


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

**PwC's Global NextGen Survey 2022  
– Thailand Report**



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# A message from CEO

**2022 will be another challenging year for businesses in Thailand. Despite the impact of the Omicron strain being less severe than previous pandemic waves, other factors are negatively affecting the overall economic recovery.**

Production costs are increasing as oil prices rise due to the geopolitical instability, and supply chain stagnation is also contributing to high inflation worldwide. These factors are a major problem especially for family businesses, which are considered the main economic drivers amid changes in consumer behaviours and the overall business landscape.

It has rapidly become clear that success is no longer measured by profitability alone, but the focus is on building trust and delivering sustained outcomes for stakeholders.

At the same time, family business leaders need to seek new opportunities to grow and add value to their business by developing competitiveness and enhancing customer satisfaction by adopting new technologies and innovations. All of this requires the fresh mindset of the NextGens who are ready to lead their family businesses through waves of disruption. The new generation of leaders must be a driving force for sustainable business practices that take into account the environmental, social and governance (ESG). ESG will become the key to doing business in every industry in the future.

In light of this, in PwC Thailand's NextGen Survey 2022 we surveyed Thai NextGen family business leaders to get their insights and perspectives on future growth in family businesses, including growth factors that will help them navigate change, ESG goals and digital capabilities. The results of this survey reflect the mindset, readiness and potential areas of development for the new generation of business leaders.

I really hope that the information shared here will bring helpful new perspectives for the current and new generation of family business leaders. Also, I hope it helps everyone learn, assess themselves and see business opportunities in a world where change is moving ever faster.



**Chanchai Chaiprasit**  
Chief Executive Officer, PwC Thailand

# Foreword



**Crises can happen at any time. Some are obvious but some are invisible to the eye, and no businesses, whether large companies or modest family operations, can be fully prepared for their shocking economic impacts.**

This pandemic has forever changed the global economy, with risks rising at an unprecedented level. Many people are forced to change their behaviours with the accelerating digitalisation and sustainability trends. It's a challenging scenario but also a test of leadership for NextGens to secure their place in the family business.

But how are NextGens rising to challenge, and what roles are they playing to make changes in their companies? The second edition of PwC Thailand's NextGen Survey 2022 will try to answer these questions by offering insights into how NextGens are navigating the challenges of succession, their leadership roles, ESG impacts and digitalisation.

The survey also addresses family expectations and how these young leaders manage them. It also discusses what skills they're interested in expanding to ensure their relevance within the business.

Furthermore, the report offers recommendations for NextGens to better contribute to their businesses. These are to help them thrive in the future, deepen their involvement, make sure their contributions bring greater value and ensure that their family's purpose and values remain intact from the disruption.

I hope that the report will facilitate NextGen's leadership journey and unlock their potential as the next responsible owners of their family's business.



**Niphan Srisukhumbowornchai**  
Entrepreneurial and Private Business Leader,  
Tax and Legal Partner, PwC Thailand



# About the NextGen survey

PwC's [Global NextGen Survey 2022](#) is an international market survey among next-generation members of family businesses. The survey's goal is to understand what NextGens think about current key issues, what role they're playing and what roles they think they should play.

The survey was conducted online, with 1,036 interviews in 68 territories, including 40 respondents from Thailand, between 8 October and 12 December 2021.

PwC Thailand's NextGen Survey 2022 is the second edition. It digs deeper into how Thai NextGens are securing their place in their family businesses and how they're growing as leaders. The NextGen Survey – Thailand Report explains how the younger generation of leaders are navigating the challenges of the pandemic, family expectations, generational conflicts and trends affecting the future of their family's legacy.





