skills and your commitment to building trust, the hallmark of family businesses everywhere. That's an optimistic message in challenging times.

Be the inspiration. Drive the change.



Schalk Barnard
Africa Family Business
Leader
PwC South Africa



Duncan Adriaans
Africa Private Company
Service Leader
PwC South Africa

NextGen priority: The growth imperative for family businesses

When it comes to the future success of the family business, you know what you want, and it comes down to one word: growth. Two thirds of you say it is a top priority. This isn't surprising.

For family businesses, growth is the product of a stable business and a measure of success in a changing world. It's essential to maintaining and building on the legacy that previous generations created and to securing the family's continued prosperity and wealth. It's a message from the next generation that they can deliver, too.

As the family expands through the generations, this growth needs to be in double digits. But growth alone is not enough. Success for family businesses is multidimensional.

The three dimensions of a family business



Business



Family



Wealth

Business (the engine): The business needs to grow 10% every two to three years through organic growth, diversification or impact investing to serve the family interests.

Future focus: Develop the capabilities to deliver on environmental, social and governance (ESG) concerns.

Family: A united family, supported by a strong constitution and governance, supports growth.

Future focus: Establish a generational contract to bolster succession planning and sustainable transformation.

Wealth: Adequate wealth reserves ensure that the family maintains or enhances its position.

Future focus: Family Offices can strengthen business prospects and foster asset diversification.





The key question now is how you'll deliver growth when faced with the existential challenges of today: Russo-Ukrainian War, electricity scarcity, pandemic disruption, skills shortage, geopolitical uncertainty and technological advances. What capabilities do you need, as the leaders of tomorrow, to ensure the prosperity of your family business? And how can you prove yourselves capable custodians of the business' and family's future?

Growth is a complex area for family businesses, with emotional as well as financial elements in the mix. You may know the rule of thumb: every two to three years, the business needs to grow by 10% to keep family wealth at a constant level as the generations expand. It's a tough ask for any business, made even tougher by the pandemic and the threat of climate change.

According to PwC's 25th CEO survey (2022), CEOs are still most worried about the potential for a cyberattack or macroeconomic shock to undermine the achievement of their company's financial goals — the same goals that most executive compensation packages are still tied to. CEOs of companies ranking highest on our customer trust index are significantly more likely to have nonfinancial outcomes (such as customer satisfaction, employee engagement, and gender, race and ethnicity representation) tied to their compensation. Adding environmental, social and governance (ESG) metrics to executive pay packages can be a powerful way for a company to prove its commitment to these principles and to help elevate such metrics to the top of the CEO agenda. But as a recent [PwC report](#) makes clear, pay follows strategy—it doesn't drive it.

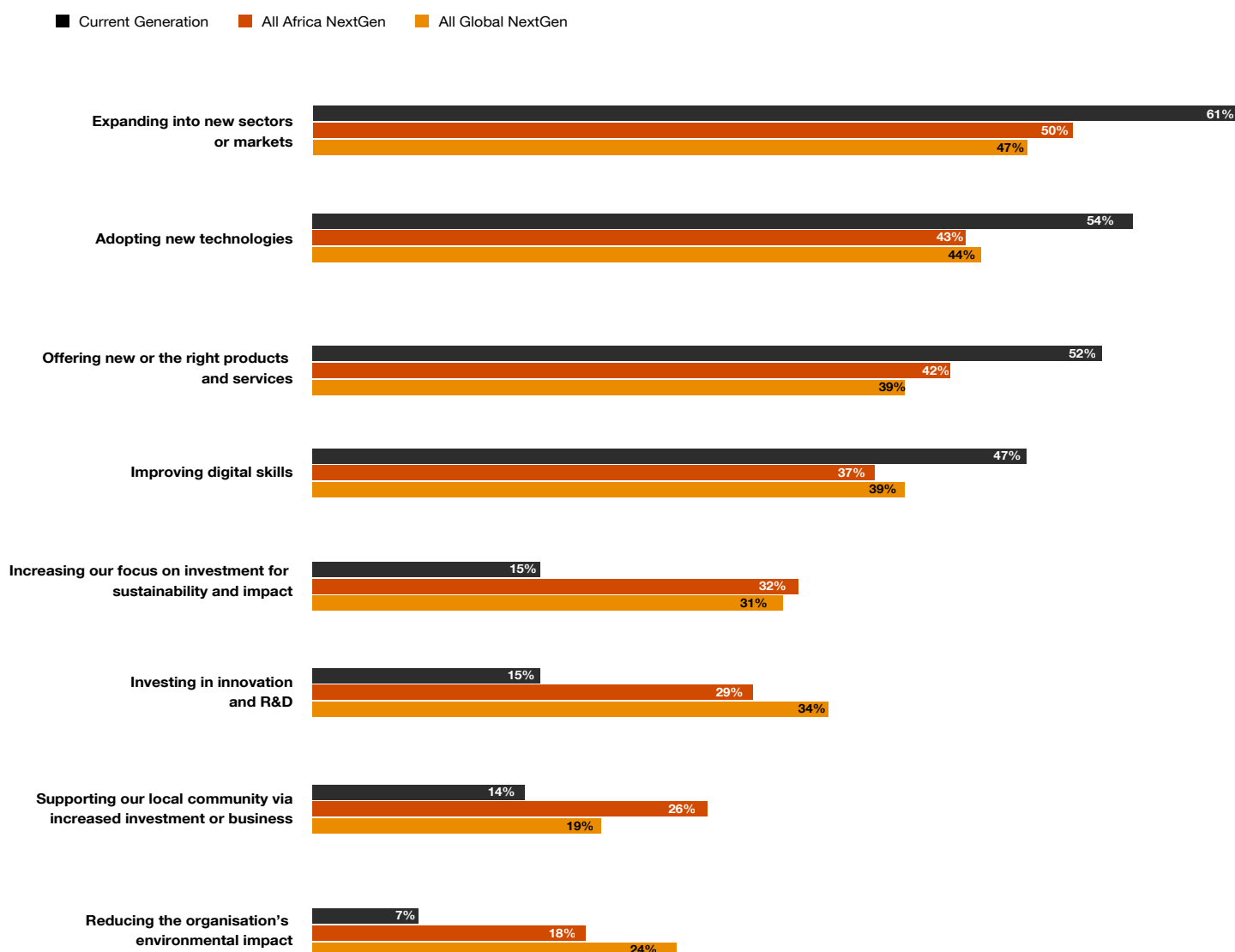
Over the past five and a half years, according to a 2022 PwC study of the global unicorn landscape, [Living in a world of unicorns](#), a total of 869 companies achieved the US\$1bn valuation mark. The five areas to watch are the platformisation of consumer financial services, the electric vehicle ecosystem and stored energy, the creation and expansion of the tech-enabled 'metaverse', the ongoing convergence of mobility and digital commerce and the virtual evolution of health and wellness.

