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Private Enterprise

Good growth, not just fast growth: Ambition and realism in South African family businesses



South African family businesses have long demonstrated an ability to navigate uncertainty. Many have successfully managed economic cycles, political transitions, changing market conditions and increasing disruption while continuing to invest in their businesses, employees and communities.

Against this backdrop, the South Africa cut of the global findings from the KPMG Global Family Business Report 2026[1] is particularly important: 82% of South African family respondents (vs 83% globally) say they have a clear growth strategy, and around three-quarters report strong alignment between family and business leadership on that strategy (vs 79% globally) What makes these findings particularly interesting is that confidence and caution sit side by side. While family businesses remain optimistic about future growth, nearly six in ten respondents believe growth will become harder to achieve and sustain over the next decade.

This shifts the conversation. The question is no longer whether family businesses should grow, but how they can do so sustainably. As opportunities become more complex and resources more constrained, success will depend less on pursuing every opportunity and more on making deliberate choices about where to focus time, capital and leadership attention.

In our experience working with South African family businesses, some of the toughest decisions are not about identifying opportunities but deciding which opportunities to decline. Growth requires focus and focus often requires difficult trade-offs.

For South African family businesses, the findings highlights three priorities:

1. Remaining clear about the role of the core business;
2. Building the structures needed to support sustainable organic growth; and
3. Approaching acquisitions with discipline and a clear strategic rationale.

Growth starts with the core

Growth is a series of trade-offs; every successful strategy starts with clear choices about where not to grow.

In an environment where new opportunities constantly emerge, many successful family businesses and family offices are becoming more selective about where they allocate capital and management attention. Rather than moving away from what made them successful, they are building on established strengths and using these as the foundation for future growth.

One of the strongest messages from the findings is that the characteristics that have historically differentiated family businesses remain highly relevant. Shared values, family reputation and patient capital continue to support long-term success. Locally, 91% of respondents (Global: 87%) identified family reputation and brand equity as a key value driver, followed by shared values and purpose (Local: 85%, Global 89%) and a long-term investment approach (Local: 81%, Global: 83%).

For many South African family businesses, those advantages have been built over generations. Trusted relationships with customers, employees, suppliers and communities can be difficult to replicate and often become even more valuable during periods of uncertainty.

[1] KPMG Global family business report 2026

Focusing on the core does not mean standing still. The most resilient family businesses continue to invest in technology, leadership capability, talent and succession planning. The difference is that these investments strengthen existing strengths and create a platform for future growth, rather than pursuing expansion without a clear purpose.

As family businesses mature, competitive advantage tends to become less dependent on individual family members and more dependent on the strength of the institution itself. Governance, organisational capability, culture and decision-making processes increasingly determine whether a business can sustain success across generations.

Growth opportunities may be abundant, but leadership capacity, management attention and investible capital remain finite. The businesses most likely to succeed are often those that understand this reality and allocate resources accordingly.

Creating the structure for organic growth

A strong core provides the platform for growth. The next challenge is ensuring the business has the capacity to support that growth.

The global findings point to a clear preference for organic growth, with geographic expansion emerging as a leading driver, alongside diversification of products and services and investment in digital and AI capabilities.

These findings resonate with many South African family businesses. Whether through expansion into new African markets, adjacent sectors or technology-enabled growth, businesses are exploring new ways to strengthen competitiveness and create long-term value.

However, a growth strategy alone is rarely enough. Sustainable organic growth requires the ability to scale without losing the attributes that made the business successful in the first place. Governance structures, decision-making processes, leadership capability and management depth become increasingly important as complexity grows.

Organic growth is often perceived as the safer path to expansion. However, many businesses underestimate the strain it can place on people, systems and leadership teams. As organisations grow, underlying weaknesses that may have been manageable at a smaller scale can become quite significant barriers to performance. Without the right foundations in place, sustaining growth momentum becomes increasingly challenging.

A particularly interesting finding is the expected shift towards professionally managed organisations with family oversight through boards and governance structures. Many respondents anticipate that professional managers will play a far larger role in leading family enterprises by 2035[2].

For businesses entering second-, third- or fourth-generation ownership, this reflects a practical reality rather than a philosophical shift. As organisations expand, they require specialised expertise, broader leadership capability and more formal operating structures. This is not about reducing family involvement. It is about ensuring the business has the skills and capacity needed for its next stage of growth.

The businesses most likely to unlock sustainable growth will be those that invest early in leadership development, talent, governance and organisational capability.

Inorganic growth requires careful decision-making

While most family businesses continue to favour organic growth, there may be circumstances where acquisitions offer a faster route to new capabilities, markets or scale.

The question is not whether acquisitions are inherently good or bad. The real question is whether they strengthen the long-term strategy of the business.

Family businesses generally place less emphasis on mergers and acquisitions than many other private enterprises. This should not be mistaken for a lack of ambition. More often, it reflects a preference for long-term value creation and a degree of caution around complexity and integration risk.

Acquisitions can create access to customers, capabilities and opportunities that would otherwise take years to develop. Yet they also introduce new cultural, operational and leadership challenges. Many acquisitions fail not because the strategic logic was flawed, but because integration proves more difficult than expected.

For South African family businesses, acquisitions are likely to become increasingly relevant as businesses seek scale, diversification and specialised expertise. The most useful question leaders can ask is not whether a transaction will make the business bigger, but whether it will make the business stronger and more sustainable.

Successful acquisitions generally share a common set of characteristics. They support long-term strategy, complement existing capabilities and align with the values and objectives of the family. They are also supported by governance structures and management teams capable of integrating and managing a more complex organisation.

[2] SA Family Business Evolution

A strong degree of cultural alignment is equally important, as differences in values, decision-making styles and organisational norms can often determine whether an acquisition ultimately delivers its intended benefits

Viewed in this way, acquisitions are a strategic tool rather than a growth strategy in themselves.

Looking ahead

The KPMG Global Family Business Report 2026 highlights an important reality: family businesses remain ambitious, but they are becoming more selective in how they pursue growth. Confidence remains high, yet there is growing recognition that future success will require stronger foundations, sharper focus and greater discipline than in the past.

For South African family businesses, this presents both a challenge and an opportunity. Growth opportunities will continue to emerge through expansion, diversification, technology investment and acquisitions. The differentiator will not be access to opportunity, but the ability to assess those opportunities through a long-term perspective.

The family businesses most likely to succeed will be those that know what to say yes to, and equally, what to say no to. They will invest in the capabilities needed to support growth, remain disciplined about capital allocation and avoid being distracted by opportunities that do not fit their long-term strategy.

Perhaps the clearest lesson from the findings is that sustainable growth is becoming a leadership challenge as much as a commercial one. The businesses that succeed will be those that combine ambition with discipline, investing where it matters most while remaining true to the values and strengths that have shaped their success.

For many South African family businesses, growth has always meant more than financial performance. It is closely tied to employment, community impact, family legacy and the responsibility of passing on a stronger business to the next generation.

The key takeaway is that in an increasingly complex environment, growth will remain important. The real measure of success may not be how quickly a business grows. It will be whether that growth leaves the organisation stronger, more resilient and better prepared for the generations that follow.

Please keep an eye out for the rest of the articles in the series, covering the following themes:

- South African family businesses – The evolution from a single family-run business to a family-owned, professional governed group [SA Family Business Evolution]
- Responsible AI and cyber governance in South African family firms
- Professionalising talent, skills and culture in South African family enterprises
- Turning family into a designed advantage with governance, boundaries, and cohesion
- Starting succession earlier ensuring next generation readiness in South Africa

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