## Who have we spoken to?

### Age

20 or under

21 - 26



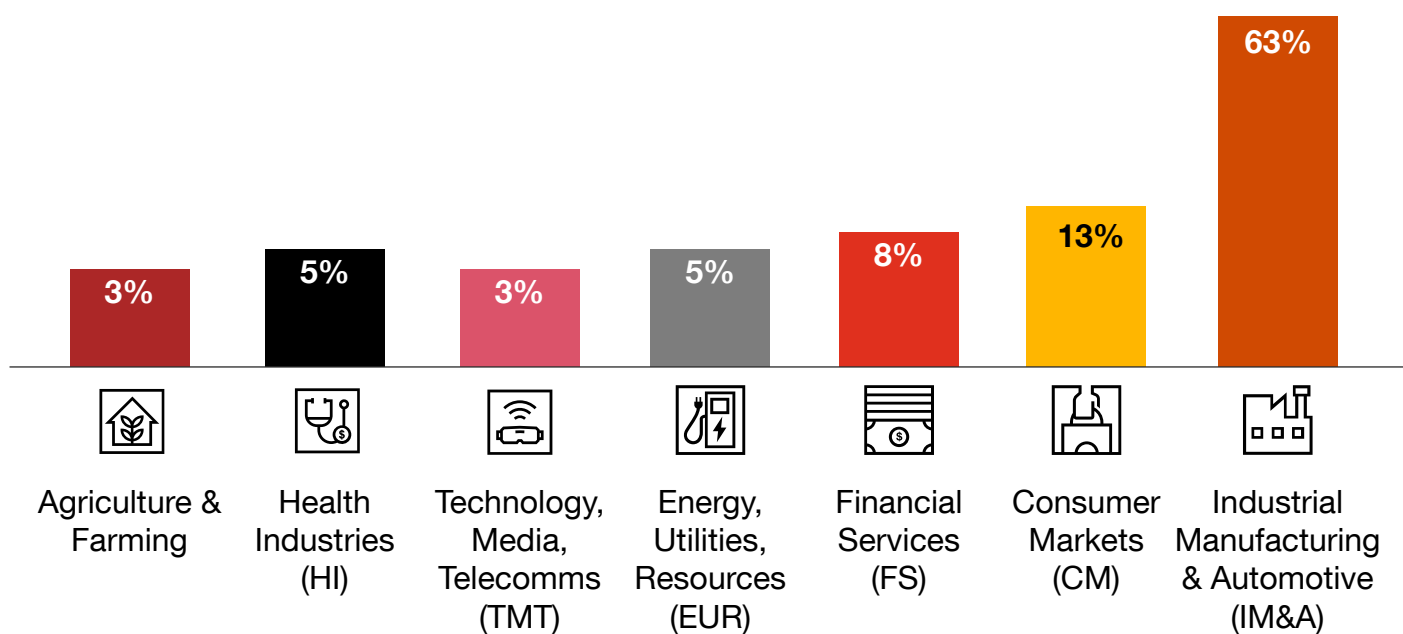
27 - 37



38 or older

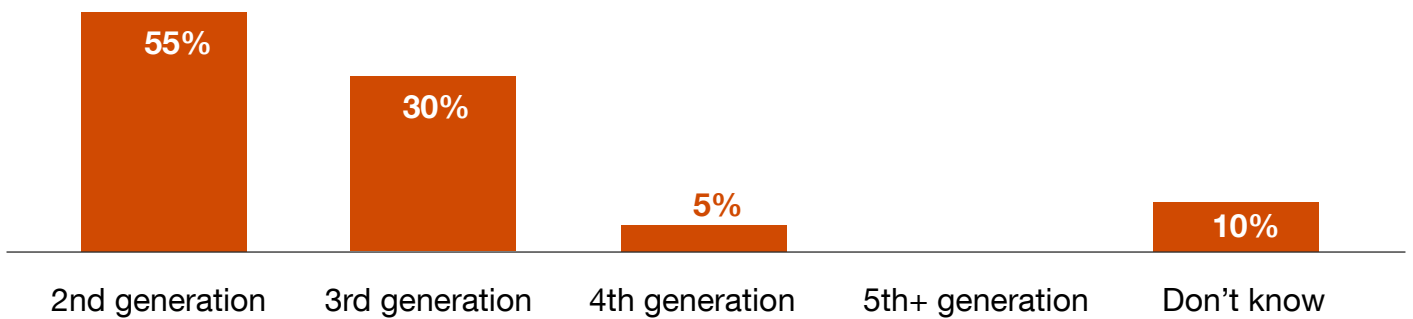


### Sector

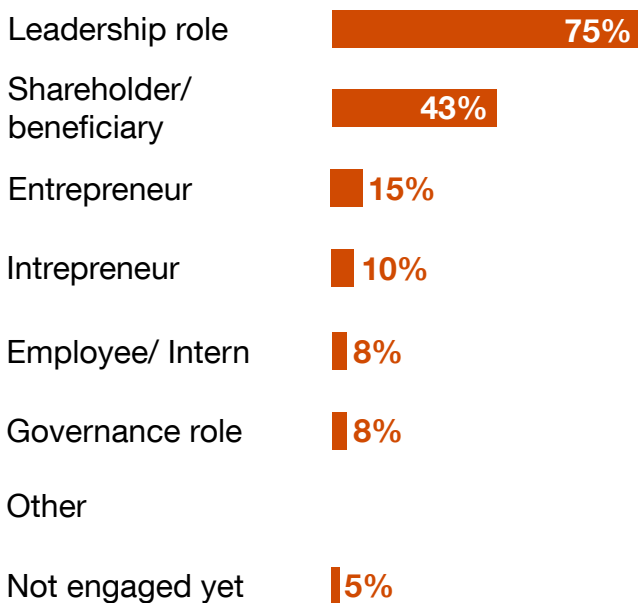




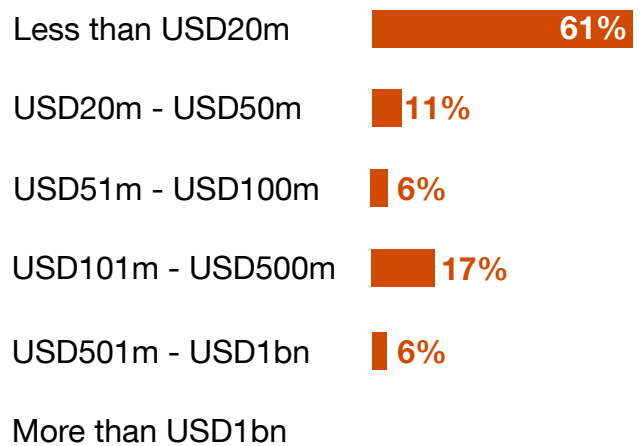
## NextGen generation



## Current role and position



## Turnover (sales) (USD)



# How are Thai NextGens adapting to the future?

As the COVID-19 pandemic continues, significant challenges persist for family businesses. Thai NextGens are laying the groundwork to ensure their businesses survive now and in the post-pandemic future. They're keen to be more deeply involved in driving growth through their generation and into the next.