We believe that a business-as-usual approach, one that continues the way the family enterprise is currently run, won't be enough. As leaders-in-waiting, you'll have to develop your own blueprint for success. And to maintain stability and achieve the growth necessary to earn your 'licence to operate,' you'll find yourself pushing boundaries and challenging years of established thinking— 'the way it has always been done.' You'll need new capabilities beyond digital expertise to deliver on environmental, social and governance (ESG) concerns: to reach net zero, to manage the evolving workforce trends as we face the 'great resignation' and to identify new markets in a post-pandemic world.

For the moment, it's surprising just how aligned the generations are in their priorities. The most significant divergence is on the topic of sustainability and supporting their local communities, which is more of a focus for the NextGen than for its elder cohorts.

Generational priorities: Like parents, like children

All generations in a family business look to grow through new markets.



Note: Responses are drawn from a 2021 PwC Africa family business survey and the present NextGen survey. The list of priorities in the family business survey included 'introducing new products and services' and 'increasing the organisation's social responsibility.' The NextGen list formulates the questions as 'ensuring we offer the right products and services for today's customers' and 'increasing our focus on investments for sustainability and impact.'

Sources: PwC's Africa Family Business Survey 2021 and PwC's Africa NextGen Survey 2022



Time to act on ESG

It's true that being focused on digital skills and new technology proved invaluable during the pandemic. In our 2019 Africa NextGen survey, 66% of your peers felt that they could add significant value to the business by helping to develop a strategy fit for the digital age. Then, the pandemic presented an urgent need for your expertise. Today, over half of you (53%) are actively engaged in adopting new technologies. For one in four of you, the pandemic accelerated your engagement with the business in this area.

You clearly have much more to give. Sixty-nine percent of you believe there's an opportunity for family businesses to lead the way in sustainable business practices and 66% believe that sustainability is at the heart of everything you do. Although 47% of you have a developed and communicated sustainability strategy which is an improvement from last year, we'd argue that you need to speed up your plans. Eighty-two percent of you say you expect to be involved in increasing your business' focus on investments for sustainability now and in the future, but only 43% are doing this now. And though two-thirds of you expect to be involved in reducing your business' environmental impact in the future, only a third is already involved in this today.



In Africa, there is a greater tendency to contribute to your local communities and 78% of you agree.

According to research and data firm, Our World in Data, Africa accounts for only 3% of cumulative global CO2 emissions with 17% of the world's population. Africa is, however, being swept along in the global energy transition and increasingly coming under the same net-zero policy pressure as developed economies such as the EU, which has contributed 33% of global CO2 emissions. While the importance of global decarbonisation and a sustainable planet is foremost, the journey to achieve net zero is clearly highlighting the risk of further entrenching economic winners and losers. Many African economies remain heavily reliant on fossil fuel revenue for their national budgets and have experienced considerable negative fiscal and economic impacts since the global COVID-19 pandemic broke out. A [conservative estimate done by PwC](#) of the cost to achieve net zero for Africa by 2050 is \$2.8tn.



To achieve its SDGs (sustainable development goals) in relation to energy, Africa needs to double its generation capacity by 2030 and grow it fivefold by 2050. Hydropower is the main provider of renewable electricity in Africa with over 37 GW of installed capacity. The continent has the highest untapped hydropower potential in the world, with an estimate of only 11% of its potential being utilised. Similarly, the technical potential of solar, bioenergy, wind and geothermal energy is also significant. Africa is endowed with many of the metals required for battery production, including vanadium, manganese, nickel, cobalt and lithium. The market for these metals is expected to see rapid growth in the coming years and will be driven by increased demand for electric vehicles, smartphones and off-grid energy storage.

Africa needs to act now to capitalise on these new growing sectors and capture relevant market share or the opportunity will be lost. The energy transition in Africa has the potential to result in total renewable energy employment of around 5m jobs by 2030, which is a substantial increase from the estimate of 324,000 currently employed.



Every business leader wants to grow their business. This is where NextGen owners come in. Understanding and accounting for how ESG dimensions of performance may create or erode enterprise value is essential to pivoting with society towards a more sustainable future.”

Jayne Mammatt
ESG & Sustainability Services Leader
PwC Africa



82% of NextGens expect to be personally involved in increasing the business' focus on investments for sustainability impact in the future.

