



# Lebanese Association of Certified Public Accountants



**LACPA 21<sup>st</sup> International Congress**

Phoenicia Hotel – Beirut - Lebanon  
4 and 5 December 2017



**DEBBANE  
SAIKALI  
GROUP**

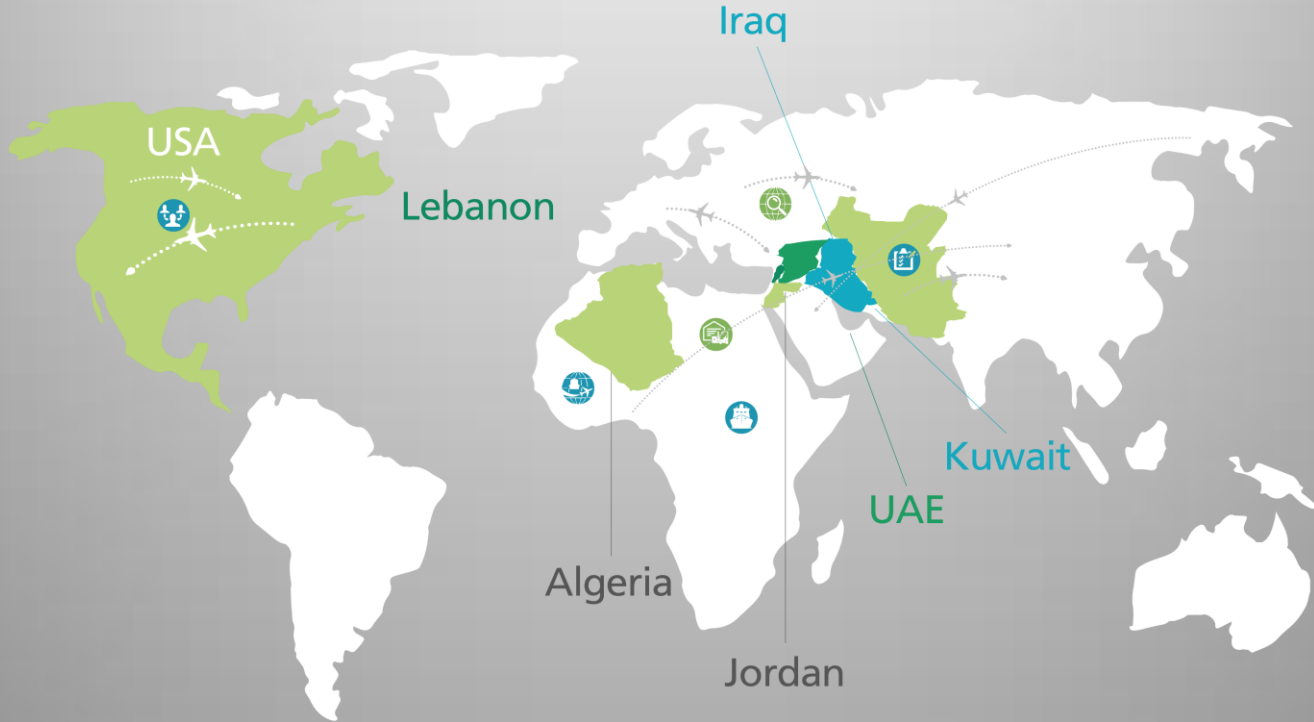
**Sustainability through Governance**  
**#National\_Interest**