**65%** of Thai NextGens are actively engaged in the area of business growth.

**28%** are expected to be involved in the future.

Deciding which areas to prioritise is no easy task. In today's disruptive environment, there are many areas that demand the attention of Thai NextGens, but some areas need more attention than others.

When asked about key priorities, nearly two-thirds of them see business growth (63%) as a top priority, followed by expansion into new sectors or markets (50%). This aligns with their global peers who also seek long-term success for their family businesses.

In addition, Thai NextGens are also keen on upskilling digital capabilities (45%) and working conditions and practices (45%) to improve the working conditions of their employees. Upskilling and working conditions are critical to ensure the workforce's well-being is maintained and they're ready to compete in the digital economy.

Over two-thirds of Thai NextGens agree that their businesses have adopted flexible working practices (70% vs 67% for global) as required in a post-pandemic world.





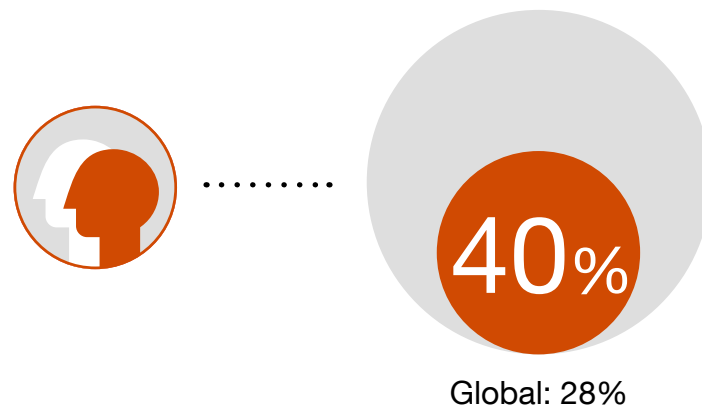
**Figure 1: Key priorities over the next two years (Thailand vs Global)**



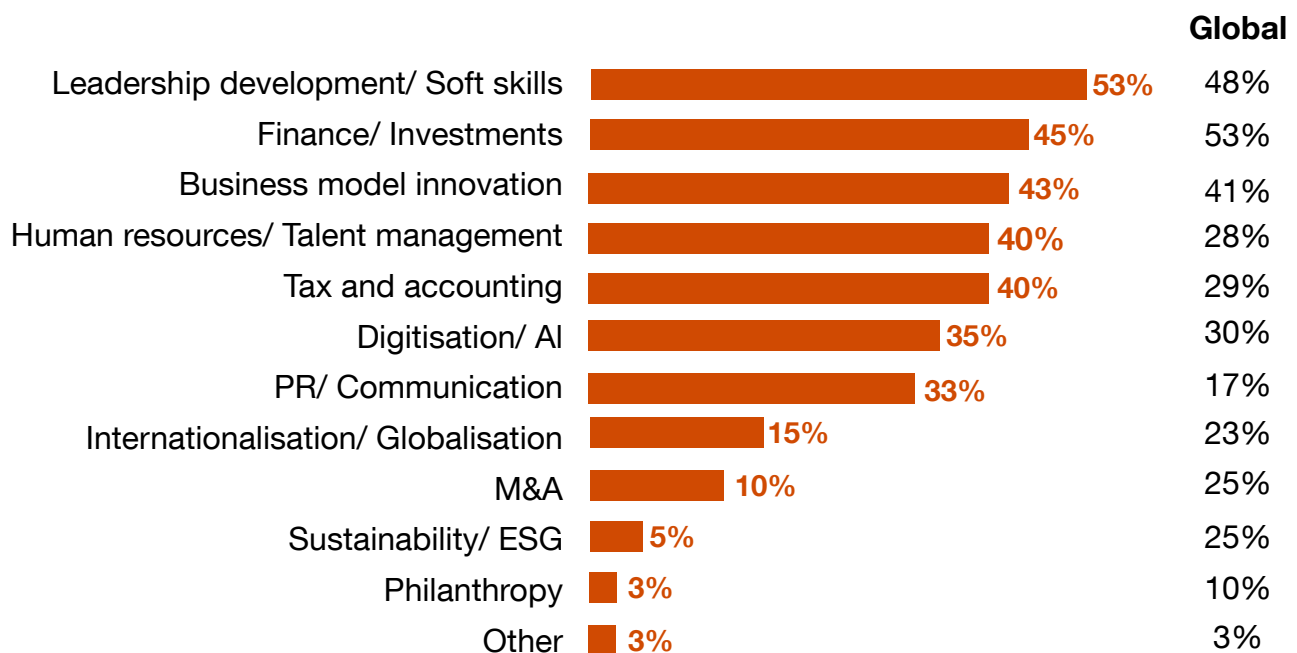
# The pandemic revealed the needs for upskilling among Thai NextGens

Thai NextGens showed a willingness to take the pandemic as an opportunity to sharpen their skills and gain new expertise and/or additional education for the benefit of their family businesses. The pandemic has also made them become more committed to their family businesses and has revealed the need to upskill their leadership capabilities. This is higher than their global peers at 28%.

