



**TARRA AGILITY  
AFRICA.**

# Succession and Estate Planning Strategies for Family Owned Businesses

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# Firm Overview

Tarra Agility Africa is a boutique international tax, legal, and accounting advisory firm specializing in supporting investments in Africa. The firm assists both indigenous and foreign businesses with funding, operations, and profit extraction through optimal business structures.



# KEY LEADERSHIP



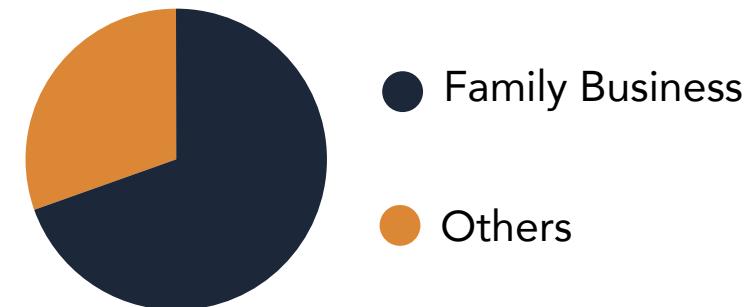
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# THE GLOBAL IMPACT OF FAMILY OWNED BUSINESSES

Family Owned Businesses (FOBs) account for more than 70% of global GDP.



- Family Business
- Others

FOBs are responsible for 60% of global employment.

FOBs generate \$60 -70T annual turnover globally



# INTERGENERATIONAL WEALTH TRANSFER

Globally, the largest wealth transfer may take place in the next 25 years, with an estimated **\$100 trillion** moving from the first generation to **heirs and charities**.

## The \$100T Wealth Transfer



# FIVE KEY STRATEGIC MINDSETS



## FIVE STRATEGIC ACTIONS

High performing FOBs employ the following **strategic actions**



# CHALLENGES FACING FOBs



## NO SUCCESSION PLAN

Tend not to have a documented succession plan.



## DEBT AVERSION

This tends to lead to underinvestment in process changes and expansion plans.



## FOUNDER RELUCTANCE

1<sup>st</sup> Generation founders reluctant to pass the baton



## 2<sup>nd</sup> GENERATION

Subsequent generations may not be adequately groomed to take up the mantle of business leadership

