The Two Big Next Gen Questions:

Shall I join my family firm now?

When do my father/mother leave me the reigns?

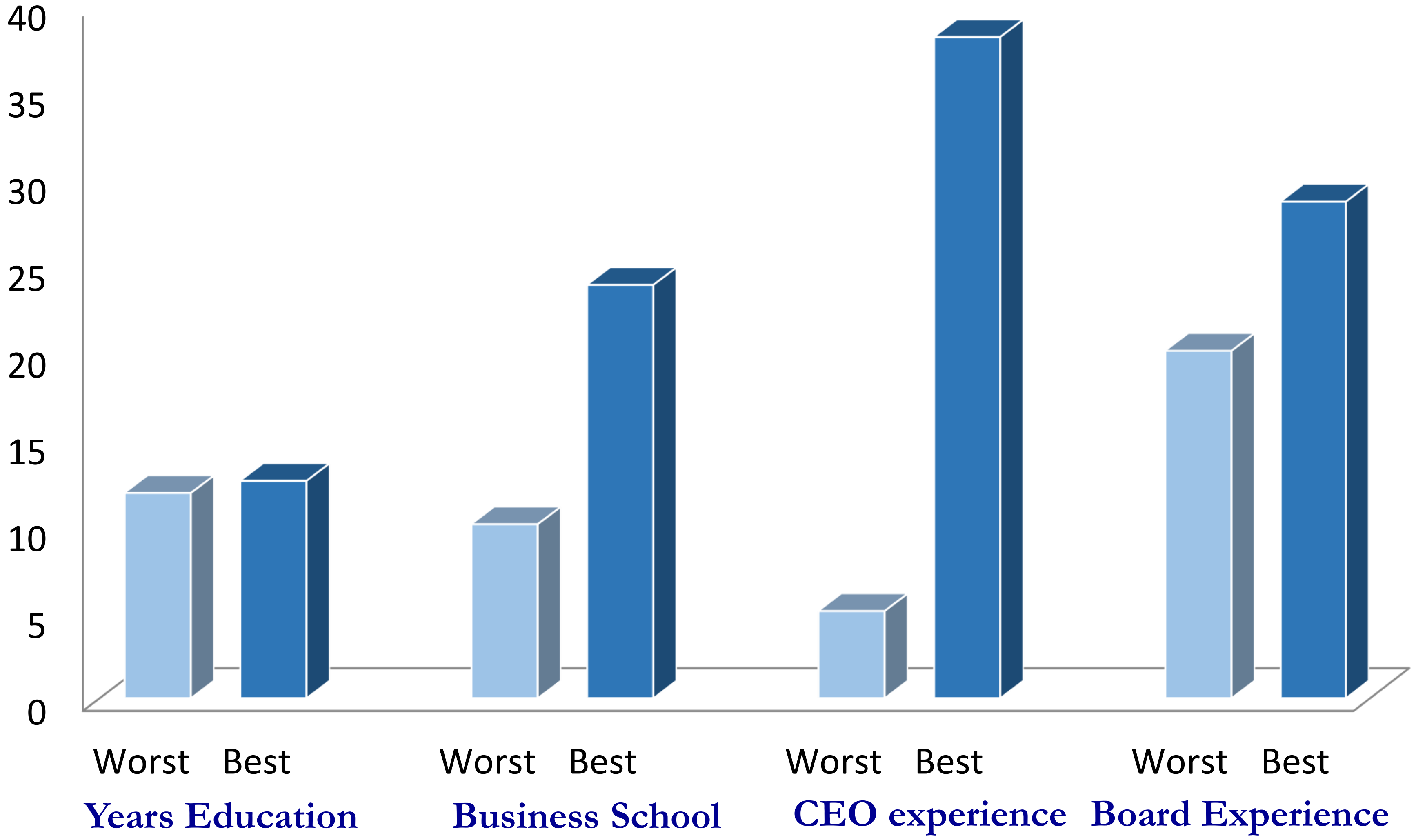
Shall I join my family firm now?

