



**Business Transfer in SME's e.i.
Family Businesses**

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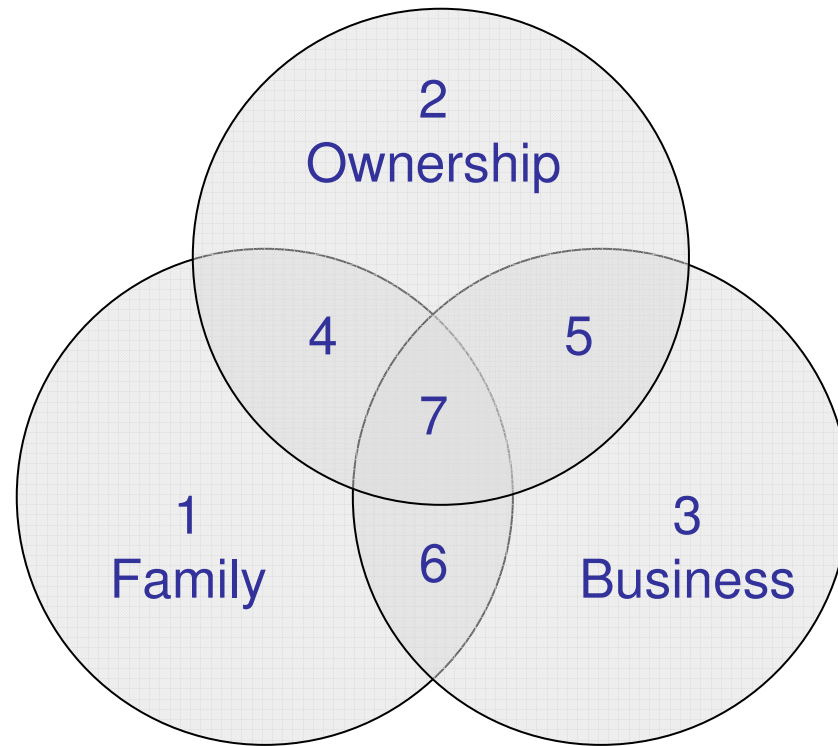
1. Relevance of FB and BT planning (what)
2. Education on Business Transfer (who)
3. Bridging the gap (how)

Relevance of Family Businesses and Business Transfer Planning

1. Dynamics
2. Economy
3. Demographic shift
4. Business culture
5. Transfer process

Dynamics
Economy
Demographic shift
Business culture
Transfer process

Ad. 1 Dynamics



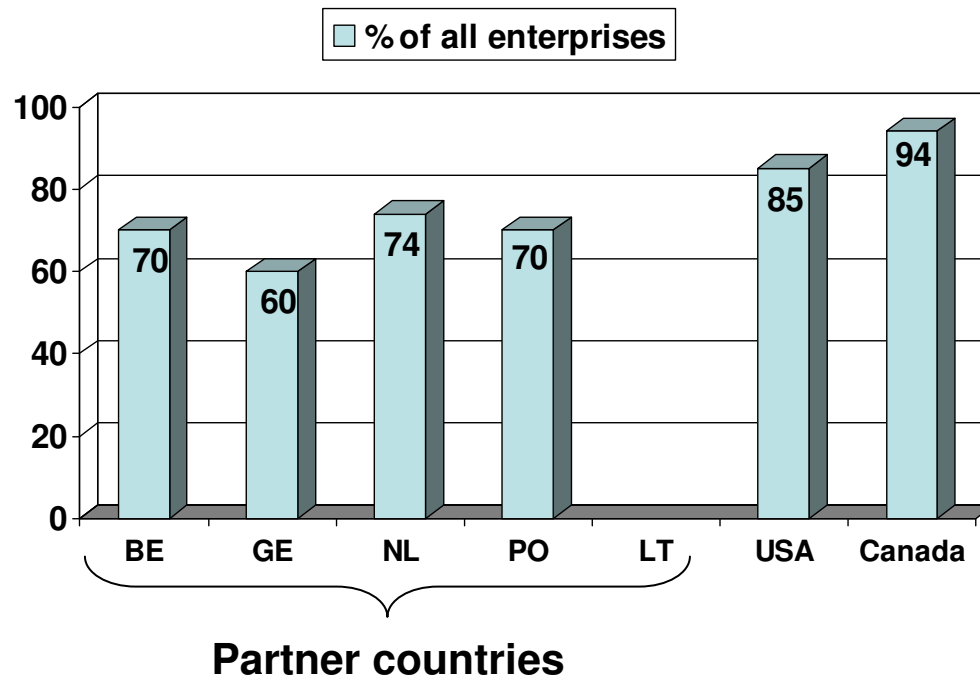
Barbara Dunn

Ad. 2 Economy

- Family businesses are a major driver in the (Dutch) economy
- For example, in most European countries family businesses contribute extensively to employment
 - 40% of the jobs in the Netherlands are provided by family businesses
 - Over 50% in the USA

