The Complexities of Succession Planning and How Families can Navigate Them

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By **Steven de Jersey**, 27th January 2026

Family businesses, like all enterprises, must navigate ongoing challenges as part of their natural evolution. While change is an inevitable part of business life, one issue that often proves difficult for families to address is generational change and succession planning.

A recurring challenge is that successive generations may not have the aptitude for, or interest in, running the family business. Left unaddressed, this can lead to an erosion of wealth and reinforces the long-standing adage of “rags to rags in three generations”.

Why then, do some families succeed in intergenerational planning while another family may not? This is a question Dixcart Guernsey works closely with families to address by examining the frameworks and structures that are built to support long-term stability and stewardship.

Family Governance

Family governance is critical to successful succession planning. Dixcart Guernsey work closely with families, and in some cases, their advisers, to create and record a governance process that works effectively for the family. Governance ultimately determines how, when and by whom decisions are made, and clear, transparent decision making reduces the risk of family disputes, which in turn preserves wealth across generations.

Educating Family Members

Establishing shared values and clear behavioural expectations enables family members to express differing views without damaging relationships or business continuity.

Agreeing dispute-resolution mechanisms from the outset can also further safeguard families. Where certain family members have specific skills or interests, responsibilities such as investment oversight or business involvement can be aligned accordingly, to strengthen overall decision-making. In addition, aged or vulnerable family members

should also be taken into consideration as part of this process to ensure appropriate protections are in place.

Involve the Younger Generations Early

Engaging the next generation at an early stage promotes transparency around family wealth and how it is to be managed. Learning about decision making on complex wealth issues and exposing younger members over time is a great way to see and evaluate the effects of those decisions coming to fruition and for them to understand long-term impact of strategic choices.

Where family structures include trusts, early interaction with trustees helps build trust and understanding between the family and the professional fiduciaries.

Using Appropriate Structures

In a world of increasing global mobility and tax transparency, wealth structures are rarely permanent. Individual arrangements might evolve but these structures can become outdated if not carefully managed. However, their core benefits and underlying purpose remains enduring and succession planning, investment management, and the protection of vulnerable individuals continue to justify the use of such well-considered structures.

Trusts and Companies

Trusts and companies remain central to long-term wealth planning. At Dixcart Guernsey, we regularly see assets such as real estate, investment portfolios, art collections, and other assets held within company structures owned by trusts. This approach provides asset segregation and helps derisk the performance of the trust assets.

Foundations

Foundations are particularly suited to individuals from civil law jurisdictions where the concept of foundations is familiar. they provide the family with a degree of control, as both the council members and the enforcers which govern the foundation, can include family members or close trusted advisers.

Private Trust Companies (PTCs)

PTCs operate in a similar way to foundations and allow family members and advisers to sit on the board of the company that runs the underlying trust and company structures. They are often regarded as the premium governance solution for families who wish to have enhanced control.

Private Investment Funds (PIFs)

Using a fund vehicle for asset management purposes is becoming increasingly popular for families. They typically follow a corporate structure, which is easy to understand and govern, but have the advantage of being created for the sole purpose of running a family's assets. As such, they are not regulated in the same way a commercial fund might be which is open to third party investors.

However, should the opportunities present themselves with other families or family offices wishing to also invest, the foundations of fund corporate governance will already be in place and track record generated which aids in making the step up to a fully regulated fund vehicle easier, which many have successfully done.

Addressing Potential Gaps

Gaps can arise in a family structure where trustee or director roles are required. These roles can be fulfilled by experienced professionals and help families with their continuity. Dixcart Guernsey offers a full suite of fiduciary services and are happy to discuss family requirements and succession planning as they arise.

Get in Touch

At Dixcart Guernsey, we combine long-standing local experience with international insight to support families and businesses with effective structuring and governance when succession planning.

If you or your clients would benefit from tailored guidance on Guernsey trusts, foundations, PTCs, or wider fiduciary services, please contact our team at **advice.guernsey@dixcart.com**.