



*cutting through complexity*

Family matters

**Financing Family  
Business growth  
through individual  
investors**

COUNTRY COMMENTARY:  
**BRAZIL**

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# Brazil

Brazilian HNWI's have tended to stay away from family businesses as investments. Out of the five surveyed, only one had previously invested directly into a family-owned firm – and that particular firm was 'well known' to the investor. Potential for future investment mirrored this, with one investor showing a high level of interest and a further two respondents indicating some and limited interest.

While they may not target family businesses for investment, the survey did find that three of the five companies had either successfully built a family business or belonged to an established family business. This would indicate that the knowledge and understanding of family business values and preferences is there, with perhaps further education and promotion required to introduce this as an investment option for HNWI's.

The story is similar for Brazilian family businesses themselves, with only one out of the five surveyed having obtained direct HNWI investment before. In spite of this, the family business concerned was generally positive about the investment, which was raised from another family business. "We had to raise funds for getting this task completed and we decided to approach other family businesses as we believe in supporting each other in different activities," said the executive director of a successful family winery in Sao Paulo.

While one family business owner was adamant in their disinterest in external investors at all, a number of family businesses indicated that they were open to the idea, with 60% of respondents having offered equity to external investors in the past.

Even if there are some challenges and difficulties, family business and HNWI's could become excellent business partners. It's necessary to identify the needs of both parties and for family businesses to recognize the importance of external influences, aiming to establish new strategies and expand into new markets. For this purpose, encouraging closer connections and communication between them is essential for business.

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