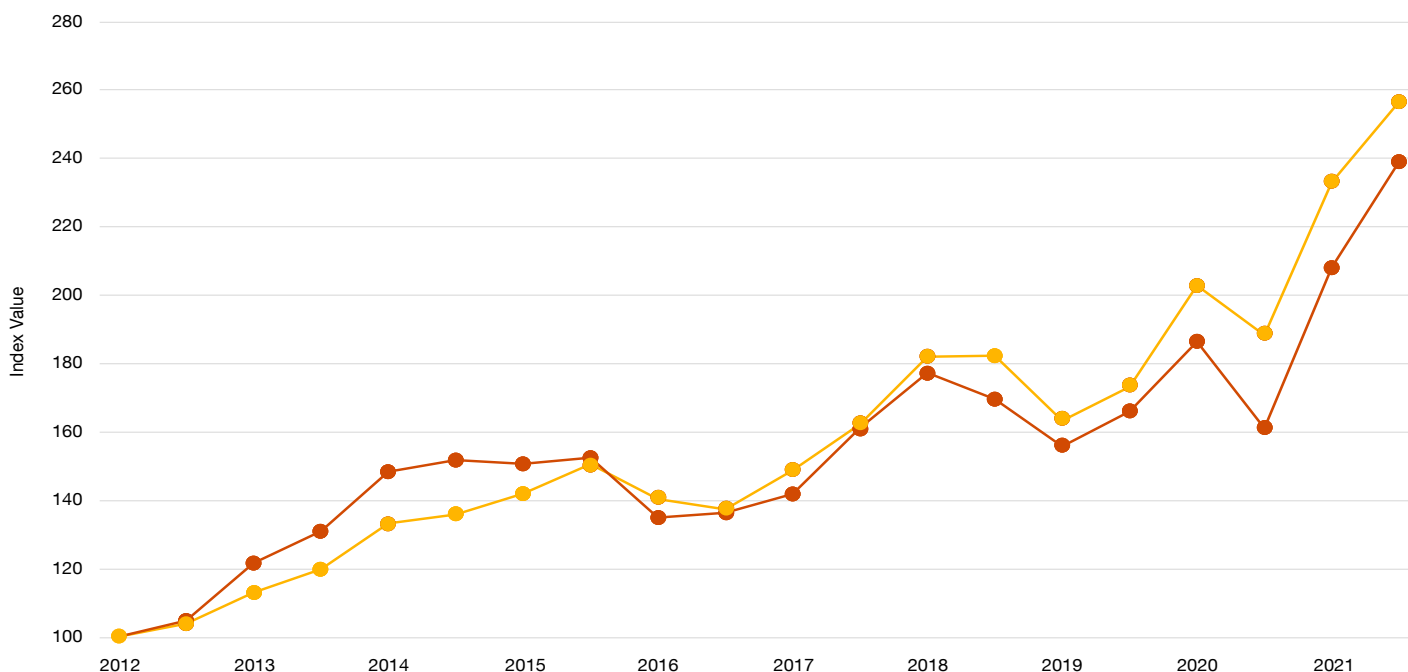
43% are doing it now.

Research by Family Capital shows that in recent years, publicly listed corporations that prioritise ESG and have better ESG risk ratings, as a group, have begun to outperform family businesses in terms of market capitalisation. These results indicate that family businesses are losing their trust premium. As ESG climbed up the investor agenda, family businesses lagged behind, and investors took note. According to the [2022 Edelman Trust Barometer](#), 67% of respondents however still said they trusted family businesses — against 56% for public companies — making family businesses still the most trusted type of enterprise.

Businesses that have better ESG risk scores also have higher market values

As sustainability became more important to investors in the past decade, the market capitalisation of family businesses began to trail that of non-family businesses.

Family Business Index Corporate Index



Note: Family Capital rated the top 100 family businesses and the top 100 non-family businesses using an ESG risk profiler. The index value is set at 100 on 1 Jan 2012.

Source: David Bain, 'Family businesses fall behind non-family companies on ESG and lose their trust premium,' Family Capital, 16 Sep 2021, www.family-capital.com/2021/09/exclusive-research-family-businesses-fall-behind-non-family-companies-on-esg-and-lose-their-trust-premium



I believe family businesses can really be pioneers in this area as they are generally more agile organisations with robust values. Family businesses also have a unique opportunity to partner with governments, startups and other players to lead on ESG.”



Meet Ziana Somji, Kenya

Sustainability needs to be a top priority

Ziana, the youngest grandchild of Kenyan businessman Ameerli Kassamali Somji, started working at their family business this year. They are a family owned business that first started logistics in the port of Mombasa in 1932. At Freight Forwarders Kenya, they are dedicated to operating their business in an ethical, responsible and sustainable way, always striving to have a positive impact on the local community, the environment and the wider society. They believe it is fundamental to their company culture to give back and therefore dedicate the same commitment to their corporate and social responsibility efforts that they use when working with clients.

Ziana feels that she is more likely to trust a company that is prioritising ESG. As the transport sector is one of the highest emitting industries, there is immense pressure to rapidly decarbonise. ESG factors are increasingly becoming integral to their business operations, because they have seen that by prioritising ESG, there has also been a reduction in operating costs. She sees that it can set them apart from competitors and an opportunity to be first movers in this space. Prior to joining the family business, she spent four years in PwC's consulting team which allowed her to learn about the sustainability challenges businesses face and what they can be doing about it. She is now bringing that experience and knowledge to the family business and has been at the forefront of creating their sustainability strategy.

She thinks that NextGens have to play the role of agents of change in this area, where previous generations may not have the sustainability knowledge or the willingness to change the way they conduct business. She keeps up-to-date with developments in the field by reading thought leadership, analysing sustainability reports of listed companies in the same industry, and completing online courses. She then makes it a priority to educate the rest of her family (and where relevant, clients and the wider company) through short presentations or sharing articles of interest.

They have set up a family charity that specifically focuses on supporting education opportunities in East Africa. Focusing on a specific cause within a region allows them to have maximum impact on that sector.