Ad. 2 Economy

Family business as a percentage of total number of enterprises



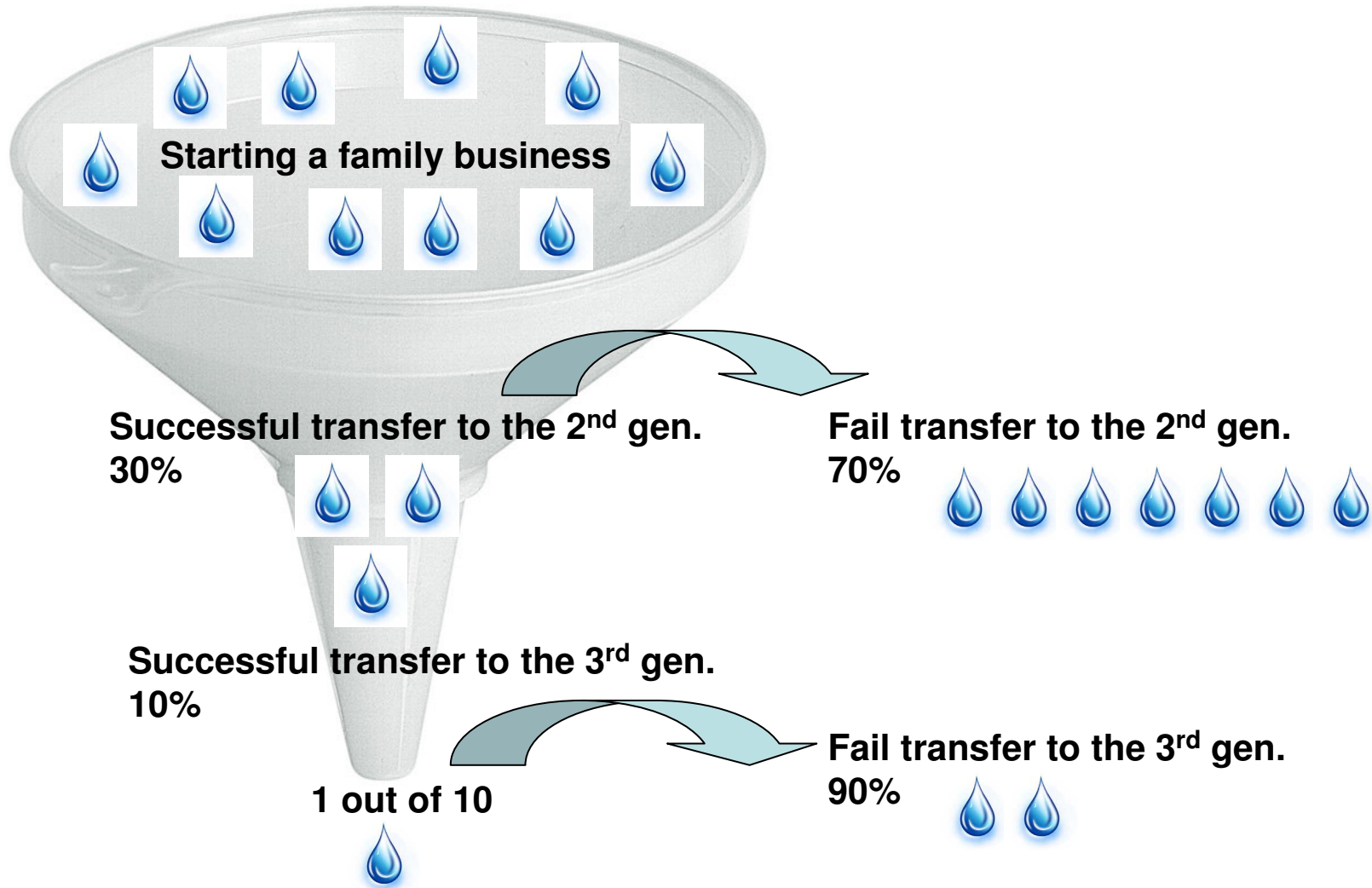
- In most European countries as well as in the USA and Canada family businesses dominate