# GLOBAL CONTEXT

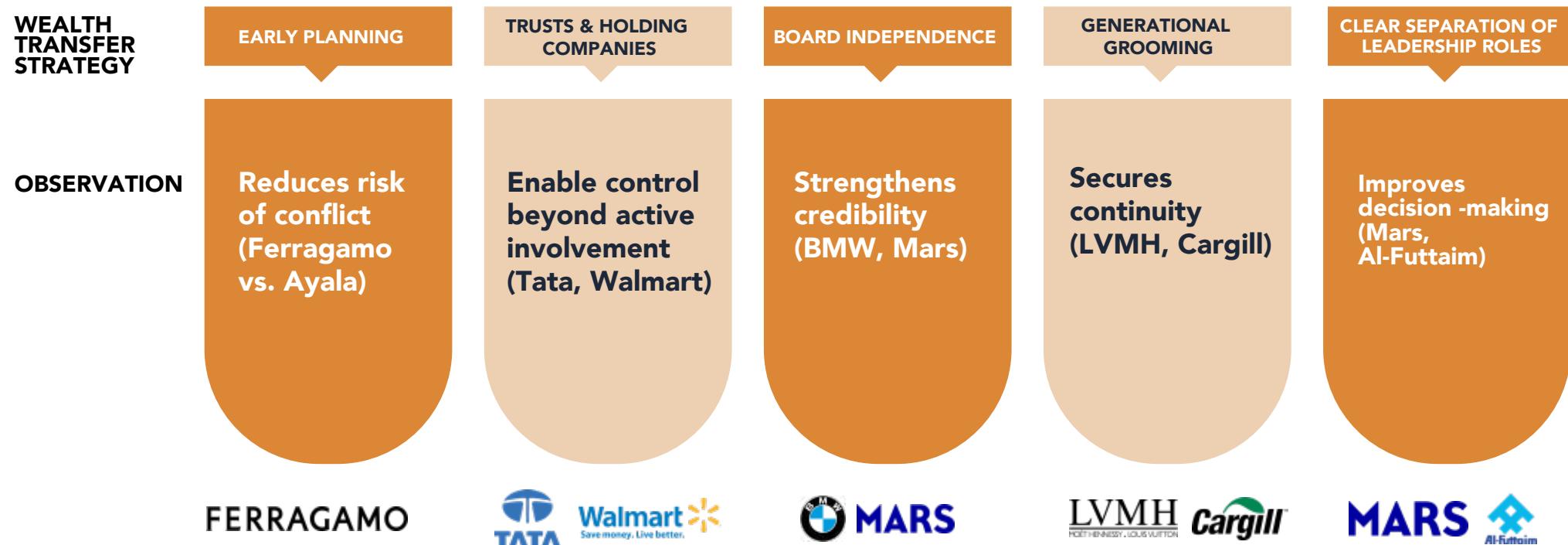
COMPANY	COUNTRY	GOVERNANCE STRUCTURE	WEALTH TRANSFER STRATEGY	KEY LESSON
<b>Walmart</b> 	USA 	Walton Enterprises LLC and family trusts; independent board	Family trusts control voting rights; professional management handles operations	Separate ownership and control for stability and long-term family influence
<b>Cargill Inc.</b> 	USA 	Family board + independent business board; shareholder education	Structured shareholding among >100 family member	Education and strong internal governance enable large family ownership
<b>Ferragamo</b> <b>FERRAGAMO</b>	Italy 	Initially informal; later added external management and governance protocol	Resolved post-founder succession battle via formal governance	Delayed planning can cause disputes; external leadership restores order
<b>Tata Group</b> 	India 	Controlled via Tata Trusts; independent governance bodies	Philanthropic trusts hold control and guide appointments	Trust structures can sustain mission-driven, long-term governance
<b>BMW (Quandt Family)</b> 	Germany 	Family members on supervisory board; structured roles	Generational succession supported by training and engagement	Training next-gen leaders ensures sustainable family stewardship

# GLOBAL CONTEXT

COMPANY	COUNTRY	GOVERNANCE STRUCTURE	WEALTH TRANSFER STRATEGY	KEY LESSON
Ayala Corporation 	Philippines 	Publicly listed; independent directors; family sets vision	Formal succession plan, with leadership passed to 7th generation	Professional oversight + strategic family involvement builds resilience
Mars Inc. 	USA 	No family in management; shareholder agreements maintain control	Business professionally managed; ownership consolidated among heirs	Professionalization can enhance performance while retaining family ownership
LVMH (Arnault Family) 	France 	Family-controlled holding company; heirs embedded in group companies	Progressive grooming of heirs in leadership roles across subsidiaries	Structured succession across subsidiaries fosters a luxury business dynasty
Al-Futtaim Group 	UAE 	Formal family charter post-conflict; independent board advisors	Ownership and operational roles separated after family disputes	Cultural contexts may delay planning, but charters are essential to long-term harmony
S. C. Johnson & Son 	USA 	Family stewardship principles; values embedded in governance	Values-based continuity across five generations	Strong family values can anchor long-term governance and sustainability