# Video

MOVING  
from FAMILY MANAGED BUSINESS  
to a CORPORATE ENVIRONMENT



# OUR COUNTRIES



# OUR INDUSTRIES



Horticulture



Wine



Agriculture



Contracting



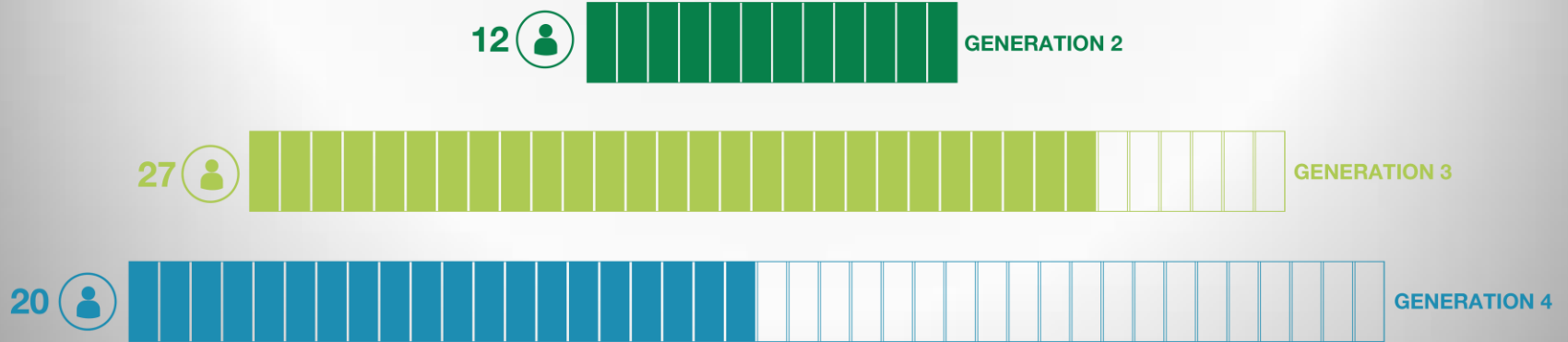
Telecommunication



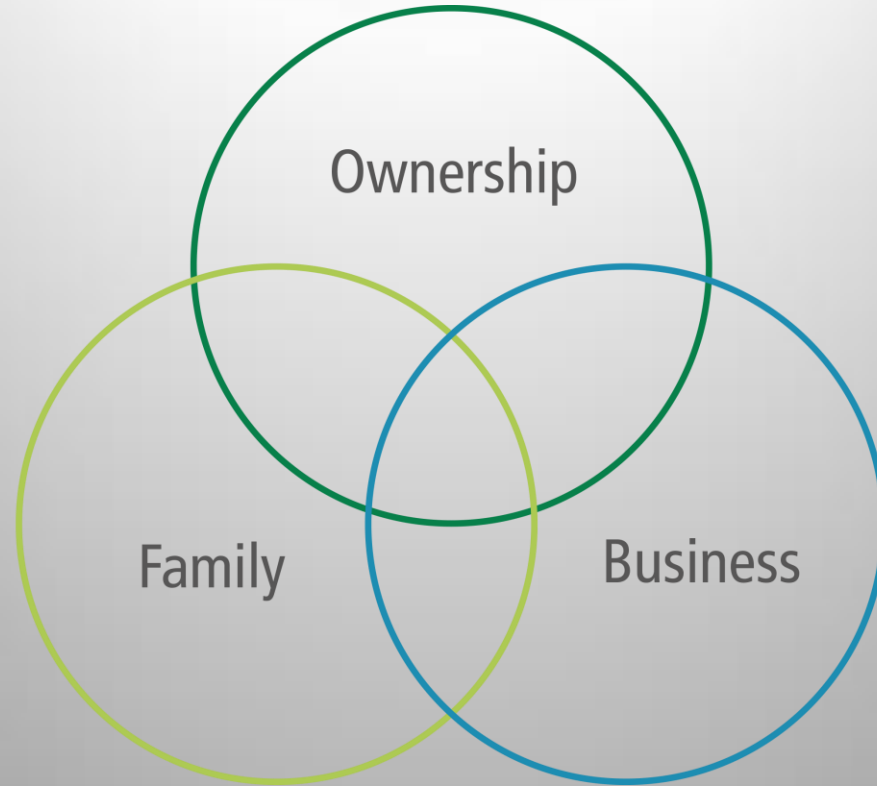
Energy

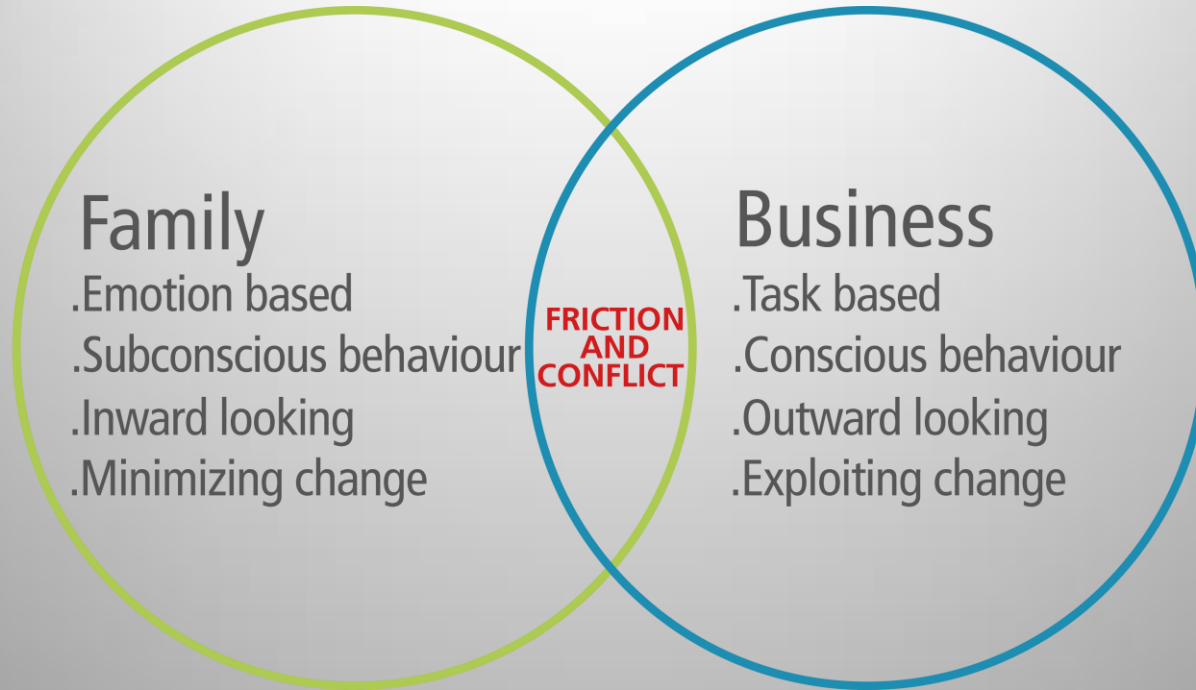


# OVER 50 POTENTIAL SHAREHOLDERS



# FAMILY, BUSINESS AND SHAREHOLDERS



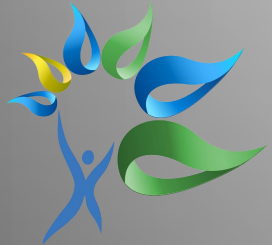