Sources:

- International Family Enterprise Research Academy (IFERA), Family Business Dominate, *Family Business Review*, December 2003, p. 235 e.v.
- Naudts, W., Lambrecht, J., Research Centre for Entrepreneurship EHSAL-K.U. Brussel (2008). Overview of Family Business Relevant Issues, project conducted on behalf of the EC
- Mandel, R. (2007). "Is Blood Thicker Than Profit? Hiring family", *Welding Magazine*, March/April, pp. 12-15

Ad. 2 Economy

- Success rates of business succession drop dramatically
 - E.g. in the U.S.

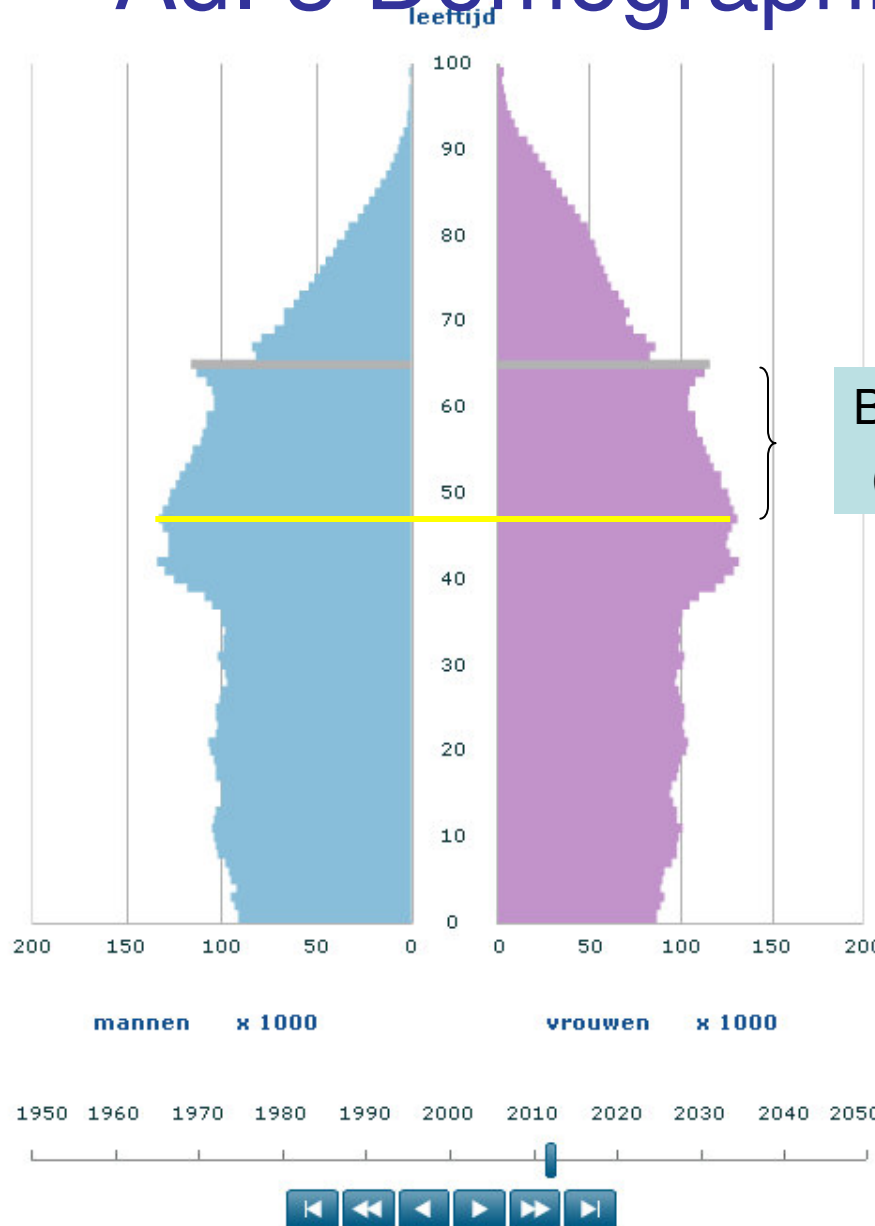


- Dynamics
- Economy
- Demographic shift**
- Business culture
- Transfer process



Leetijdsopbouw Nederland 2012

Ad. 3 Demographic shift



Totaal (prognose):
16,6 milj.

