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**WELCOME ADDRESS BY MR S.S. TEO,
CHAIRMAN, SINGAPORE BUSINESS FEDERATION**

**FAMILY BUSINESS FORUM 2017
“MANAGING CHANGE IN TODAY’S UNCERTAIN ENVIRONMENT”
1 AUGUST 2017, TUESDAY, 9.15AM
THE BALLROOM
CONRAD CENTENNIAL SINGAPORE**

Distinguished Guests,

Ladies and Gentlemen,

A very good morning to all.

Introduction

On behalf of the Singapore Business Federation, it is my pleasure to welcome you to the second edition of our Family Business Forum, titled “Managing Change in Today’s Uncertain Environment”.

I am delighted that today’s event brings together family businesses from a wide cross-section of Singapore’s multi-ethnic and international heritage.

Change for Continuity

Family businesses form a large component of the business eco-system in Singapore, especially among SMEs, creating numerous employment opportunities and contributing to Singapore's GDP growth.

The continued success of family businesses across generations is therefore critical.

As Singapore undergoes economic restructuring, coupled with new business models, at times disruptive, that challenge traditional business models. Therefore, family businesses need to reinvent themselves to continue their legacy.

Almost every business today faces some form of uncertainty and disruption – be it in the form of new technologies, dynamic shifts towards digitalisation, or even changes in customer expectations.

Disruption almost certainly means change or results in change. Companies that do not recognise and respond to change in time will be left behind. Alternatively, companies that see disruption as an opportunity can achieve accelerated growth or develop new growth strategies.

Hence, it is important for the leaders of family businesses to embrace change to ensure continuity of their businesses regardless of the generation that they are from.

At the same time, many of the values and ethics that family businesses hold or uphold, like mutual respect, a sense of cohesion and concern for the needs of others, and having a long-term orientation, are important for sustainable development and an inclusive society.

Therefore, today's forum is aptly titled "Managing Change in Today's Uncertain Environment".

Transformation for Growth

In a 2017 study conducted by Deloitte, it is heartening to note that 63% of the respondents included planning for disruption as part of their strategic plans¹.

In another study, 76% of the next generation cited innovation and accelerated adoption of new technologies as their priorities in the next five years².

¹ Deloitte University EMEA CVBA (May 2017), Next generation family businesses – Leading a family business in a disruptive environment.

² Deloitte University EMEA CVBA (May 2016), Next generation family businesses – Evolution keeping family values alive

But even as family businesses grapple with disruption and radical changes in today's business environment, these businesses face a different set of challenges compared to non-family businesses.

Family values, culture and traditions are added dimensions that family businesses have to manage in their transformation journey.

One key characteristic of a family business is the personal and strong relationships that the leaders build with their employees, some of whom have worked for the organisation for many years, or since its beginning.

While such relationships are beneficial, it may impose challenges when the need arises for adoption of new technologies.

Family businesses need to recognise that to engineer change in their businesses, the workforce will require different skillsets.

For example, adopting new technologies to digitise the company requires a fundamental change in the routines and capabilities of the employees.

It is thus, important that family business leaders engage their employees early in the transformation journey, nurture the right culture and equip them with the necessary knowledge and skillsets to grow in tandem with the organisation.

As a businessman myself, I am looking forward to the Industry Transformation Maps or ITMs for short. They are excellent platforms to help companies become future-ready by transforming and strengthening their capabilities to move towards the next phase of growth.

Today, we will hear from distinguished panellists that come from different generations of family businesses, on how they equip themselves to face change and disruption, and lead their respective company to grow.

Conclusion

As the apex business chamber, SBF remains committed to working with our fellow TACs and industry partners to provide a national platform to support the growth of family businesses in Singapore.

We are delighted to have the support of the Singapore Management University's Business Families Institute and Deloitte Private as our Knowledge Partners in today's forum.

The Business Families Institute at Singapore Management University enables business family members to be engaged and responsible stewards of their families, businesses and communities through education, research and ecosystem support.

Deloitte Private is an integrated practice focused on serving the needs of family businesses and their owners, high net worth individuals, private equity and private enterprises in Southeast Asia, on their journey of value creation and wealth preservation to ensure that their legacy is passed on through generations to come.

I am confident that you will benefit greatly from today's sharing by our distinguished speakers and panellists. I hope that you will be inspired by their experiences, gain insights on transforming your family business to a successful growth enterprise, and be the agents of change for your family business.

Last but not least, I would like to extend my appreciation to our sponsor – the Bank Of Singapore, our knowledge partners, supporting organisations, all speakers and panellists for making today's event possible.

I wish you all a fruitful day ahead. Thank you.