**Figure 2: 40% of Thai NextGens want to gain new expertise, higher than global (28%)**



**Figure 3: Additional expertise required for future leadership**



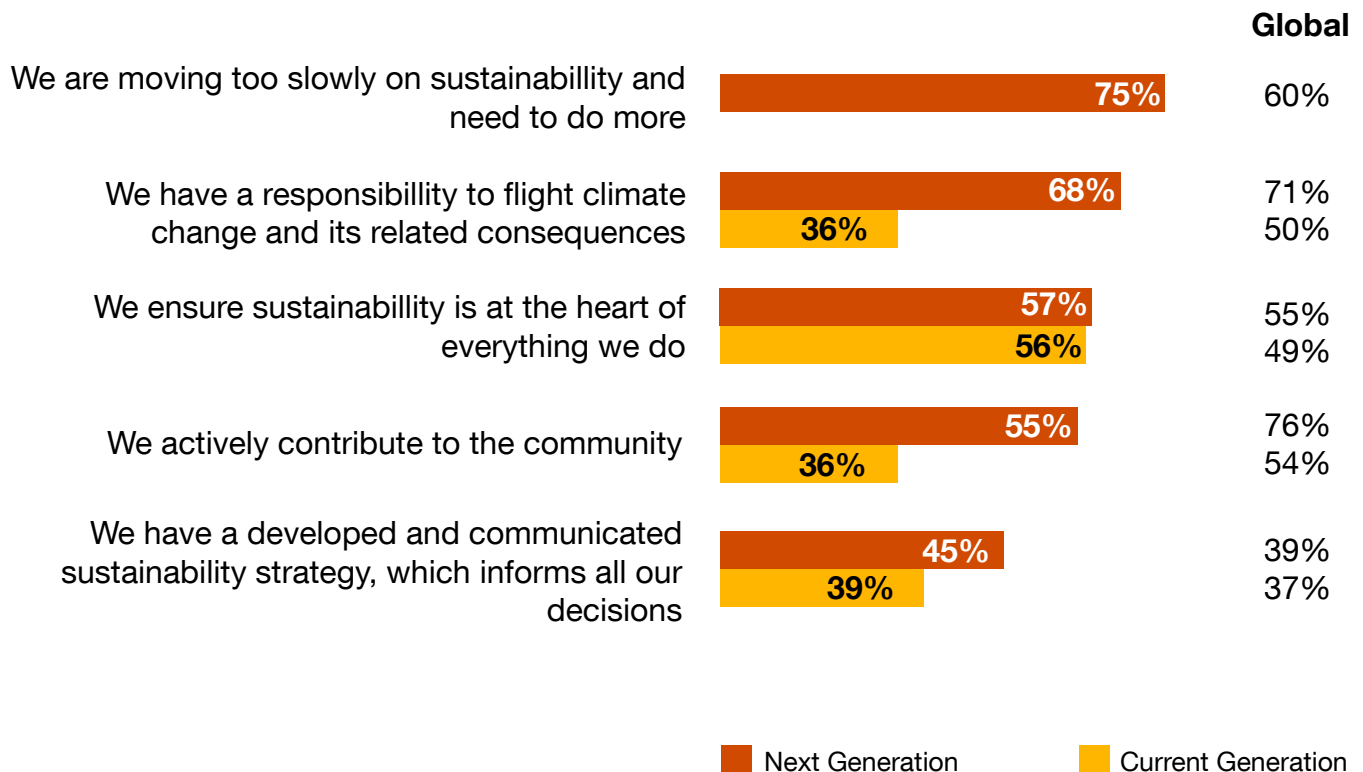
# Taking leadership in ESG goals

The pandemic has brought ESG into focus more than ever, with companies around the world adopting ESG practices and strategies into their businesses. For Thai family businesses, ESG is no longer an option if they plan to expand into international markets.

By bringing NextGens to the lead, family businesses have an opportunity to achieve their ESG agendas. The survey found that Thai NextGens believe their business have a responsibility to fight climate change (68% vs 36% for current generation), which is in line with their global peers (71%).

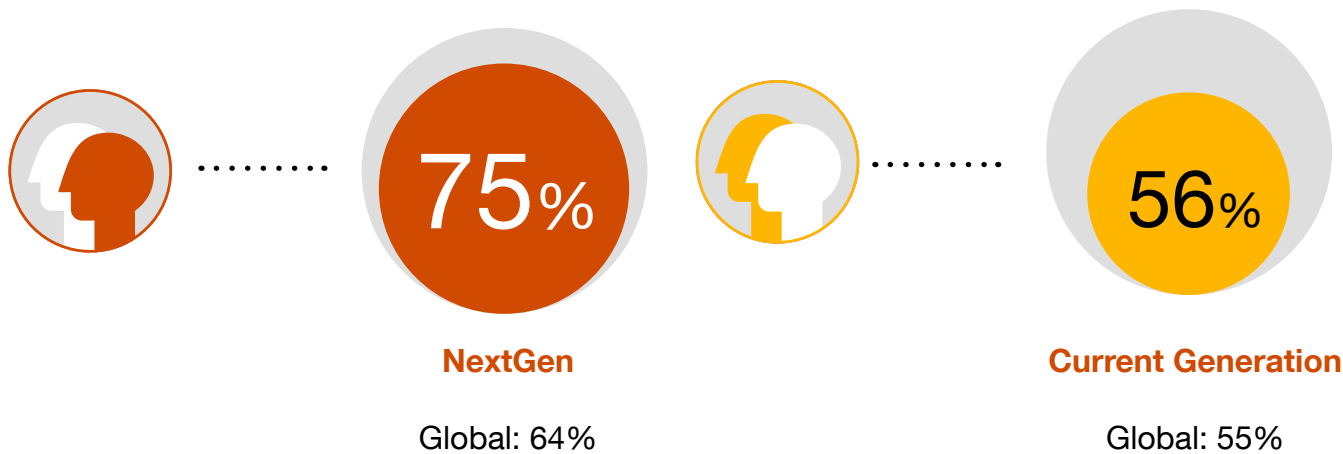
Some 57% of NextGens believe that ensuring sustainability is at the heart of everything they do (vs 56% for current generation). Only 45% have developed and communicated their sustainability strategies, but this is slightly higher than their global peers at 39%.