2012
65-jarigen
(geboren in 1946)

mannen: 116 000
vrouwen: 116 000

Verhouding (v/m): 1

Vrouwen versus mannen overschot tonen

Ad. 4 Business culture

RECESSIE Geen hete adem van aandeelhouders die voor de snelle winst gaan

Familiebedrijf beter uit crisis

- Family businesses are more likely to have a long term perspective instead of a short term profit oriented focus
 - Aversion to debt
 - Inclination to reinvest dividends
- Resulting in a more stable business culture
 - Aiming at continuity and a stable growth rate

Familiebedrijven

ZWOLLE - Familiebedrijven komen de crisis beter door dan andere ondernemingen. Doordat ze zich geen last hebben van opvallende aandeelhouders, kunnen ze een recessie zullen ze minder afmismisch onheil, blijkt uit een onderzoek gang langs diverse deskundigen.

Marnix van Rij van adviesbureau Ernst & Young wijst erop dat familiebedrijven 70 procent van de werkzamen zijn voor 40 procent van de werkeid. Daar zitten grote ondernemingen bij, zoals winkelketen Blokker, maar de meeste behoren tot het midden- en kleinbe-

Nederland telt ongeveer 180.000 familiebedrijven, die samen goed zijn voor 40 procent van de werkeid. Daar zitten grote ondernemingen bij, zoals winkelketen Blokker, maar de meeste behoren tot het midden- en kleinbe-

- Dat zijn vooral kleine en middelgrote allemaal familiebedrijven. Van alle bedrijven in Nederland wordt een slordige 70 procent gerund door een familie. Daar zitten grote ketens bij, maar de meeste hebben een geringe omvang en zijn actief in het midden- en kleinbedrijf.
- Het oudste familiebedrijf van Nederland is touwslager G. van der Lee uit Oudewater (1545).
- Bierbrouwer Bavaria (1680) neemt in de top tien van oudste familiebedrijven de vijfde plaats in.
- Drukkerij Joh. Enschede uit Haarlem staat op de tiende plaats.

Ad. 5 Transfer process

- Underestimation of the time a BT takes
 - Ultimately it takes 5 to 7 years to transfer the business
- Complexity of the process
- Emotional impact on the transferor

Education on Business Transfer

VET/HE

- Little attention paid to family business (transfer) in the educational system
- Focus primarily on start-ups and growth
- Little awareness that students might also be successors

Despite that

- Succession is seen as the most important issue that family businesses have to cope with
- BT is not an event, but a process that needs to be planned. So do it now, not later
- It has to be done right, not over

Bridging the gap

1. Project on Business Transfer
2. Project deliverables

Project on Business Transfer

Aims to ...