The next generation challenge

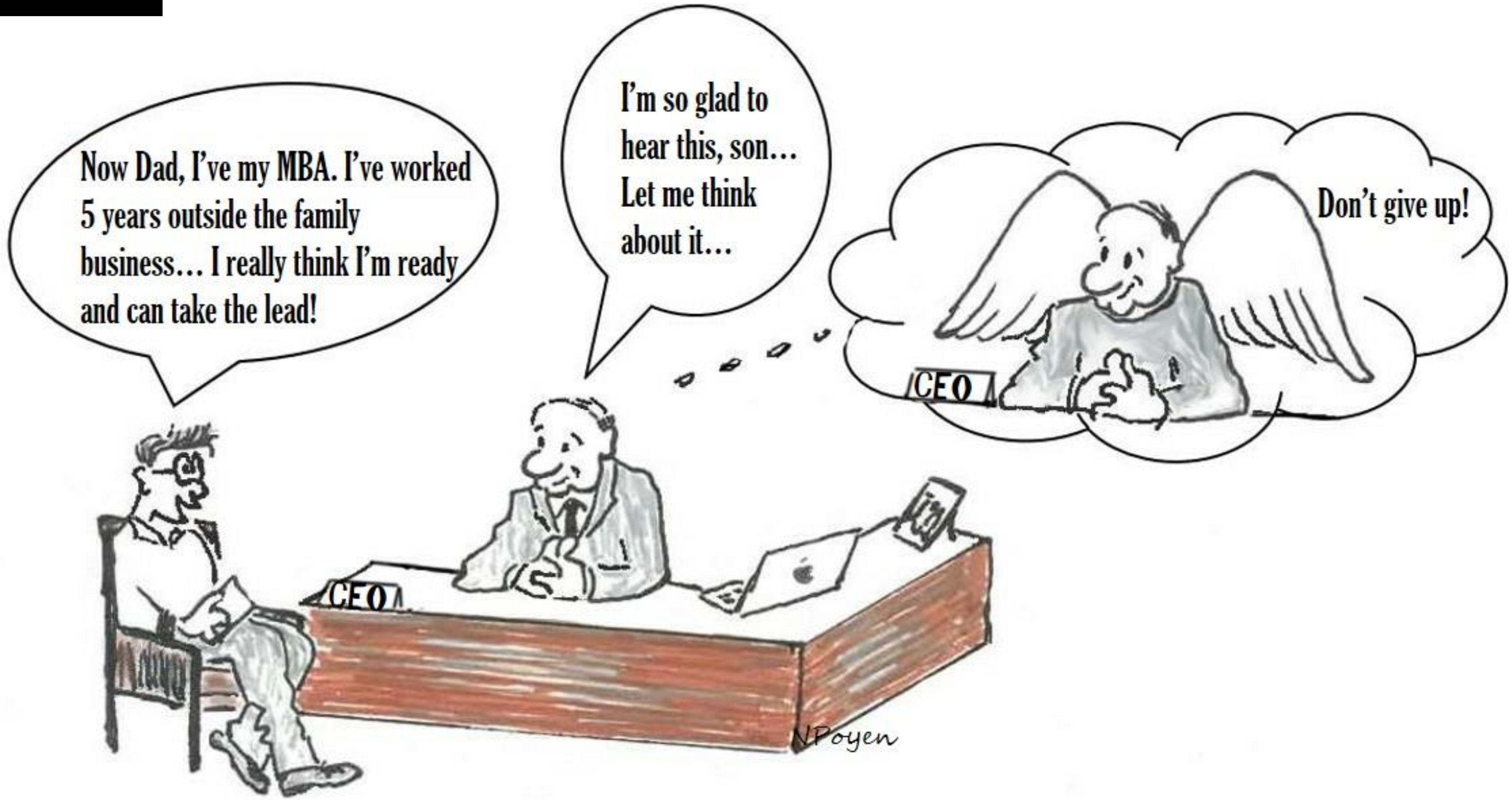
Shall I join my family firm now?

BEST AND WORST FAMILY SUCCESSIONS

Bennedsen and Nielsen, 5000 SME successions in Denmark.



When do my father/mother leave me the reigns?