Educating future leaders

A crisis like the COVID-19 pandemic reminded businesspeople at all levels that their training and career path can't prepare them for everything. Indeed, 40% of you believe the pandemic identified a need for upskilling and additional education. But when we asked what you think you need to learn, the list was a familiar one: business model innovation (48%), finance/ investments (47%) and leadership development/ soft skills (47%).

Sustainability was identified as a priority by only **33%** of you.

Most of you already have excellent business qualifications—84% of you have completed at least a university degree, the majority in business and finance, and 13% of you hold an MBA or doctorate. But is more of the same the right solution today?

Family businesses—indeed, all businesses—need new perspectives if they're going to take full advantage of all the opportunities in the transformational years ahead. Business schools are beginning to recognise this, and many are exploring a more multidisciplinary approach to business and leadership, one that places a far greater emphasis on people, planet and purpose, instead of pure profit maximisation.





With an increase in complexity, twenty-first century organisations face widespread disruption across industries, primarily driven by technological advances, the digital revolution and growing globalisation. In addition, current business models and traditional methods of learning face disruption, so do leadership styles. Furthermore, much of the knowledge and many of the skills appropriate for today's workplace will not be applicable to the future workforce. Across the globe, millennials currently constitute most of the workforce in organisations, with Gen Z soon to enter the working world. Millennials make up 27% of South Africa's population demographic, and millennials and Gen Z can thus be seen as the future of the South African workforce. Therefore, business schools need to be careful to teach the same modules, business models and strategies as compared to a few years back. We can no longer lead the workforce of the future with management and leadership practices of the past. To stay relevant, business schools need to equip future business leaders with the knowledge and skills that will equip them to thrive in the modern era. Business schools have the ability to teach students how to learn, to derive meaning from information and to question, collate evidence, frame and debate complex issues. Business schools that are able to provide education that enables students to adapt beyond the current context and immediate occupational demands will stay relevant."

Elmarie Venter

Professor, Family Business Unit
Nelson Mandela University





Meet Oge Elumelu, Nigeria

Developing analytical and soft skills

Oge, the eldest daughter of Nigerian economist and businessman Tony Elumelu, is studying politics and philosophy at the London School of Economics and expects to work at the [Tony Elumelu Foundation](#), which her parents started in 2010. The foundation, which empowers entrepreneurs across Africa, is part of Heir Holdings, the Elumelu family's private investment firm, where Oge has volunteered since she was 14.

Oge chose not to study finance and business because she wants to develop and use both her analytical and soft skills. To this end, she has also co-started a podcast called Talk Africa to air views and ideas pertinent to sub-Saharan Africa, including socioeconomic inequality and feminism. She's also a Young People's Action Team ambassador for UN Generation Unlimited, the United Nations global movement aimed at helping young people from marginalised communities.

'These are extracurricular activities that sit at the core of my passions and goals, and I am confident they will help me as I begin working at the foundation in the near future and contributing meaningfully to the foundation's work via the multiple skills I'd have acquired over time,' she says. 'I am passionate about giving back to Africa, and it is important to me that I do this not just by giving out handouts, but by investing in people and making a real, long-standing impact in their lives.'

The foundation has funded more than 15,000 young African entrepreneurs, and more than 400,000 direct and indirect jobs have been created across the continent.





Securing the family's future

Our survey shows how the pandemic has brought family business generations together. You told us that it strengthened cohesion, accelerated succession planning and united everyone towards a common goal: to drive business growth. It brought forward your involvement in the business, and many of you say that it strengthened communication between generations. Fifty-seven percent of you feel more committed to the business than you did before the pandemic.



How to lead the family and the business is a huge challenge for the elders, especially for the Paterfamilias who has to guide a multi-generational family business. To secure the family legacy over generations, ask for trust, care and respect. Always keep in mind that change is the only constant and it applies to the family, the business and the macro world markets, which include competition and protectionism. Treat the business as business, the family as family and ownership with respect.

Live your legacy and lead by example!”

Kallie Schoeman
Managing director
Schoeman Farming Group



But there's also a disconnect in levels of responsibility. Indeed, our previous survey showed that more of you were given significant opportunities in the business before the pandemic than today. In our 2019 survey, 39% of you said you were given significant internal operations to lead. Now it's 28%. And today, one in six say it's difficult to get an understanding of how the business or Family Office operates. The current generation is even less keen to let go than in the past, even though it's clear that you, the future of the business, want to prove you've got what it takes.

Proving yourself: The current generation is holding on to control

The pandemic has brought families together.

48%

of NextGens say they're now more involved in the business than they were prior to 2020.

42%

say the pandemic resulted in stronger communication with the current generation.

57%

say they feel more committed to the business than they did before the pandemic.

But the current generation is making it hard for NextGens to prove themselves.

16%

report being given a project during the pandemic they might not have been asked to lead before.

30%

find it difficult to prove themselves as a new leader or board member.

61%

say that the current generation's hesitation to retire is a problem.

Source: PwC's Africa NextGen Survey 2022





Meet the Twycross NextGens, South Africa

Implementing environmentally friendly business practices and processes

Simon, Sarah and Richard are the fourth generation working and living on the Twycross farm in Nelspruit/ Mbombela. Their great grandfather, Michael Twycross, founded the business in 1919. Michael Twycross initially farmed with cattle, cotton and citrus. During the second generation, Geoffery, Michael's son, pioneered the avocado farming and export markets for South Africa whilst being the chairman of the South African avocado growers association. Another of his achievements was establishing a commercial avocado packhouse.

One of their key priorities is to grow the family business in a sustainable and environmentally uplifting manner. They believe that if they are to survive and thrive in the future they need to take a long-term view of where they are heading. Their focus will be on regenerative agriculture and environmental stewardship. They do everything they can to build soil health and lower their usage of chemicals and fertilisers. They actively build their soil's carbon content and look for new ways to lower their carbon footprint and promote biodiversity.