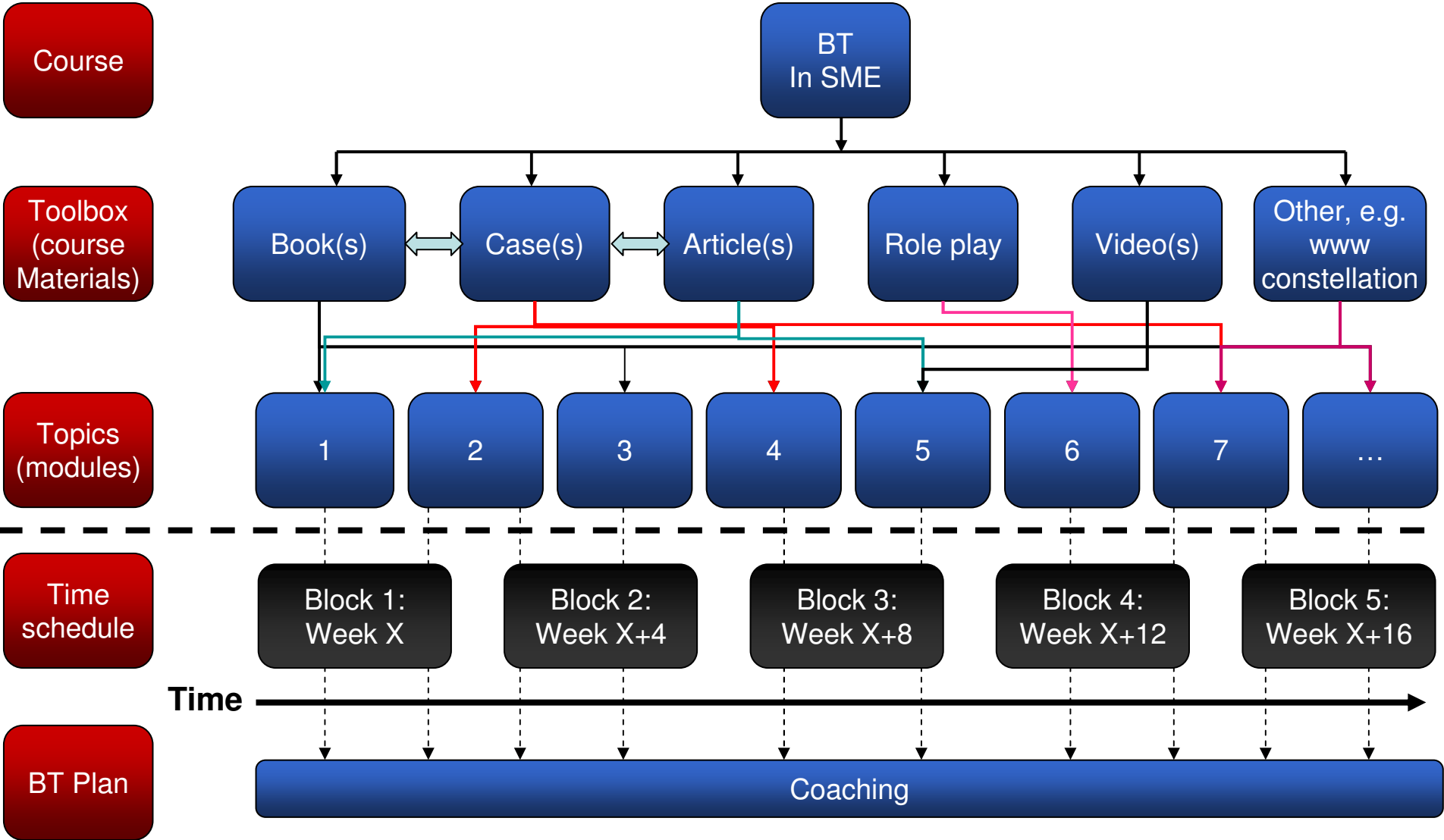
1. ... raise awareness of the relevance of early succession planning
2. ... make tools available for the transfer
3. ... develop a VET/HE-course on BT
4. Ultimately: Increase the success rate of business succession

Project deliverables

1. A course on Business Transfer (BT) in SME's, particularly family businesses.
 - With a special focus on emotional aspects.
 - Developed, tested and applied in an international (i.e. European) context.
 - Suitable for regular educational system
2. A cartoon
3. A website (communication)

Project deliverables

A course blueprint



Project deliverables

The cartoon



- The secret of Michiel de Ruyter



- The Flying Dutchman



- Business Transfer

Project deliverables

Communication

The screenshot shows a Windows Internet Explorer browser window displaying the website <http://www.business-transfer.nl>. The browser's address bar shows the URL and a search box. The website's header includes the date "FRIDAY JUN 25" and a search bar labeled "Search BT...". The navigation menu contains links for HOME, NEWS, PROJECT, PARTNERS, PRODUCTS & RESULTS, and CONTACT. A logo for "BT Business Transfer in SME" is visible in the top left corner.

The main content area features a "HOME" section with a sub-header "Training business transfer" and a date "Wednesday, 07 October 2009 08:38". The article title is "Business Transfer in SME".

Business Transfer in SME

Business Transfer in SME

Vocational education has paid little attention to Business Transfer (BT) and does not offer guidance to students and parents-entrepreneurs. VET and HE colleges are little aware of the situation that their students aim to take over the business of their parents. Preliminary research in The Netherlands showed that only 16% of the VET institutes (secondary level) offer some kind of guidance.

Already in 2003 the department DG XI-Enterprise of the European Commission published the results of a public consultation on more training for entrepreneurs, more attention to successors (the success is often bigger with BT than starting a new company), and to motivate employees to become successor.

Most guidance is being provided by consultancy organisations. Ageing, heavy competition, required initiatives and investments for innovation and lack of successors causes that many SME's in The Netherlands and in Europe close down. The consequences are decrease of employability, loss of capital, and often loss of income.

The browser's taskbar at the bottom shows the Start button, several open applications (Home | Business-tran..., Postvak IN - Microsof..., 2 Windows Verkenner, IntEnt 2010), and the system clock showing 11:34.

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search ID: pren24

**"I want you to meet my son Edward.
One day, this company will belong to him
and I think it's time for all of you to get to know
each other."**