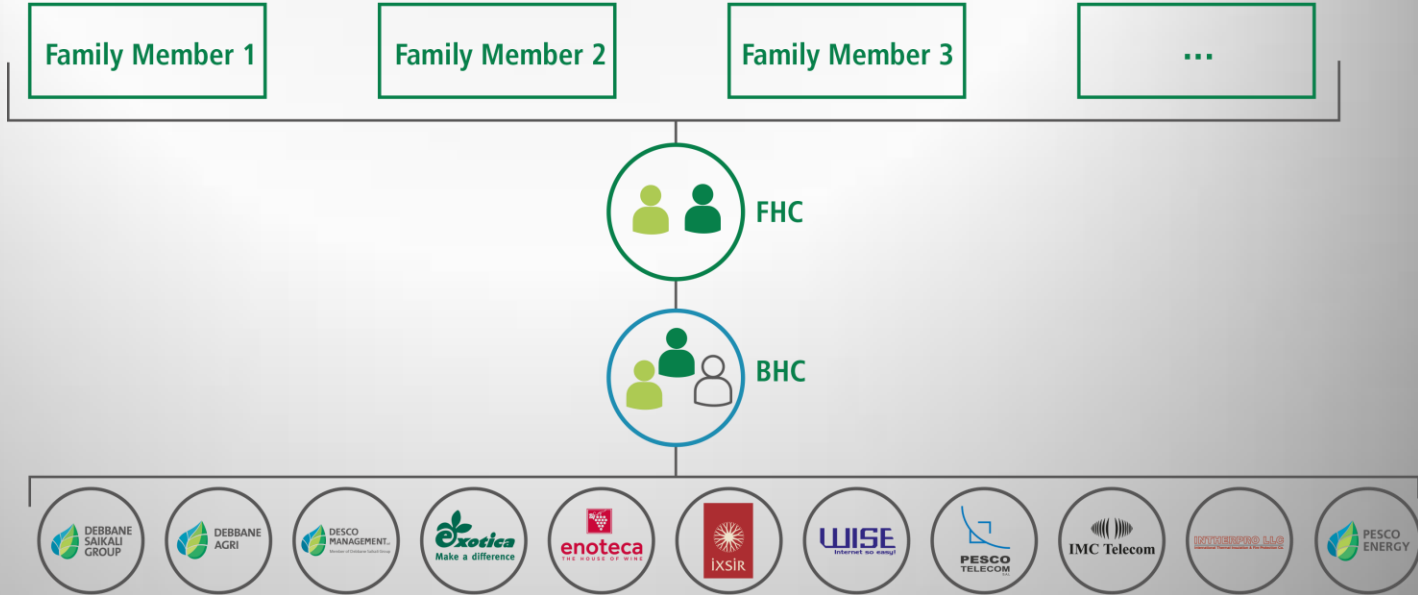
## Separate Family from Business







*Easier said than done* 😊



# FAMILY HOLDING COMPANY (FHC) - BUSINESS HOLDING COMPANY (BHC)



-  GENERATION 2
-  GENERATION 3
-  GENERATION 4
-  NON-FAMILY



## FHC Operations and Planning

- Six family board members.
- Two preset yearly meetings:
  - Define strategy and family needs
  - Review financial performance.
- Ad-hoc meetings to address list of restricted items.