"We make it our priority to put the environment first. This means always choosing the most ecologically sound option and not putting profit first over the environment. We have set aside 60% of our land as conservation areas and only farm the areas that are truly suitable for agriculture. We also only apply practices to increase the soil health and fertility in our orchards and have cut back dramatically on harmful chemicals and fertilisers."

They also believe in being examples to other members in their surrounding community in how to uplift and empower their employees. They do not take the approach of simply paying minimum wage and deducting all allowable expenses. They offer a provident fund, free housing, transport, a 13th cheque and rations to all their permanent employees. Instead of focusing only on outside projects, they have opted to invest that capital into the wellbeing of their employees. Happy and content employees will always go the extra mile for their employers, they believe. By doing more for their employees than what is expected, they have gained loyalty, trust and productivity. They believe their approach might cost the business more than their competitors but in the long term it will be a great investment. They are committed to giving all of their employees a quality standard of living.



50%

of NextGens say their family businesses have a succession plan in place.

Succession plans

The decision to give control to the next generation is a huge, once-in-a-lifetime, event. Owners need to feel confident that the business is in safe hands, and you, its future leaders, need to provide the reassurance that you understand the challenges and have the skills to protect and grow the business.

The good news is that the pandemic focused the minds of family businesses on succession planning. In PwC's Africa Family Business Survey 2021, 24% of the current generation said there was a robust plan. Today, 50% of NextGens say the family has a succession plan. Forty percent have a family constitution in place, which is an increase from last year. It remains a very much needed document to be able to pass down the family business to the next generation in a planned and formalised manner. The current generation is still holding on tight for now: 43% of NextGens say there is resistance in their company to embracing leadership change.

But what being prepared for succession means in practice is rarely articulated—and in the absence of that discussion, many of you believe that the way to win the confidence of the current generation is to follow its example, rather than forge a different path. Our survey results show that tendency—and they explain why your firm conviction that ESG is tied to growth has yet to be translated into action.

An honest generational contract that communicates expectations on both sides will inspire confidence. Now that communication is clearer between the generations, as noted above, and better succession planning is in place, it's time to work out the details. What leadership skills and experience are required to allow the business to thrive? What will deliver growth in the future? And what are the stages and landmarks on the route to succession—what do NextGens have to achieve to be awarded a place on the board, for example? (See 'Educating future leaders,' above.)

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The responsibility for generational transition does not fall solely on the shoulders of the current generation. NextGen can play an active role by 'managing up,' based on mutual respect and good communication across generations, to set the pathways for senior leaders that affirm their identity and status.”

Kenneth Goh, Ph.D.

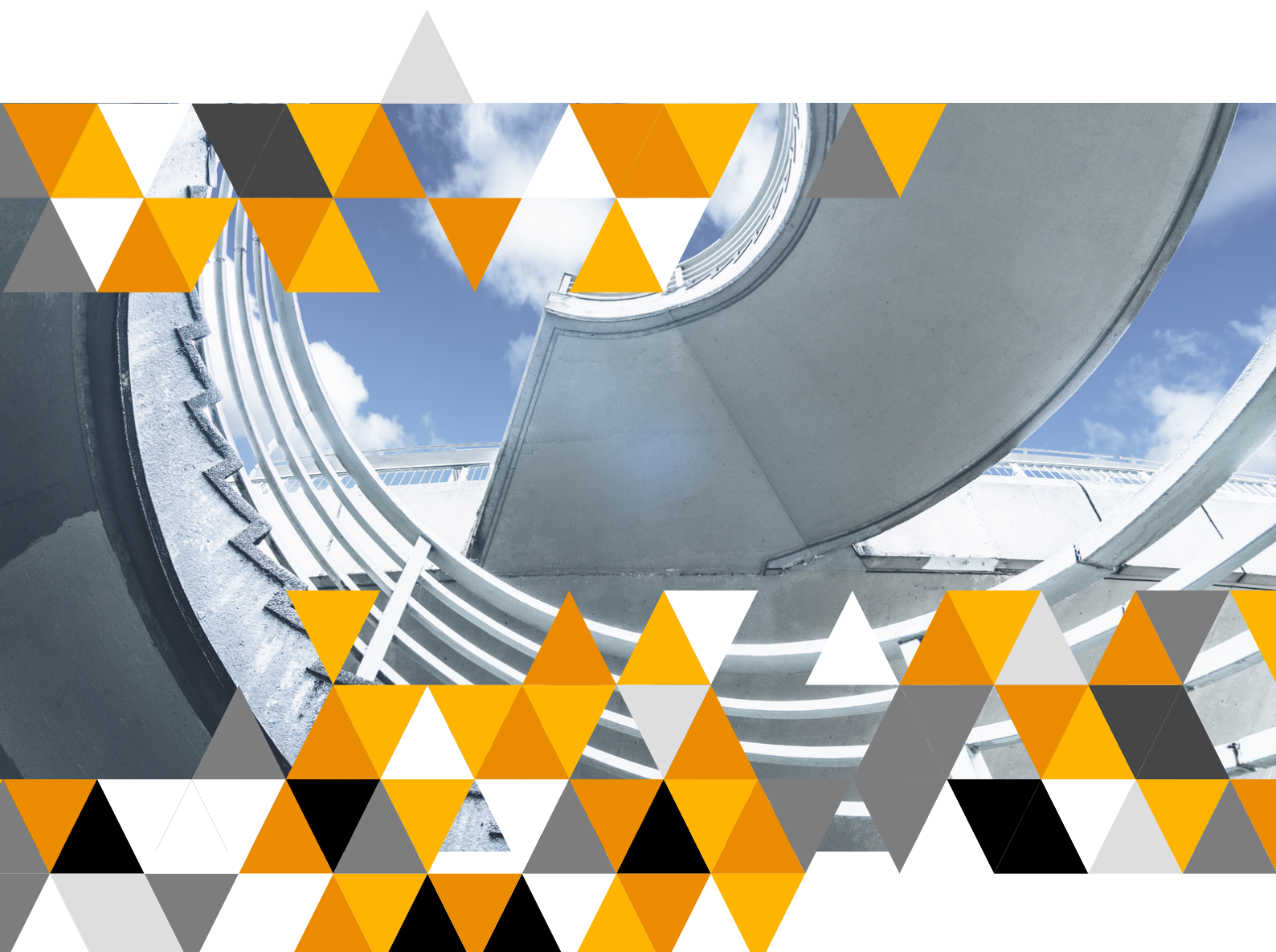
Professor and Academic Director, Business Families Institute
Singapore Management University

