

VIDEO TRANSCRIPT

Interview Experts_Global Entrepreneurial Wealth Report 2024 HSBC Private Banking

Introduction :

Julie Badaoui :

What are the major trends shaping the future of wealthy entrepreneurs? And what risks do they face when transferring their wealth or expanding their business internationally? HSBC Private Banking, for the second consecutive year, has conducted its Global Entrepreneurial Wealth Report. Over 1800 entrepreneurs across 10 key markets were surveyed to answer these questions.

To better understand these trends and their impacts, I am pleased to speak today with Aurélien Drain, Senior Private Banker at HSBC Private Banking.

Julie Badaoui

Hello Aurélien,

Aurélien Drain

Hello Julie,

Julie Badaoui

Can you explain what stands out from this report? Indeed, 78% of the entrepreneurs surveyed say they want to keep their business within the family. However, only half of them have already anticipated a clear succession plan.

What explains this paradox, and what are the potential risks for these entrepreneurs?

Aurélien Drain

You're right, the situation is paradoxical. Only one out of two entrepreneurs anticipate the sale of their business, but several factors can explain this situation. First, the complexity of operations and the need to anticipate as much as possible, whether it's a sale to a third party or simply an intrafamily transfer.

The second point is, of course, the need for coordination around the business, whether it's with the accountant, the entrepreneur's lawyers, or the bank, which plays a key role in supporting business transfers.

Julie Badaoui

Internationalization is also a key factor for businesses. 81% say their international connections are essential to their success. How is this reflected?

Aurélien Drain

Indeed, and particularly at HSBC, the successes of our clients internationally are very important. This international aspect is crucial, both for securing business development, supply sources, and identifying new strategic partnerships.

This international aspect is also important when it comes to selling the business. It can be an excellent opportunity for the sale of the business.

Julie Badaoui

Another key point highlighted by the report is post-sale. One in three entrepreneurs plans an exit in the next 5 years, yet many of them still have difficulties imagining a new role after this step. How can we support them?

Aurélien Drain

Indeed, selling a business is sometimes a radical change. It's important to anticipate these operations and prepare, both on the business side and on a personal level. We find that our clients can have very different, even complementary, projects. These can include philanthropic ventures, or simply continuing to invest in businesses or supporting growing businesses, for example as business angels.

Conclusion:**Julie Badaoui**

What we can take away from this study is that entrepreneurs have a strong attachment to their family, that they want diversified investments, particularly in private equity and ESG, and that the expansion of their businesses goes through internationalization. And for you, what would be the main lessons to take away from this report?

Aurélien Drain

Indeed, several important lessons emerge from this report. First, the international aspect: the internationalization of operations, whether at the time of sale or post-sale for reinvestment purposes.

The second important point is the need for coordination: how to coordinate all the actors involved in the sale process, whether it's the notaries, the lawyers, the accountant, and of course the banker.

Finally, how to involve children in the takeover of the business or simply in the transfer, valuation, and management of the family wealth. For all these reasons, private banking supports our clients before the operations, and of course, after these operations.



Julie Badaoui

Aurélien, thank you for these insights. If you would like to access the full report, it is available on our website hsbcprivatebankfrance.com

Aurélien Drain

And if you are thinking about selling your business or simply reflecting on the structuring or organization of your wealth assets, don't hesitate to contact us. Our experts will be happy to assist you.

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