## Family Holding Company (FHC) Role



## 1 Define business vision



To be the most Innovative and trusted Provider  
of quality agriculture Products and solutions  
In high growth middle east and African markets.

## and values



# HOW DOES THE FAMILY CONTROL THE BUSINES?

2 Appoint Business Holding Company (BHC) Directors.



3 Business Holding Company (BHC) Board: Majority of non-family members.



## 4 Risk Management and Asset Allocation.





# HOW DOES THE FAMILY CONTROL THE BUSINESS?

5 Answer family questions about the business.



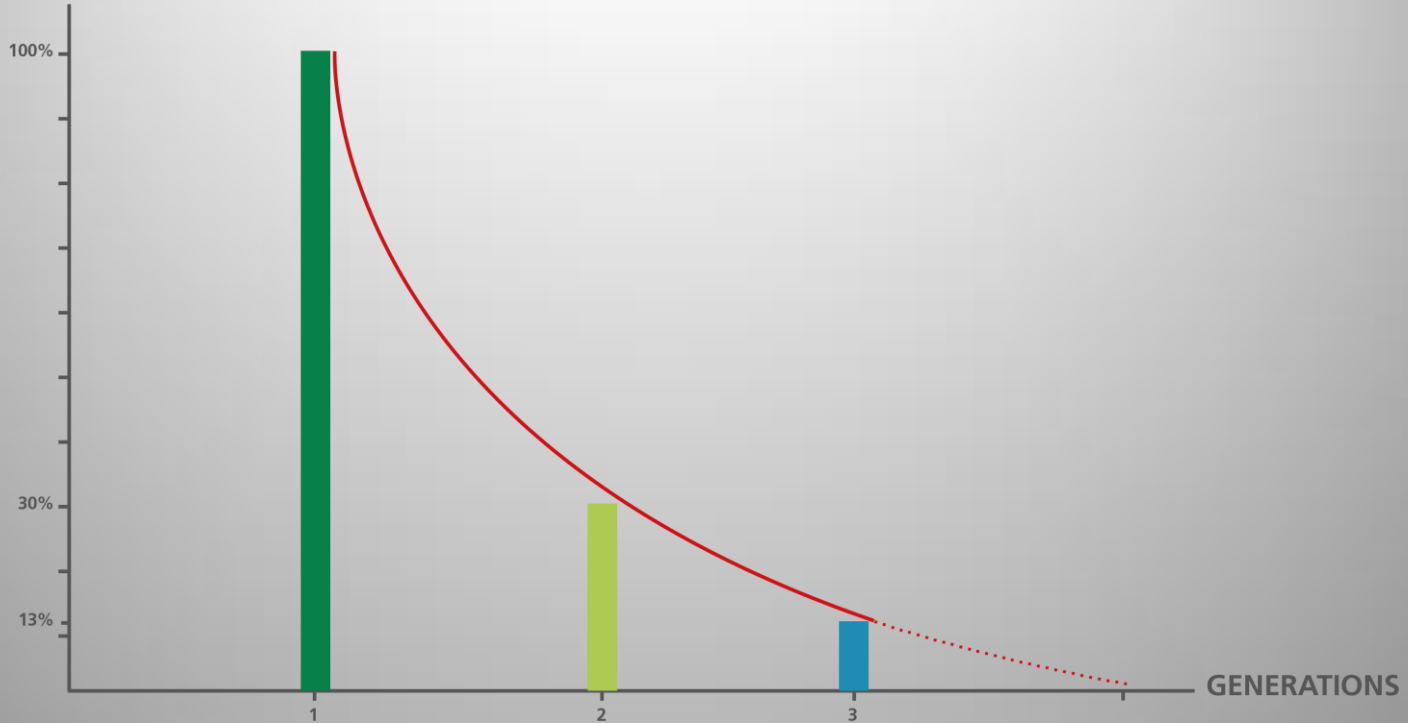
# FAMILY EMPLOYMENT COMMITTEE

- A separate and independent Family Employment Committee will review employment applications of family members. This committee, formed by independent non-family members and HR professionals, guarantees a fair assessment and review.
- No position will be created for a family member.
- A position in the company is neither a birth right nor an obligation for a family member.
- Hiring criteria will be based only on merit.
- No family member will report to another family member.