Bridging the family gender gap

If family businesses are looking for a quick win in terms of widening the diversity of their thinking, they should start by looking at the relative role of male and female NextGen members. Although women, like their male peers, want to focus on business growth as a top priority (73% for women vs. 64% for men), they're marginally less focused on ESG concerns: improving working conditions and sustainability are lower on their list than they are for their male counterparts.

The big difference comes down to leadership expectations: 30% of your female peers believe their male counterparts are more likely to be expected to run the business. Fifty-eight percent of men believe they are more likely to lead than their female counterparts. This could be because women are less likely to be in a leadership role now—43% of women currently hold leadership positions vs. 59% of male respondents. Fifteen percent of female respondents say they need to understand more about the business before they could suggest any changes, compared with 13% of their male counterparts.

This should send a clear message to the current generation: focus on bridging the gender gap in the family.





Future wealth management

Creating the double-digit growth that family businesses need in order to ensure that the generations maintain the wealth of the business is a tall order in a world gripped by crisis. And it's a big responsibility for you as NextGens to inherit. As noted, family businesses that haven't fully embraced ESG are already underperforming their non-family business counterparts in the capital markets.

That's why it's important to bring together the aspirations that you have to lead on ESG with the commitment to take action.

It's notable that family businesses that have a Family Office understand the importance of ESG in securing their future prosperity. Forty-one percent of you say that your business has a Family Office, and the survey data shows that this triggers more professionalism throughout the business. They show more discipline regarding family governance, in part because they represent larger families; they're more likely to have a written constitution (48% vs 37%) and a succession plan (58% vs 33%) in place.

Wealth management and the concept of ownership competence go together. Ownership competence is the skill through which ownership—and the control it implies over resources— is used to create value. This will be vital in setting the future business growth agenda.





Ownership competence, a model developed by Professor Thomas Zellweger of the University of St. Gallen, focuses on three elements that align with what we call the owner's agenda:

- **What is owned:** how owners combine resources to create value today and in the future.
- **How it is owned:** setting family governance, choosing leaders and managers, and providing incentives to maximise value creation.
- **When it is owned:** timing of ownership decisions, such as succession planning and the staging of investment.

If a business is to create sustained growth, it must pay attention to all three. You as NextGens have your own approach to these three elements. From our survey results, we see that you lean towards a more focused ESG agenda, but either don't think you have the green light to move faster in this direction or aren't yet making it a priority.



The concept of a Family Office has gained momentum in recent years, in light of a massive wealth transfer between generations and the increasing complexity of the family-ownership-business ecosystem. The increased wealth in family businesses in Asia is also fuelling this growth. If done right, the Family Office can play a critical role in ensuring sustainable business growth as well as preserving the wealth and unity of the family.”





Peter Vogel, Ph.D.

Professor of Family Business and Entrepreneurship, International Institute for Management Development (IMD)



How to challenge the status quo: Become the leader your family and business need

Winning the confidence of the current generation and demonstrating that the business will thrive in your hands will take work. The world is changing, and the business techniques of the past will no longer be enough. You must earn the right to challenge the status quo and to discover the growth opportunities to ensure your family legacy. It takes what we call a community of solvers: people coming together with different skills to deliver success.

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1 Reimagine business success and build the foundations of sustainable growth. ESG is becoming pivotal to business growth—and, as NextGens, you need to take a lead in building an ESG strategy. You now have many more options for acquiring the new skills you'll need to address these challenges. For example, you can [learn what developing a net-zero strategy entails](#), how to decarbonise your business footprint and what impact your business has on others.
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2 Don't be afraid to take a different path. Don't shy away from fundamental questions. A new book by PwC's Paul Leinwand and Mahadeva Matt Mani, [Beyond Digital: How Great Leaders Transform Their Organizations and Shape the Future](#), sets out [seven leadership imperatives](#) that are essential to shaping a company's future. The first is to reimagine the company's place in the world: what unique value does your company create? And what capabilities allow you to create that value better than anyone else? You, as NextGens, are well-placed to speak up and take action.
- 
3 Articulate and negotiate a generational contract. Though family businesses are more willing to talk about succession as a result of the pandemic, [the stages and conditions of succession](#) are often unclear. It's vital to have an ongoing conversation about what will drive growth in the future and your role in achieving it. It's also vital for there to be a clear understanding of what you need to do, as NextGens, to win the trust and confidence of the current generation.
- 
4 Hone your leadership skills. You know you have a lot to learn and still feel you need to prove yourself. But leadership today requires [a different set of capabilities](#). It's time to question whether you want to create yourself in the image of the older generation in order to be recognised as a potential leader. New times require new types of leaders.

If family businesses are to succeed in a rapidly changing environment, they need visionary leadership.

This is a watershed moment. It's time to reimagine what success means—and you, as NextGens, have the foresight to lead the way. You know the path the business must follow; it's up to you to become the leader your business needs. It's only through change—bold, innovative and unbounded—that we can secure our collective future. Be yourself. Be different. Drive change.



