
Press Release

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Pages 03

Vietnam NextGen:

Great ambitions for growth, unmatched opportunities to lead

- *71% of the next generation in Vietnam (Vietnam NextGens) are already engaged or planning to engage in their family business in the next five years.*
- *While changing technology is viewed as a key driver of change, gaining experience and developing expertise are the most desired factors for future success*
- *With limited opportunities to lead, Vietnam NextGens are being more constrained than regional and global peers.*

Highly ambitious and eager to take the lead, the next generation of family businesses in Vietnam see themselves driving their company forward in a disruptive future, but only with greater trust and empowerment from the current generation. This is one of the latest findings from **PwC's Global NextGen Survey 2019 – Vietnam in focus**, launching the first time to deliver the voices of future leaders of family businesses in Vietnam.

The survey results reveal that nearly half of Vietnam NextGens (44%) already play an active part in their family business; this is much lower than the level of engagement recorded across Asia Pacific (73%) and globally (70%). On a positive note this is an encouraging number given that the great majority of NextGens in Vietnam are between 21 and 34 years old, and a further 27% plan to be involved in their family business in the next five years - twice the global and regional ratios of 13%.

Looking ahead to deeper engagement, NextGens also hold high ambitions to lead change in their company in the next five years. While today 16% of Vietnam NextGens are executive directors, the number is likely to more than double by 2025 to 38%.

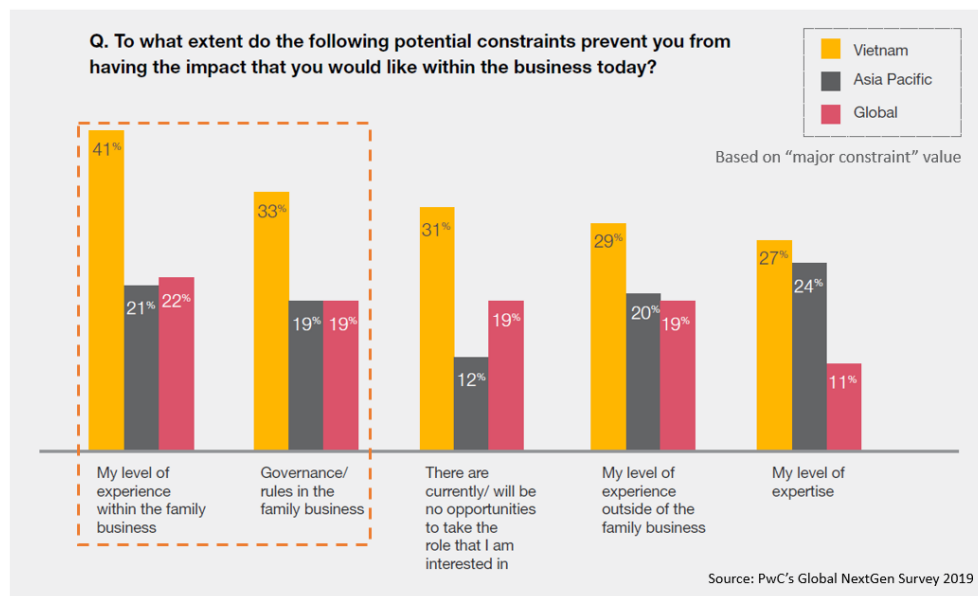
Such ambitions are supported by the fact that 60% of NextGens in Vietnam have confidence in their capabilities to add the most value in professionalising and modernising management practices in their business. This is also their immediate top business priority for getting their enterprise fit for the future, alongside upskilling staff. It is apparent that as digital natives, future leaders of Vietnamese family businesses are very conscious about the role of technology and their own digital advantages.

With experience of many years working with family businesses in Viet Nam, Hoang Hung, Entrepreneurial and Private business Leader from PwC Vietnam states: "Succession can always be a make or break for any family business. To plan ahead, it is important to take into account the hindering and fostering factors from the perspectives of the leaders next in line. NextGens in Vietnam are anxious to prepare themselves for leadership in a more complex future. They share a great concern to develop experience and expertise and are looking to the incumbent generation to enable their full potential with trust and support."

While it is positive news that NextGens in Vietnam are ambitious and committed, their current prospects are still narrow with only around a third of them being given the opportunity to lead

(compared with 52% of regional counterparts), similar to the number of NextGens who can be heard and sought out as a sounding board for new ideas.

Vietnam NextGens perceive top two major constraints holding them back from making their desired impacts: lack of experience (41%) and the current governance in their own family business (33%).



These constraints are stronger among NextGens in Vietnam than in rest of the region and the world. This also corresponds with their lesser extent of opportunities to lead, mentioned above.

Peter Englisch, PwC Global Family Business Leader comments, 'NextGens are a diverse group in terms of their needs and ambitions. They require an approach that is built around understanding their needs and ambitions, and this survey provides an important guide to the next steps they should take.'

Sharing on ways to win for our NextGens, Hoang Hung, Entrepreneurial and Private business Leader from PwC Vietnam states "In the survey PwC's Global NextGen 2019 - Vietnam in focus, we have identified four distinct distinct personas of NextGens followed by recommendations for each persona that can help our NextGens achieve their ambition and to reach the top levels of their organisations."

Overview of Nextgen personas:

Transformers: focus on innovation and reinvention of the family business. They rely both on their own talent and on support from the current gen.

Stewards: lean towards following a conventional family business career path, training, studying and preparing themselves to keep the firm profitable and professionally managed.

Intrapreneurs: also have transformative ideas, but they choose to carve out a specific venture within the firm, rather than overhaul the entire business. These new ventures can look and feel like a start-up, but they still enjoy the secure support and funding of an established family business.

Entrepreneurs: make a clean break from the family business to start their own ventures.

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Notes to editors

Understanding the role of family businesses and their significant contribution to the GDP of many economies across the world, for years, PwC Global NextGen survey has been one of our continuous efforts to help the next generation build up and uphold the legacy of their own family businesses. 2019 marks the very first launch of **PwC Global NextGen 2019 – Vietnam in focus**, delivering in-depth analysis about NextGens in Vietnam and putting their views in perspective with Asia-Pacific and global counterparts.

The survey report is based on the data extracted from PwC Global NextGen survey, collecting opinions of more than 950 family business leaders from 69 territories across five continents and 11 industries.

Explore full report of **PwC Global NextGen 2019 – Vietnam in focus** at:

<https://www.pwc.com/vn/en/publications/vietnam-publications/nextgen-survey19.html>

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