**Figure 4: Thai NextGens are more likely than the current generation to believe in climate change**



The survey also shows that Thai NextGens could lead the sustainability agenda of their family businesses, but ESG isn't just about the environment. Social and governance aspects are also important.

**Figure 5: Thai NextGens see their business to lead the way in sustainable business practices (NextGen vs current generation, Thailand vs Global)**



# The fast pace of digitalisation

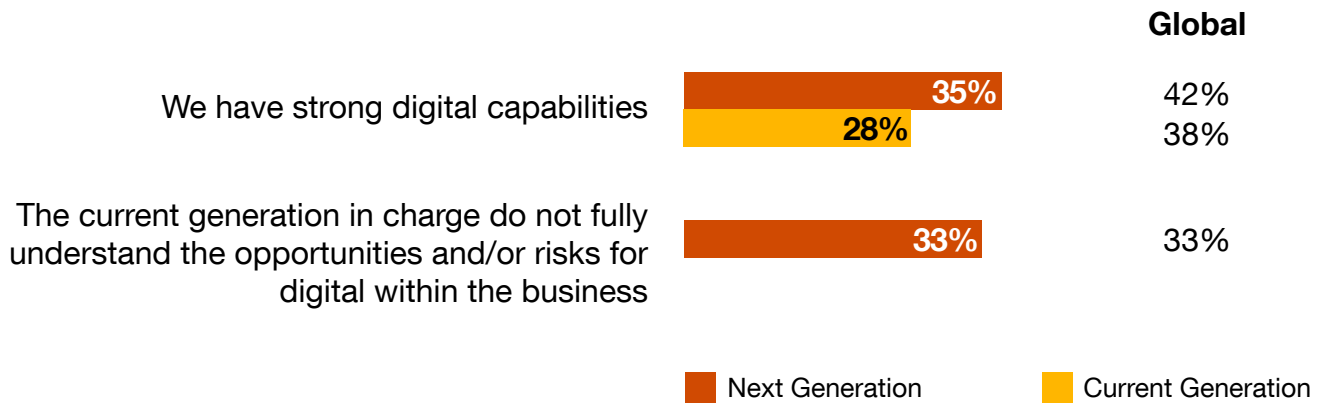
Crises like the pandemic have sped up digital transformation and technologies for several years. Digital capabilities are an important factor in enabling businesses to respond faster to customer needs and the competition. Such transformation can't be achieved without the digital capabilities of the NextGens who are actively engaged with new emerging technologies. The survey found that Thai NextGens are brought in to manage areas related to technology and digital upskilling.

**Figure 6: Technology and digital upskilling lead the areas where Thai NextGens are brought forward as a result of COVID-19**



Thirty-five percent of Thai NextGens believe their family businesses have strong digital capabilities, higher than the current generation at 28%. Also, 33% believe the current generation doesn't fully understand their business' digital opportunities and risks. This shows that NextGens have much higher confidence when dealing in areas of digital technologies than the current generation. However, the figure is still much lower than global NextGens (42% vs 38% global current generation).

