

## Pre-Workshop Notes



Workshop:	<b>Avoiding Business Succession Headaches &amp; How to Approach Business Owners</b>
When:	23 June 2022
Speakers:	Lionel Lau of First Business Advisory and Michael Seow of Prudential.
Moderator:	Victor Tang, Chair of Events Committee of AEPA
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### About the Workshop

There are nearly 300,000 SMEs in Singapore. These make up 99% of all enterprises and most of these SMEs are family-run businesses.

We often hear about shirtsleeves to shirtsleeves in three generations. It means that the third generation cannot manage the business and wealth they inherit, so the company eventually fails, and the family's wealth dissipates with its failure.

In this workshop:

- We learn about the challenges some of our most famous and successful family businesses faced and what they did or could have done to avoid disaster.
- We hear from a veteran business succession consultant how he navigates the tricky conversations he has with business owners to get them to listen up and do something.

### Painful Lessons from Successful Businesses

Lionel Lau will take you through three cases:

1. Tong Garden - A family spat between brothers of the Tong Garden group of nuts and snacks companies when one of the brothers who sued his siblings in a bid for them to buy him out. He lost his case in the High Court as announced in February 2020.
2. Mustafa Centre - The step-family of Mustafa Centre boss Mustaq Ahmad levelled serious allegations against him, accusing him of cheating his father, his stepmother and his step-siblings so that he, his wife and his children could "line their pockets".

3. Yeo Hiap Seng - One of the beverage giants in Singapore and Malaysia with house brands like H-Two-O, Yeo's Asian Beverages, Justea and Pink Dolphin. Their family lost the business and how Far East became the largest shareholder.

### Approaching Family Businesses

Michael Seow shares what the uncertainties and risks are of any family business that fails to plan for succession.

Much is at stake – Can the company continue? Will the banks call in the loans? Can family assets be accessed by creditors? How are shares treated without a buy-sell agreement?

He will go through an actual case study in which he managed to convince the business owner to plan with him. He will share with you some of his secret ingredients that have helped him become a top-notch consultant such as "The Five Questions You Need to ask Every Business Owner".

### Learning More

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