



The Wendel  
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for Family Enterprise

## Van Eeghen: Ten Rules of Success for a Long-Lived Family Firm

by

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In our monthly CFBR columns 2019, we will examine how long-standing family firms can envision a brighter future by cultivating their heritage. In this month's bimonthly column, we look at one of the oldest family businesses in Europe, Van Eeghen, a former Dutch trading house that has reinvented itself through the centuries.

**Rule No. 1: Choose your own path and never join a monopoly.** In 1662, a Huguenot cloth merchant named Jacob van Eeghen fled religious persecution of Protestants in Flanders and founded the Van Eeghen Merchant Company in thriving Amsterdam. Soon Jacob was an established shipping merchant, importing and exporting commodities for his own account and in commission. Linen and linseed came from Flanders, England and Westphalia, and went to the West Indies (the coarse Flemish variety) and France (the finer qualities) or were sold locally. From France and Portugal, Jacob bought wine and huge quantities of salt as a preservative for the booming herring industry. Salt was also traded with Baltic clients for timber. Apart from sticking to his religious beliefs, Jacob realized that if he wanted to succeed he would have to compete against the monopolistic Dutch East India company. He made the decision to focus on the Americas, an area that the Dutch East India company overlooked as its business was directed in Asia.

**Rule No. 2: Employ and marry strong women.** When Jacob retired, his son, Christiaen van Eeghen, took over the business but died unexpectedly in 1705, at which time his wife Suzanna Block took over the family affairs. Sadly, her eldest son died at an early age just after taking control and so Suzanna once again returned to the family headquarters on a canal street in Amsterdam. Suzanna Block saved the company twice to become the world's first female family business leader. Suzanna finally retired and her grandson Jan van Eeghen continued the dynasty.

**Rule No. 3: Professionalize.** In the 17th and 18th centuries, Amsterdam was the cradle of insurance by underwriting against the perils of the sea. In the 1750s these perils grew worse in the wake of even more wars, but since the Dutch were not fully involved, insurance was profitable. In 1778 the Van Eeghen brothers Christian and Pieter, who was a partner in another trading house named Juilion & Rulffs, joined forces to formally establish the firm for the first time. Pieter bought his associates out, their mother Cornelia folded her assets into the firm and the firm Pieter & Christiaen van Eeghen was formed. Juilion & Rulffs' network widened the product range considerably with, for instance tin, saltpeter and spices. Alongside linen, the Russian leather trade flourished; grain from Rostock and Swedish iron went to Spain and Italy; sugar, coffee and wines were shipped back from Nantes, Bordeaux and Montpellier; rice, usually bought in Italy, came after 1790 also from the United States.

**Rule No. 4: Choose long-term goals over maximizing short-term profits with high risks.** In 1793, Pieter van Eeghen and a syndicate of 12 other Dutch investors called the Holland Land Company bought 3.45 million acres of undeveloped land, formerly owned by Native Americans, in central and

western New York State, and western Pennsylvania. It was purchased from Robert Morris, a signatory of the Declaration of Independence and a financier of the American Revolution, and at the time the richest man in America. Pieter and his fellow investors quickly realized that it made no sense to sell the land to make a quick buck. Instead, they took a long-term view and began to make serious investments in the Holland Purchase, as the vast tract of land became known, for the next 50 years. Through their investments, the land was surveyed by map makers, roads were built, canals were dug, all of which made the property more attractive to European settlers. They sold the last of their land interests in 1840, when the syndicate was dissolved. During this period, financial services became increasingly important for Van Eeghen's results and even dwarfed trading.

**Rule No 5: Leave but Never Forget:** The archives of the Holland Land Company have been stored in the Amsterdam municipal archives, where some 150 meters of historical records document Van Eeghen's illustrious history in the United States. For example, a section of the archives is entirely devoted to cartography which contains rare maps of Washington D.C. and New York City, along with maps of the North-eastern states of America.

**Rule No. 6: Diversify, Upgrade and Relinquish.** In the 18th and 19th centuries, Van Eeghen reduced its European trading risk by diversifying their activities geographically. During the Napoleonic wars, when trade in on the continent nearly came to a standstill, Van Eeghen developed banking activities that issued bonds on the Amsterdam financial market in order to fund new infrastructural projects in the United States. It later merged these financial services with Oyens, creating a bank called Oyens & Van Eeghen, which that continued for more than 150 years, until being sold in the 1960s. At the same time, the trading firm continued trading in tobacco and cotton. To sustain the trade with the United States during the 19th century, Van Eeghen invested in a new shipping fleet. Later, with the introduction of steamships, Van Eeghen withdrew from shipping altogether and focused on its domestic market.

**Rule No. 7: Care about Your Domestic Community.** In 1864 a group of citizens led by Christiaan Pieter van Eeghen bought some grassland and marshes at the rim of the city of Amsterdam to create a park. Opened in 1865, New Park became known as Vondelpark after a statue of a man name Vondel was erected in the park two years later. Today, the park is visited by 10 million people per year and has grown to 120 acres. The people of Amsterdam flock to the park for its greenery, bike paths and open spaces, a world apart from the inner city which is hemmed in by canals. Over the years, members of the Van Eeghen family were also involved in establishing Rijksmuseum, Concert Building, Stedelijk Museum and the first social housing projects.

**Rule No. 8: Pay attention to niche markets.** Skipping forward to the late 1950s, Van Eeghen saw the market potential of Oriental and exotic cuisine and the taste for ready-made food of an increasingly affluent society. The company became a major supplier of dehydrated vegetables to food processors in the Netherlands and abroad through a new business unit, Van Eeghen International BV, which was to contain its future core business activity.

**Rule No. 9: Be agile.** In the early 1990s, Van Eeghen set up a new Functional Food Ingredients division, focusing on the sale of exotic spices, vitamins and minerals. The company distributes vitamins and minerals to the infant formula industries. It also supplies food for the sports and nutritional supplement markets.

**Rule No 10: Stay True to Family Values.** Jeroen van Eeghen is the 15<sup>th</sup> generation leader of the family firm, having been named Managing Director of the Van Eeghen Group in 2012. Like his predecessors, Jeroen has kept the entrepreneurial spirit of the founder alive. He employs a cadre of highly educated food technologists and chemists who provide their clients with advice on application use,

marketing and quality assurance. It is this added value that gives Van Eeghen a competitive advantage.

Part five of this 11-part series will feature a profile about another long-lasting family firm.

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