# GLOBAL CONTEXT

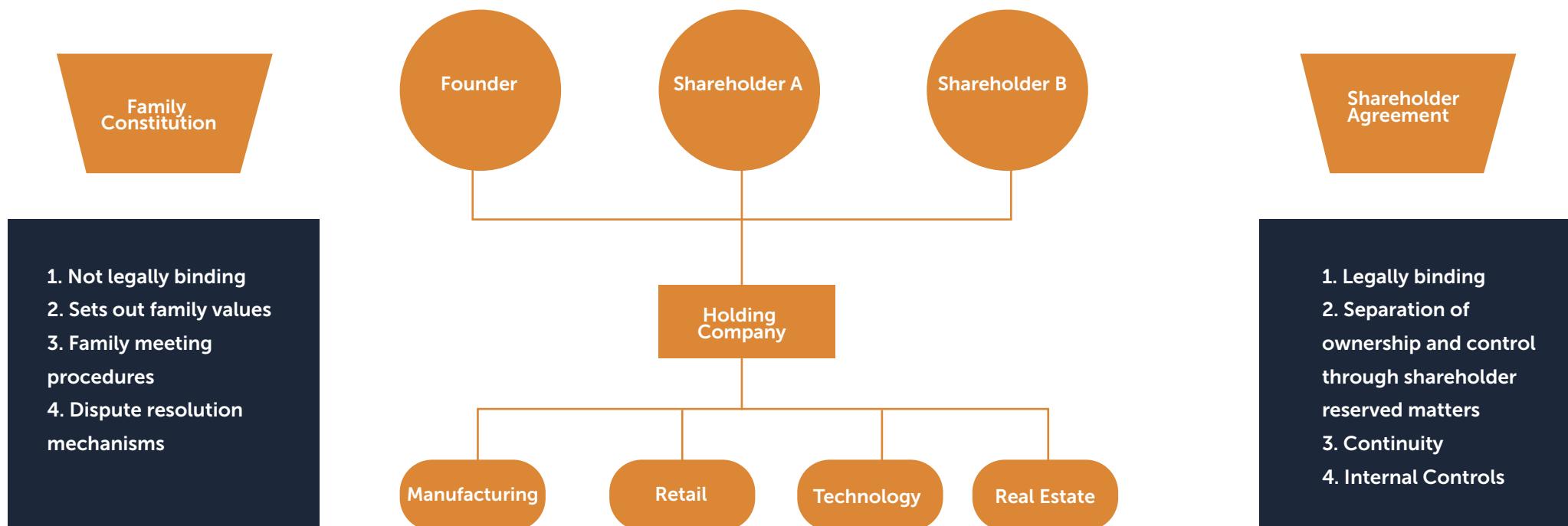
## Toolkit



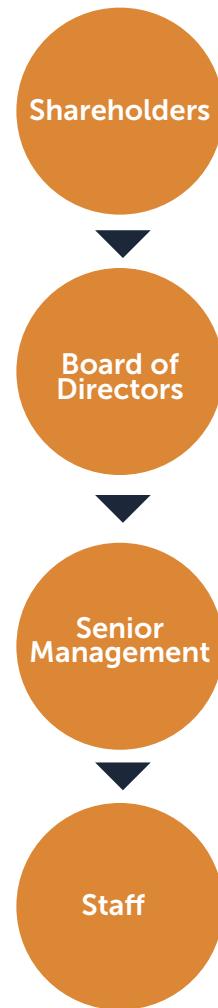
# INTERNATIONAL TAX CONSIDERATIONS

- 01** Management & Control
- 02** Taxation of Worldwide Employment Income
- 03** Offshore Assets
- 04** Separate IP & Holding Companies
- 05** Double Tax Treaty Network
- 06** Tax Transparency
- 07** Transfer Pricing

# GOVERNANCE STRUCTURE SHAREHOLDER AGREEMENTS AND FAMILY CONSTITUTION



# GOVERNANCE STRUCTURE SHAREHOLDER AGREEMENTS



- 1. Founder can retain majority shares so as to keep control
- 2. Shareholder reserved matters to maintain control
- 3. Founder can keep veto rights to break a deadlock
- 4. Shareholders can be locked in - not to sell shares within a defined period

- 1. Mix of family and independent professionals;
- 2. Board oversees senior management
- 3. provides oversight and guidance

- 1. Appoint professionals -CEO, CFO, COO to scale the business and provide continuity
- 2. Family members can also be part of senior management
- 3. Oversee staff and manage internal controls

