

When daughters take over the family business

Summary



Successful business succession by women

EUF Study 2009

The EUF Institute analysed the most important factors in the success achieved by female managers in family-owned businesses. The study is part of an overall concept focusing on "Successful business succession by women in family businesses".

SUMMARY

Family-owned businesses are role models. They plan on a long-term basis, even over several generations, and always focus on safeguarding jobs. Their business activities are influenced by family values and they offer models on how to combine family life and work better. Furthermore, decisions on the future business successor are usually not taken on the basis of the prospective successor's gender but sometimes on the basis of his/her family relationship.

Daughters as successors of family-owned businesses have proved themselves in different industries and in enterprises of different sizes, becoming important role models for future female successors.

In summary it can be said that good **succession planning** requires four elements above all: first, the opportunity to decide freely and deliberately; second, enough time to plan all necessary preparations long beforehand; third, in-depth, comprehensive and multi-dimensional training and education; and fourth, open and regular communication among the generations, based on mutual respect, trust and objectivity.

The analysed data and the experiences of female successors suggest that the **process of taking over a business** can be seen as a development process. Whether this process turns out to be positive or negative however depends on different factors that may either advance or hinder the succession process. For a succession process to develop beneficially it should be initiated and planned early enough. This means that the wish to take over/pass on the business should be communicated as early as possible so that all the persons concerned are able to prepare. However, preparation not only means completing appropriate vocational training but also working hand in hand with the current managers/leaders.

Co-operation between the current generation and potential successors should be based on an open and trusting relationship so that both generations can benefit from the situation. It is helpful if the tasks and roles are clearly defined from the very beginning. Clear role allocation and mutual and strict acceptance of roles helps to create a smooth succession process. Since much is frequently left unsaid in family businesses and during the succession process, and even taken for granted, interviewees recommend engaging an external management consultant who consciously takes account of and controls all such aspects.

To be able to **establish oneself as the new business manager** it is of the utmost importance that all persons who contribute to the success of the business accept such leadership, namely management, employees, family and customers. An important prerequisite is that the succession process is carried out step by step, i.e. that the successor progressively gains experience in her new role, feeling for the business structure and establishes herself in that position, and in addition, that clear and detailed ideas for the business and its future are communicated clearly and openly. Depending on the size, industry and the traditions of the business, community spirit and a participatory management style are likewise important to positively establishing oneself as the new manager and to avoiding disputes in this connection. Above all with respect to the possible ambitions of long-term staff to assume management, it is important to avoid misunderstandings even at an early stage.

To find **one's own way**, education, socialisation, planning and introspection are among the more important factors. Both professional and emotional support from family, friends and employees or from professional external consultants is a decisive factor for female successors. A very common burden in the succession process is that the predecessor generation often finds it very hard entirely to transfer control over the business to the daughter-successor, i.e. to hand over the reins. This makes it even harder for the daughter to realise her own plans. When trying to find one's own way and identity, another issue that must commonly be dealt with is one's emancipation from one's parents. In this connection the relationship between parents and their daughter as well as mutual trust are decisive factors. When it comes to taking over control of a business, women see themselves confronted with additional challenges. In general, women have to fight harder since even nowadays women rarely find themselves in top management positions. Women develop their own particular and very different strategies in order to stand their ground and to achieve their objectives.

Reconciliation of work and family is more important to female successors than to male successors since traditional concepts of women as responsible for housework and bringing up the children are still widespread. In all interviews, in particular, two aspects were found to be especially important. First, the interviewed female successors widely agree that, although it is difficult, it is possible to reconcile one's business career with one's role as a mother. Second, it becomes clear that women in leading positions must work harder than men.

Our society is still well away from gender equality, above all when it comes to leading positions in business. Nonetheless, there are women who successfully manage a business and who can serve as positive role models for potential female successors.

All study participants have managed to emancipate themselves from their role as a daughter by proving qualification and self-confidence and successfully fulfilling the requirements of their management position. With a clear vision and approach those women have a precise "inner image" of themselves as a successful manager and responsible entrepreneur.

The 2009 EUF Study was carried out by

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CONCLUSION

Irrespective of whether the process of taking over the family business is planned, open or hurried, career opportunities are better for family members. But such advantage is frequently offset by the need to give proof of one's qualifications and abilities to eliminate prevalent prejudices. This multi-dimensional and very complex process, which depends on several parties, is influenced both by negative and positive factors.

Although the interviewed business women have approached this situation in different ways and have used different strategies, among others the following issues were found by all of them to be decisive:

- socialisation – active and passive qualification and training,
- multi-dimensional education,
- deliberate and active discussion as well as passive handling of expectations,
- open and regular communication among the generations, based on mutual respect, trust and objectivity
- the time available for preparing oneself and planning the process,
- feedback from surroundings,
- professional and emotional supporters,
- networking opportunities and existing role models,
- using external consultants and resources,
- personality traits, etc.

Conclusion:

The more that beneficial factors influence the succession process at the different stages then the greater the chances of a successful business succession. All EUF business ladies have managed to emancipate themselves from their role as a daughter by proving their qualifications and self-confidence and fulfilling the requirements of their positions. With a clear vision and approach those women have a precise "inner image" of themselves as a successful manager and responsible entrepreneur.

„Was es bedarf, ist der Mut, solche Funktionen zu übernehmen, und die Bereitschaft, kontinuierlich Verantwortung zu tragen. Und es braucht auch das Vertrauen seitens der übergebenden Generation, eine Nachfolge durch Töchter zu ermöglichen.“

„EUF gibt die Chance, bei Interesse Praxiserfahrungen abzurufen, die oft wertvoller sind als theoretisches Wissen. Noch gibt es in Österreich keine lange Tradition für weibliche Unternehmensnachfolge, aber in der derzeitigen Generation stehen den jungen Frauen meines Erachtens alle Türen offen.“

„Wichtig ist, das Geschaffene, Vergangene zu sehen, es wertzuschätzen und darauf aufzubauen und Neues, Innovatives zu entwickeln.“

„Es ist sinnvoll, dass man sich wirklich überlegt, ob man das machen will, von sich selbst aus, oder ob das nur die logische Folge ist. Das ist ganz wichtig, weil wenn man es nicht von sich aus will, dann wird man auch nie glücklich sein und es letztlich auch wahrscheinlich nicht sehr gut machen.“

„Ich finde EUF sehr wichtig. Endlich bekommen unsere einheimischen Unternehmerinnen die Anerkennung, die ihnen zusteht! Ich würde es begrüßen, wenn daraus auch Kooperationen entstehen. Wunderbar finde ich, wenn Jungunternehmerinnen sich trauen, etwas anzugehen! Ich würde sie gerne dabei begleiten und unterstützen. Den Weg muss jedoch jede selber gehen und auch ihre eigenen Erfahrungen sammeln.“

„Sich austauschen stellt eine wesentliche Ressource dar. Ich freue mich auf viele spannende Gespräche, denn wir lernen nie aus!“

„Familienunternehmen sind die menschliche Seele der Wirtschaft. Gerade heute, wo es manchmal scheint, als würden Technologie und Portfolios alles beherrschen, gewinnt der Faktor Mensch an Interesse. Das Netzwerk EUF spielt hier eine wesentliche Rolle, indem es Mut macht, Nachfolge als positive Herausforderung zu sehen, als Chance, die Zukunft zu gestalten. Das Teilen von Erfahrungen und Informationen durch EUF spart viel Zeit – wahrscheinlich die knappste Ressource überhaupt im Leben einer Business-Frau.“

