



Succession in Family Businesses | Training Model for Sustainable Succession Process in Family Businesses

The 2nd SUFABU project meeting happened online!

The second transnational meeting in the SUFABU project was planned to be hosted by the Norwegian project partner Family Business Norway in Oslo 1st and 2nd of April 2020. In the beginning of March it became obvious that the Italian project partner CEDIT could not attend a physical meeting and in the following days it became clear that it would be challenging to attend a meeting in Oslo for several of the project partners. The agenda was re-planned for a web based meeting at the already scheduled days. The second transnational meeting indicated the ending of the first intellectual output (IO1) in the project. All projects partners had completed national reports from their respective countries based on desk research and selected interviews. The Scottish project partner, Dundee & Angus College was responsible for IO1 compiled all the national reports to a summary report. The summary report has been translated to the local language of all the project partners. According to the summary report, family businesses are the very backbone of the economies of all the countries involved in the project; from Norway to Spain, Czech Republic to UK, Italy to Belgium. They provide millions of employment opportunities and contribute substantially to the countries' GDP.

Table 1: Family Business by Country

Country	% of businesses that are family owned	Number of employees of family businesses	% of country's GDP provided by family businesses
Czech Republic	Est 80%	Est 2,000,000	Est >50%
Spain	>88%	>6,500,000	>57% (private sector)
Belgium	77%	45% total employment	33%
Norway	70% (private sector)	630,000	No data available
Italy	87%	13,400,000 (76%)	>57%
UK	85%	>12,000,000	25%

Table 2: Family Business Generational Changes

Country	% of family businesses that are the first generation	% of family businesses that are the second generation	% of family businesses that are third+generation
Czech Republic	Est 90%	Est 9%	Est 1%
Spain	53.6%	37.3%	9.2%
Belgium	63% (2011 data)	27% (2011 data)	9% (2011 data)
Norway	27% (2011 data)	No data available	No data available
Italy	No data available	No data available	No data available
UK	86%	8.5%	3%

Next step - collecting case studies

As well as to mark the ending of the first intellectual output, the transnational meeting also was the kick off for the second intellectual output (IO2). The delivery from IO2 is a set of cases describing succession in family businesses. Succession in family business includes both leadership succession and ownership succession. Ownership and leadership succession can happen during the same time period or it can also happen at different times. For both ownership and leadership succession the options are both family, external or a combination. It is important for the project to demonstrate the various options a family can choose from as well as how different a succession is undertaken based on situations within or outside of the families control in time of succession. To present the various options and situations of succession, the cases will be groups into thematic case with stories from several project partner in each case theme. Example of themes are unplanned succession due to sudden death of illness or cross generational collaboration where family members from multiple generation owns, govern and manage a family firm together over decades. Across the cases learning points will be captured to feed into the third intellectual output that will provide learning material.

Project adaptation to the current pandemic

Relation shipbuilding and networking is most suitable for physical meeting. At the Oslo meeting the original schedule had included several short presentations from various business owners to present real stories from successions in their families as well as presentation from academics at the Centre for corporate governance research from BI Norwegian School of Management. These agenda items were all excluded. The program was turned into three web meeting lasting two hours each. The focus was on the intellectual outputs, project administration and progress. The web meetings was perceived as efficient, and the project partner scheduled additional web meeting prior to the next planned physical meeting scheduled in Dundee in October.

From a project proposal, it is nice to see the project take form. The shared knowledge from sharing the facts about the various national reports and how the project can build on this with cases and learning materials.

The project partners are aware of how hard most family businesses are affected by the current corona crises, and are all worried for getting access to interviews within the timeframe of IO2. With businesses in crises management, the project partners need to be considerate in approaching family businesses for interviews for cases.



SUFABU Summary Report. For full text please visit www.sufabu.eu