Appendices: Headline findings for selected countries

Nigeria

Over half of Nigerian NextGens see business growth as a key priority over the next two years. Forty-three percent respectively see expansion into new sectors / markets or adopting new tech as key priorities. More than half of Nigerian NextGens are personally actively engaged in the area of business growth, while a further 34% expect to be involved in this area in the future. Only 28% are currently engaged in reducing the organisation's environmental impact.

Nigerian NextGens (77%) are much more likely than Current Gen (53%) to see the opportunity for their business to lead the way in sustainable business practices.

Nigerian NextGens are much more likely than Current Gen to believe the business has a responsibility to fight climate change (69% vs 47%) and to think they are already contributing in this area. Seventy-eight percent of NextGens believe they ensure sustainability is at the heart of everything they do (vs. 47% for Current Gen) and 55% say they have a developed and communicated sustainability strategy (vs. 34% for Current Gen).

Fifteen percent of Nigerian NextGens believe COVID-19 led to them being asked to lead on specific projects, similar to the African average (16%). It was often in the area of new technologies where Nigerian NextGen's engagement was brought forward as a result of COVID-19. Twenty-five percent said this was an area of engagement that was brought forward as a result of the pandemic. Eighteen percent had their engagement brought forward for achieving business growth.


Over two fifths of Nigerian NextGens (43%) believe COVID-19 resulted in stronger communication between the NextGen and the current generation (higher than the African average of 42%).

The views of Nigerian NextGens are more positive than Current Gen in the area of values and transparency. Forty-nine percent of NextGens say the company's family values and mission are articulated in written form (vs. 48% in Africa).

Two thirds of Nigerian NextGens feel the COVID-19 pandemic has increased their commitment towards the family business higher than the 57% in Africa who feel this. Eleven percent feel less committed, compared to the 13% African average.

Around a quarter of Nigerian NextGens (26%) are already in a leadership role. Fifteen percent would like to play an intrapreneurial role in the next five years and nearly a third would like to play an entrepreneurial role. Only 22% of Nigerian NextGens have been given the opportunity to lead a specific change project or initiative within the business.





Over half of Nigerian NextGens (52%) think the pandemic revealed a need for them to upskill or for additional education, much higher than the African average (40%).

Over half of Nigerian NextGens are aware of a succession plan (of those, the majority were not involved in its development). Fourteen percent say COVID-19 accelerated / brought forward succession. Over half of Nigerian NextGens think the ability or readiness of the Current Gen to retire is a difficult aspect of succession.

Most Nigerian NextGens find it easy to understand the different provisions of family protocols/ constitution. Two thirds of Nigerian NextGens agree the business has adopted flexible working practices as required in a post-COVID-19 world.

Refer to the 2022 Nigerian NextGen Survey. (<https://www.pwc.com/ng>)

South Africa

Seventy eight percent of South African NextGens see business growth as a key priority over the next two years. Fifty percent see expansion into new sectors / markets and 56% to ensure they offer the right products and services for today's customers as key priorities. Ninety-two percent of South African NextGens are personally actively engaged in the area of business growth, while a further 6% expect to be involved in this area in the future. Forty-two percent are currently engaged in reducing the organisation's environmental impact.

South African NextGens (64%) similar to the Current Gen (68%) see the opportunity for their business to lead the way in sustainable business practices.

South African NextGens are much more likely than Current Gen to believe the business has a responsibility to fight climate change (75% vs 60%) and to think they are already contributing in this area. Sixty-four percent of NextGens believe they ensure sustainability is at the heart of everything they do (vs 68% for Current Gen) and 47% say they have a developed and communicated sustainability strategy (vs. 49% for Current Gen).

Seventeen percent of South African NextGens believe COVID-19 led to them being asked to lead on specific projects, similar to the African average (16%). It was often in the area of new technologies where South African NextGen's engagement was brought forward as a result of COVID-19. Twenty-two percent said this was an area of engagement that was brought forward as a result of the pandemic. Twenty-eight percent had their engagement brought forward for achieving business growth.

Two fifths of South African NextGens (39%) believe COVID-19 resulted in stronger communication between NextGens and the current generation (similar to the African average of 42%).

The views of South African NextGens are more positive than Current Gen in the area of values and transparency. Forty-seven percent of NextGens say the company's family values and mission are articulated in written form (vs. 48% in Africa).

Fifty-eight percent of South African NextGens feel the COVID-19 pandemic has increased their commitment towards the family business similar to the 57% in Africa who feel this. Eight percent feel less committed, compared to the 13% African average.

Around a quarter of South African NextGens (64%) are already in a leadership role. Thirty-six percent would like to play an intrapreneurial role in the next five years and 22% would like to play an entrepreneurial role. Only 28% of South African NextGens have been given the opportunity to lead a specific change project or initiative within the business.

Seventeen percent of South African NextGens think the pandemic revealed a need for them to upskill or for additional education, much lower than the African average (40%).

Forty-one percent of South African NextGens are aware of a succession plan (of those, 8% were not involved in its development). Fourteen percent say COVID-19 accelerated / brought forward succession. Sixty-nine percent of South African NextGens think the ability or readiness of the Current Gen to retire is a difficult aspect of succession.

Most South African NextGens find it easy to understand the different provisions of family protocols/constitution. Eighty-three percent of South African NextGens agree the business has adopted flexible working practices as required in a post-COVID-19 world.