**Figure 7: Thai NextGens have stronger digital capabilities than current generation**

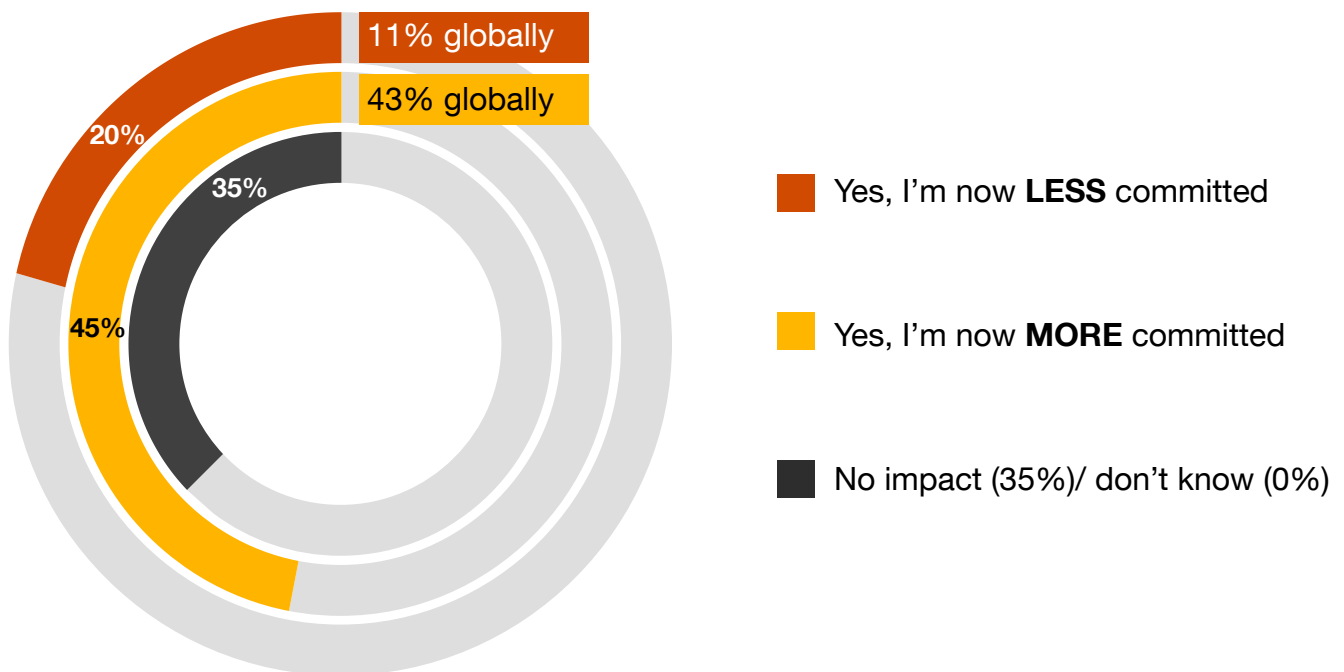




# Securing the family's future

It's more and more important for NextGen and the current generation leaders to cooperate against the challenges brought by the pandemic. In the Thailand experience, NextGen and current generation leaders have shown greater synergy, as shown by the Thai NextGens' increased commitment towards family business (45%), higher than global at 43%. More involvement in the business also resulted in more communication between the generations (55%).

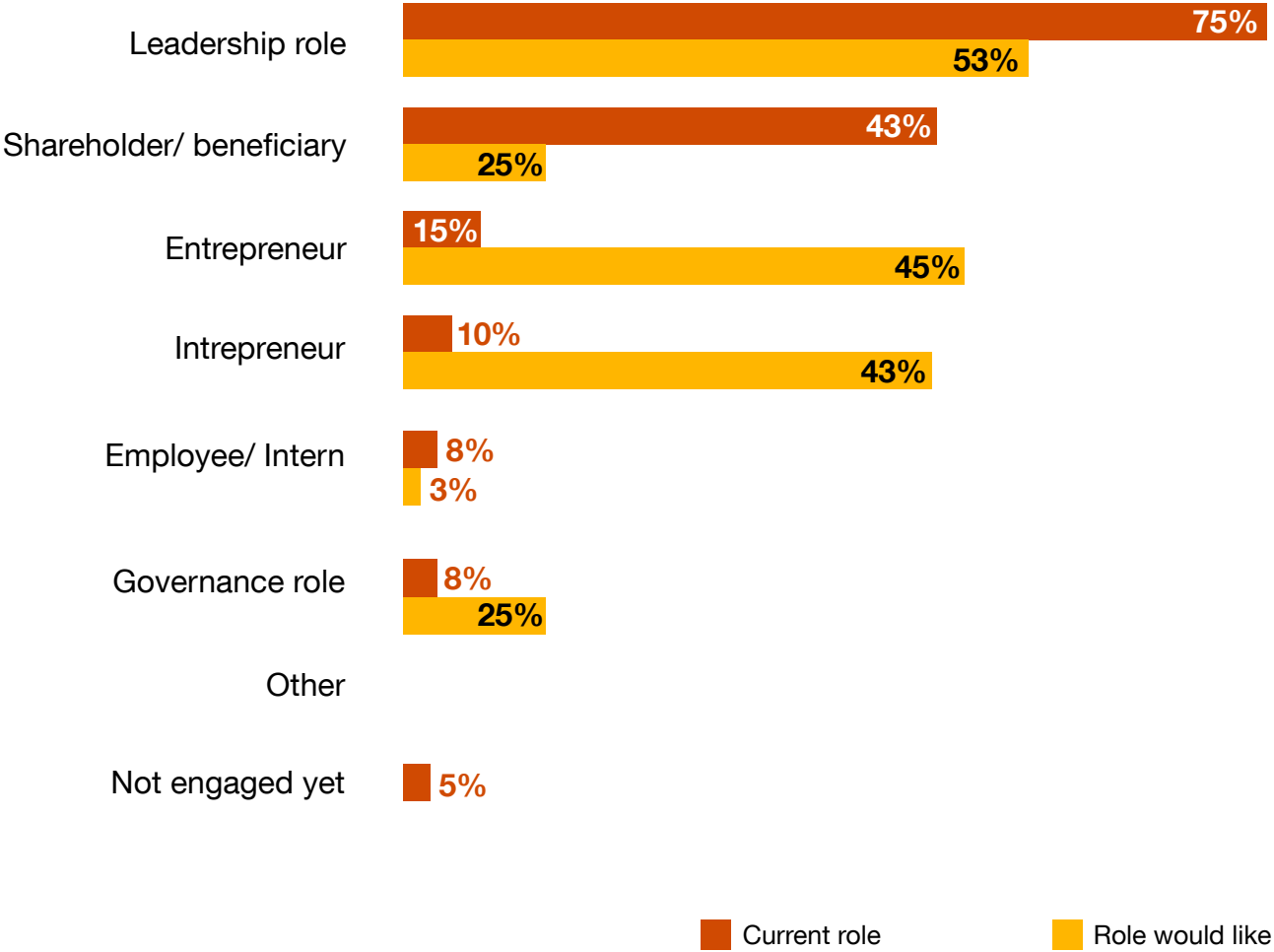
**Figure 8: Thai NextGens feel more committed to the family business**





In Thailand, the current generation has shown greater confidence in NextGens to take the lead, with 75% of NextGens already in leadership roles and 53% wanting leadership roles in the future.