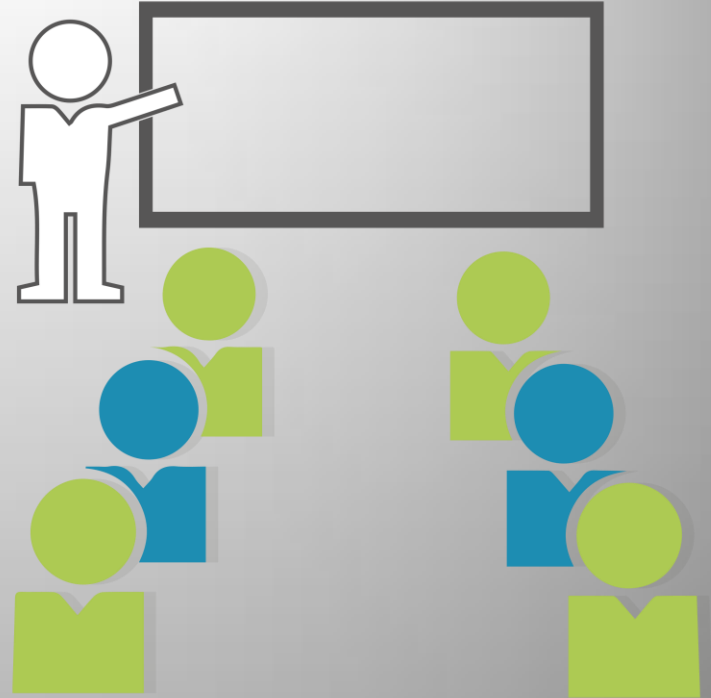
# FAMILY BUSINESS FROM GENERATION TO GENERATION.

SURVIVAL RATE



## FHC Succession

- 6 shadow family members
- Training of 6 shadow members
- Monthly meetings to familiarize with business issues.



# MOST IMPORTANT BENEFIT OF STRUCTURE

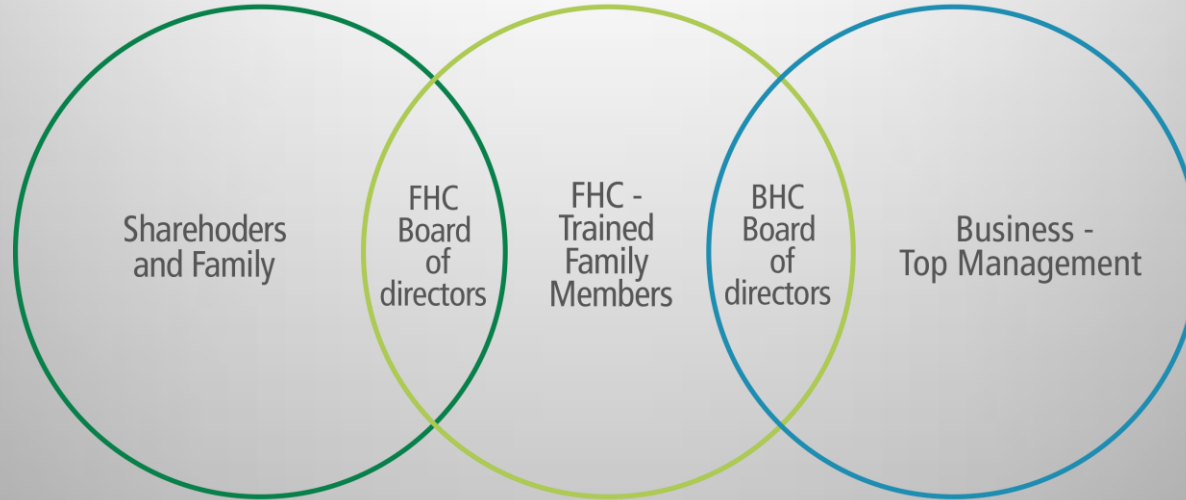
What makes a Family Business different:

- Owners have family relationships other than business relationships
- They have inherited certain family conflicts which unconsciously they bring to the business
- Their presence on Board stems from their family relationship and not their exclusive knowledge about the industry in which they operate.

**ACCOUNTABILITY to realize Vision & Objectives**



# STRUCTURE FOR ACCOUNTABILITY



# KEYS FOR SUCCESSFUL FAMILY BUSINESS

- Professional and balanced Board
- Strong executive team
- Aligned ownership
- One family voice





[www.lacpa.org.lb](http://www.lacpa.org.lb)

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