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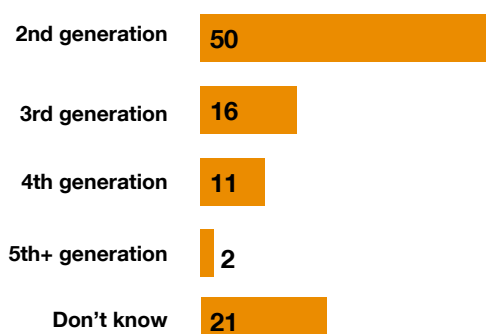
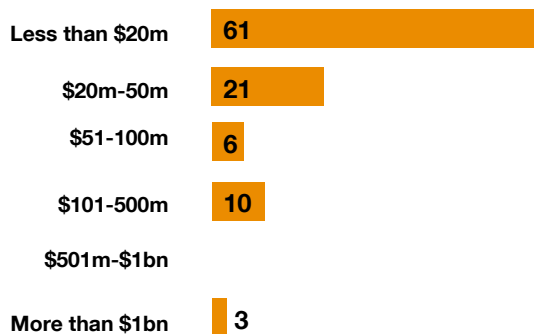
African participant profile



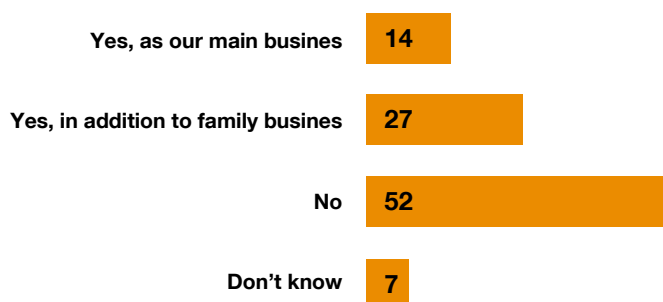
122 interviews were conducted in Africa in this period

65 Nigeria
36 South Africa
16 Kenya

1 Algeria
1 Chad
1 Ghana
1 Angola
1 Mauritius

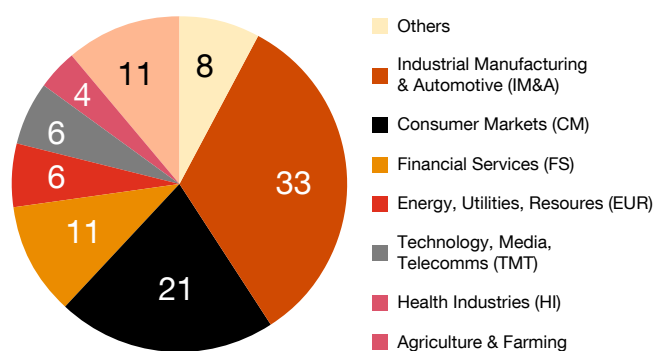


Does business has a Family Office



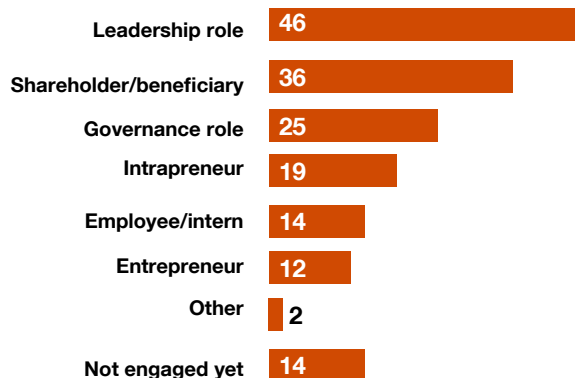
Base: All Africa respondents (n=122)
Turnover asked of those who do NOT have a family office as their main business (n=96)

Sector

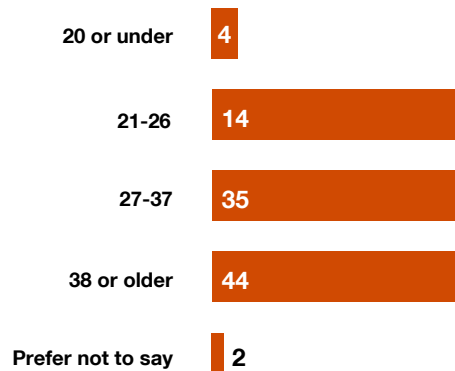


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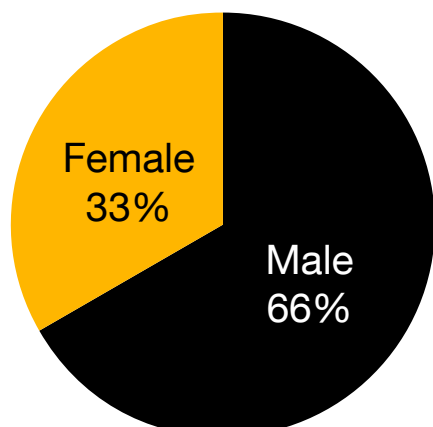
Current Job Role / Position



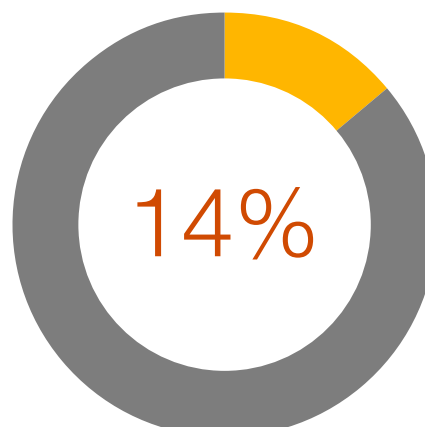
Age



Gender



FBN member



About the NextGen survey

PwC's Africa NextGen Survey 2022 is an international market survey among next-generation members in family businesses. The goal of the survey is to get an understanding of what NextGens are thinking on the key issues of the day, what role they are playing and what roles they think they should play. The survey was conducted online, with 122 interviews in 8 territories, between 8 October and 12 December 2021.

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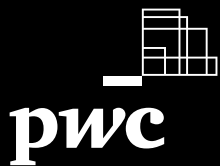
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