**Figure 9: Current role/ role like to have in five years - Thailand**





Moreover, 40% of Thai NextGens have been given the opportunity to lead a specific change project or initiative within the business, which is higher than global at 28%. This indicates the majority of Thai NextGens feel positively about their contribution within the business.

**Figure 10: Current level of contribution to business**

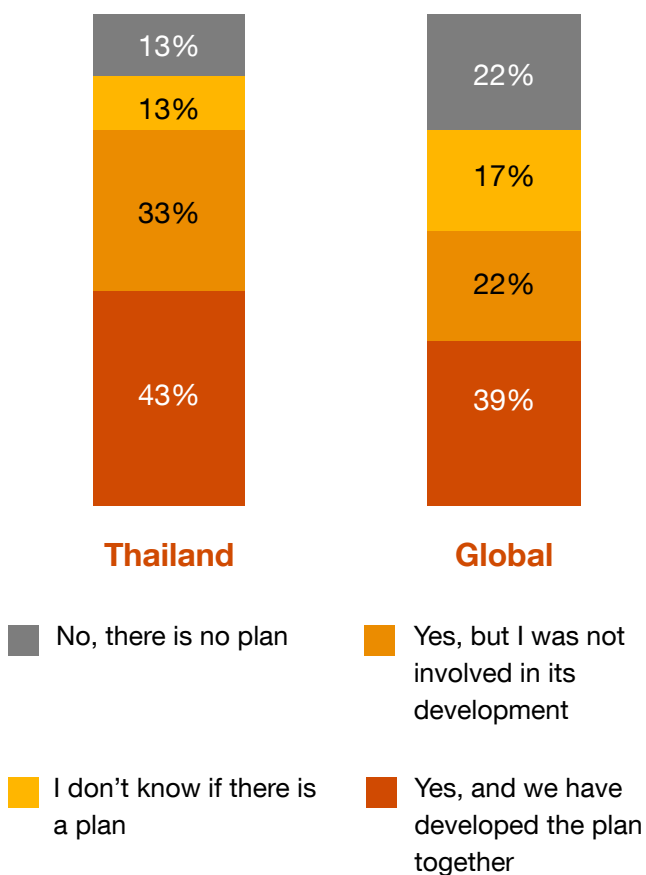


In terms of succession plans, Thai family businesses seem to have tangible plans in place. Seventy-six percent of NextGens are aware of the plans, and 43% were involved in their development. The pandemic accelerated succession for only 10%, while 18% saw their succession postponed. This aligned with their global peers at 22% and 12%, respectively.





**Figure 11: Awareness of succession plans**



**Figure 12: 10% of Thai NextGens say COVID-19 has accelerated / brought forward succession**

Say that the Covid-19 pandemic has...