- 1. Day-to-day running of the business
- 2. Includes family and third parties

# WEALTH TRANSFER STRATEGIES

## WILLS

1. Validity of wills
2. Drafting of the will
3. Amending the will by codicil
4. Signature by testator
5. Two witnesses

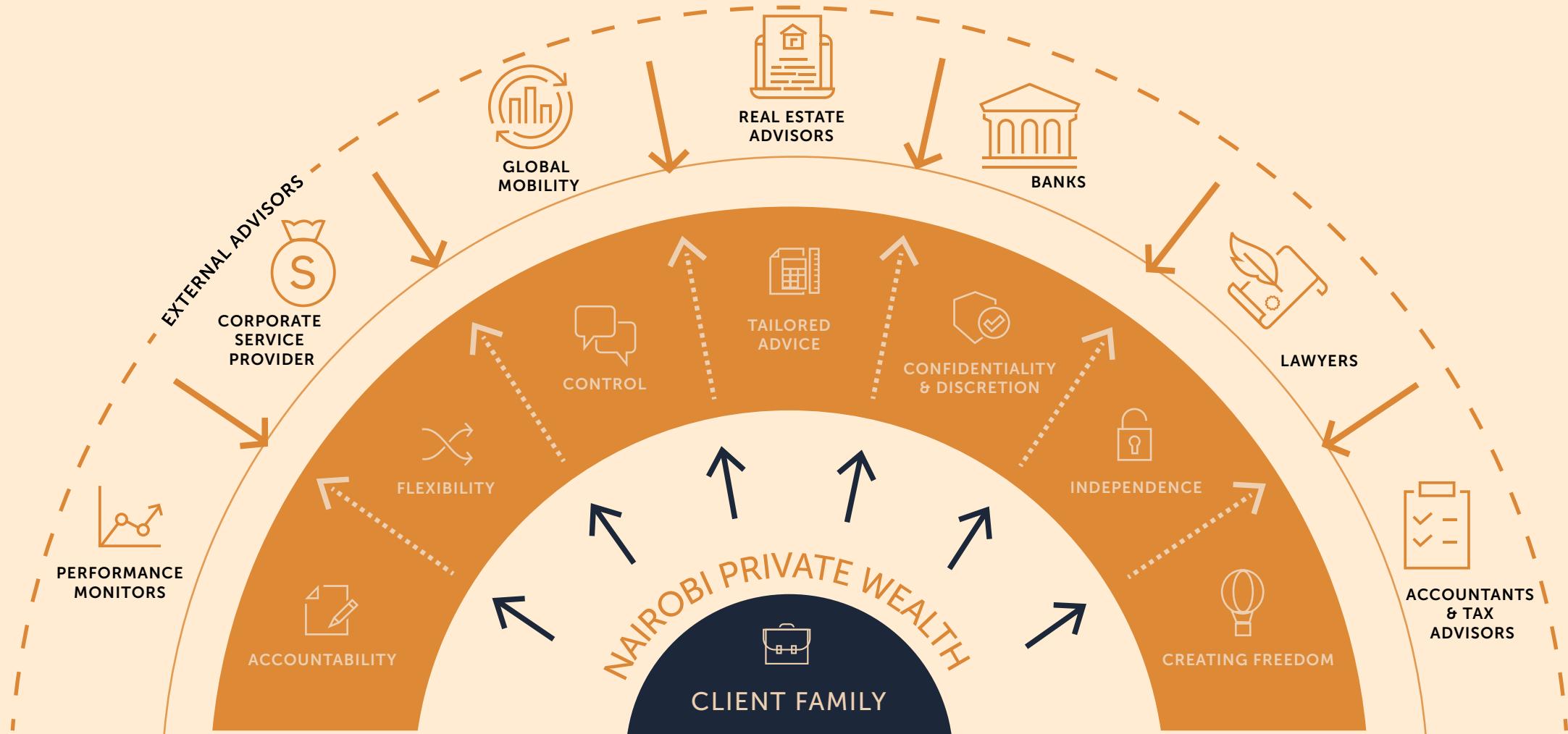
## TRUSTS

1. Settlor (founder), trustee (protector) and beneficiary;
2. Not subject to probate;
3. Ring fenced from creditors and divorce
4. Confidentiality

## GIFTS

1. Not subject to probate
2. Transfer during the founder's lifetime

# FAMILY OWNED BUSINESS AND HNWIs



# THANK YOU

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