**10%**  
 accelerated/  
 brought forward  
 succession  
 (Global: 22%)

**18%**  
 slowed down/  
 postponed  
 succession  
 (Global: 12%)

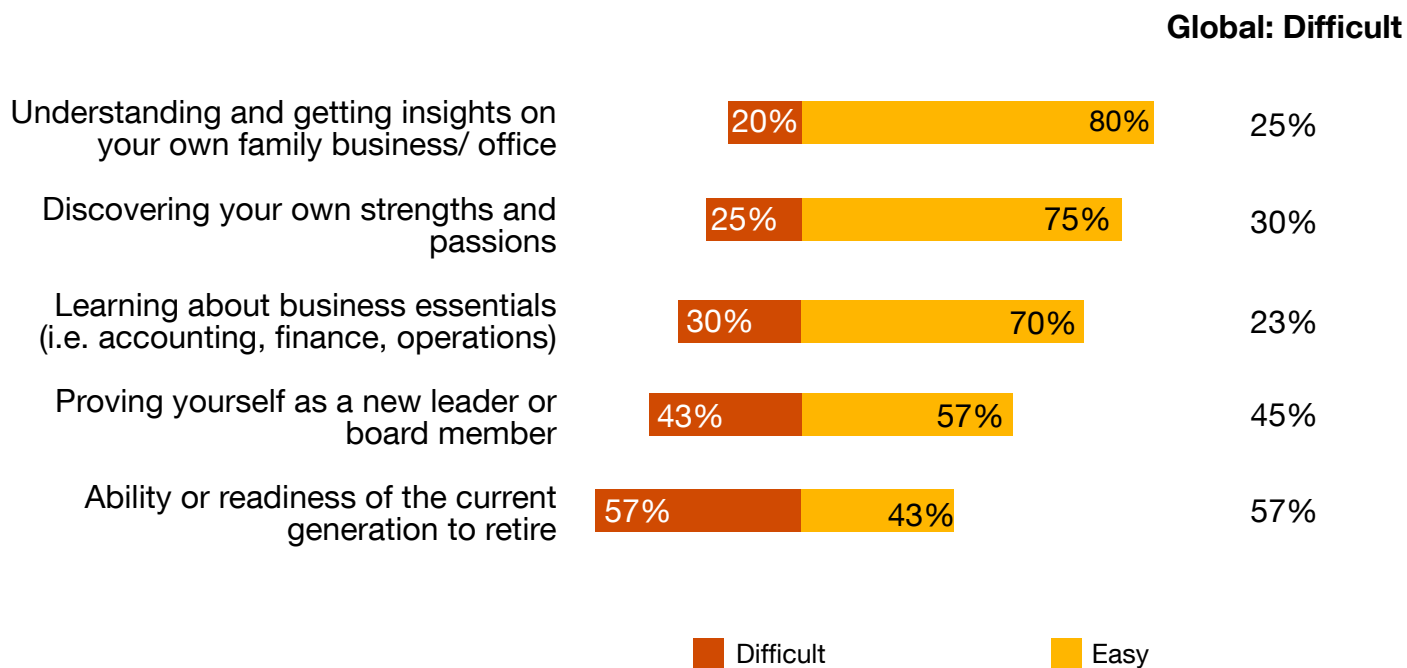


Although high numbers of Thai NextGens were involved in business growth and leadership roles, the current generation still holds the reins of the business. It's not easy to let go of a business, and that's the reality that Thai NextGens are facing. Some 57% of Thai NextGens think the current generation aren't ready or able to retire, and 43% thought that when they eventually became the new generation of leaders or board members, it would be difficult to earn the current generation's trust.

Global NextGens face the same challenges, with 57% finding the current generation can't let go of their businesses, while 45% say it would be challenging as a new leader.



**Figure 13: Succession aspect perceived by Thai NextGens**



# Our advice on earning the baton of leadership

Business environments are moving fast, accelerated by the global pandemic. This new world requires the capabilities of the NextGens who are digitally enabled, understand the importance of sustainability and are agents of change. To earn the current generation's trust, they'll need to show readiness for new challenges and strong leadership. So we recommend the following to Thai NextGens to ensure that your family business legacies continue during this crisis and beyond.

## Drive digital growth

The majority of Thai NextGens want to achieve growth for their family businesses. The digital trends that occurred and accelerated during the COVID-19 crisis won't go away; they're here to stay as the market is now familiar with emerging digital technologies. It's critical for family businesses to answer questions such as:



How can you **leverage existing digital technologies and solutions** to enhance your business operations?



How can you **adopt new technologies that innovate your business**, enabling new capabilities and services?



How can you **influence your employees to explore and gain new digital skills** so they can bring greater value to the business?



Does the **new technology go together with or enhance the value proposition** of your family business?

The business landscape has been transformed by digital technologies. As a NextGen, you must seek out the technologies that could benefit your business. But never try to bring new innovations without discussing it with the current generations. Seek their advice as they might have an interesting perspective that could benefit your work in building the foundation for digital growth.

## Dare to make change

As a future owner of the business, try to bring new innovations that add value to the business and enhance your presence as a leader. That means doing things differently from the past generations. Analyse what operations need to be reimaged and overcome the established norms that are outdated in today's competitive environment. By daring to make changes and questioning the status quo, NextGens can discover how to improve services, value and experiences. This would also allow them to grow and sharpen their forward-thinking mindset to benefit the business.



## Maintain strong connections across generations

Although NextGens are agents of change, they must maintain their connections with family business members across the generations. Thai NextGens say that the pandemic has made them closer to the current generation's leaders, so this is an opportunity to pay attention to how they work and communicate closely with them to earn their respect. Furthermore, they'll be critical in helping to lead the current team members in maintaining team cohesion to ensure that all are moving towards the agreed business goals.

## Sharpen leadership skills

Lastly, NextGens will also benefit from leadership development as they'll have the role of the responsible owner in the future and will need to ensure their family business' survival. Although the majority of Thai NextGens are engaged in leadership roles, they have an appetite to upskill and gain new capabilities. These characteristics are essential leadership traits because the world is moving fast, and unexpected disruption can occur at any moment. Join seminar sessions that enhance the leadership skills that would add value to the business. Always ask guidance from other senior leadership as they might know areas in which the NextGens need to improve their skills.

# Key takeaways



1

**NextGens have the potential to lead ESG opportunities** and strategies because they believe that it's the business' mission to act for climate change, workforce well-being and transparency. That said, they'll need a framework and better understanding of ESG to ensure the whole business can understand how to implement this strategy and how it will add value to the family business.



2

**Digitalisation is a necessity for your family business' survival.** NextGens, with their high digital capabilities, have the potential to speed up the business' digital transformation to deal with the impacts brought by the pandemic. However, rapid digitalisation also brings cybersecurity risks, and new privacy laws must be followed. So NextGens will need professional advice to ensure their digital transformation success.



3

**Although relationships between the current generation and NextGens are tighter than before, it remains difficult for most young leaders to take full control of the business.** Some current generation leaders can't let go of their leadership, and this could lead to future generational conflicts. To ease this problem, you should maintain strong communication between generations.

# PwC Thailand's NextGen Club: Building future-ready leaders

In 2019, we established the NextGen Club for the younger generations of family businesses interested in becoming future leaders. The club continues to expand on NextGen's capabilities through its holistic training programme so that these future leaders can learn, lead, and connect.



## Learn.

Our academic programme is business-focused where young leaders can delve into current affairs in an exciting and inclusive environment. All courses are led by seasoned business practitioners that offer their experience to help young leaders learn to act fast in the ever-changing business landscape.



## Lead.

Great leaders are those who can demonstrate leadership and act quickly, bringing their workforce and organisation into the future. This programme equips young leaders with the knowledge and confidence to lead.



## Connect.

When participants join our regional and global NextGen network, they meet top-tier executives, leaders of multinational corporations and high net worth family business members from around the world. We help you connect to the networks that matter to you the most.

# Get in touch



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