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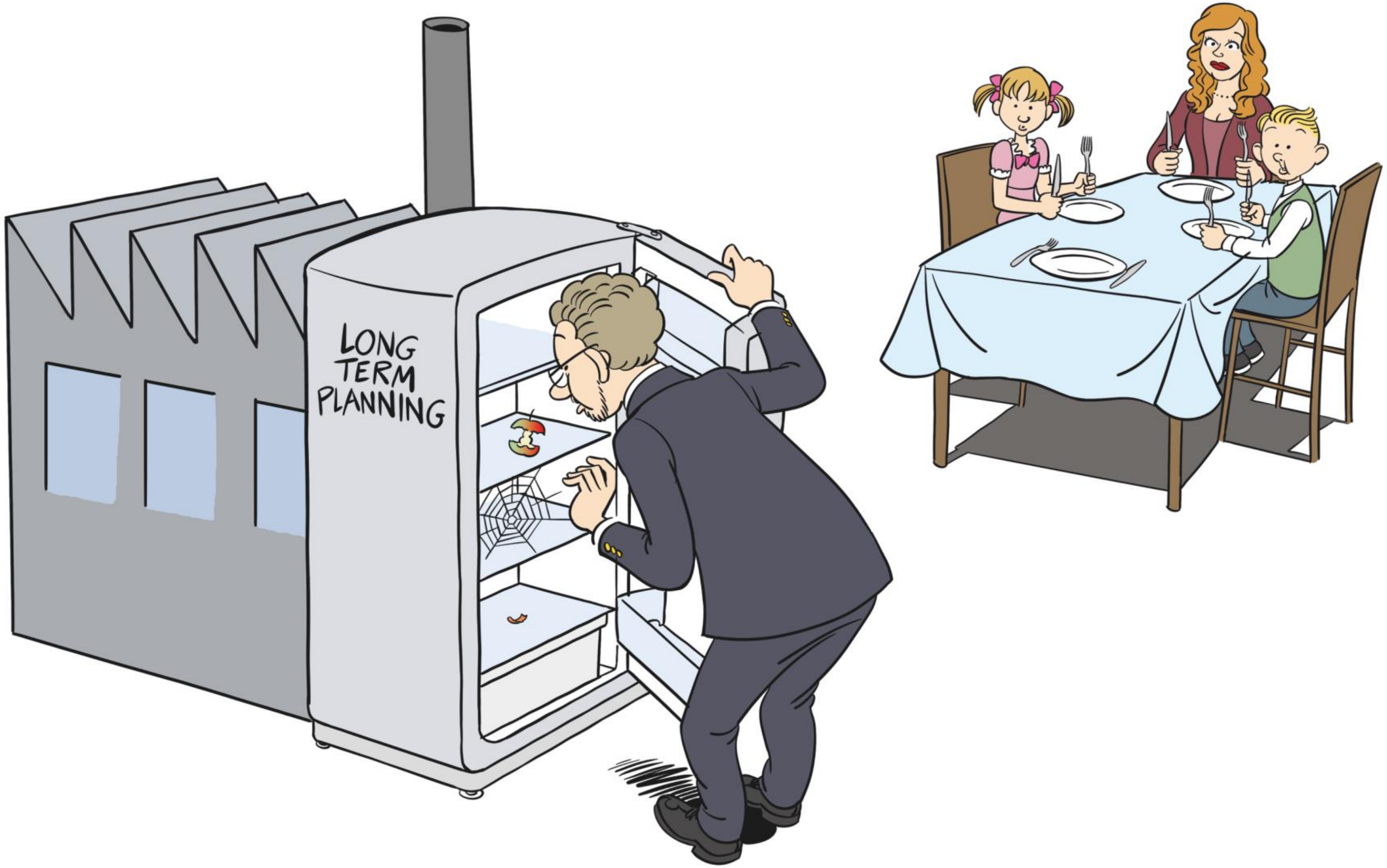


THE CHALLENGE OF LONG TERM PLANNING

Deep questions

The business side

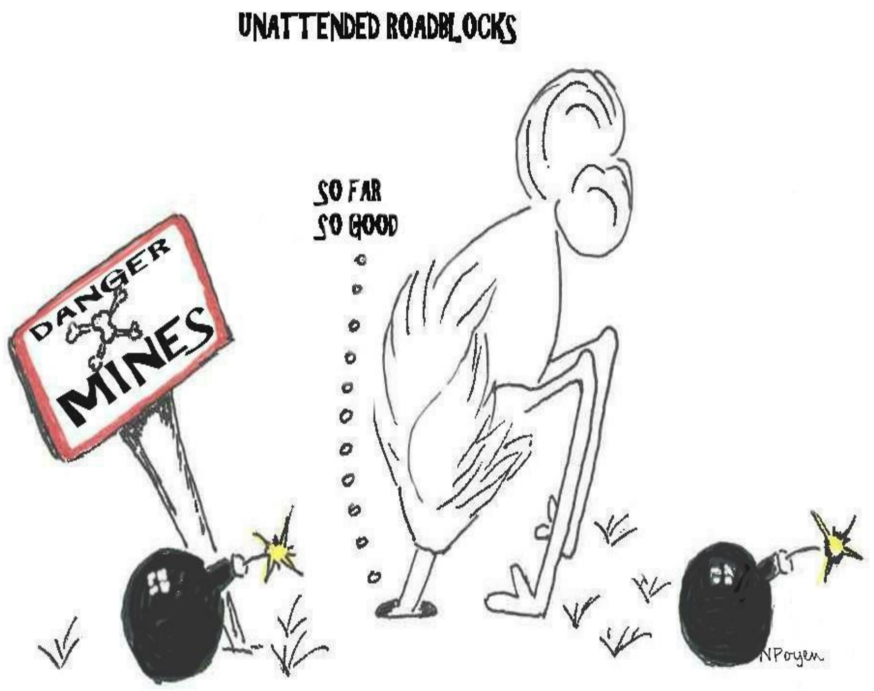
- What is our long term strategy?
- Is the family the best owners of the business?
- Are we the best to manage the business?

The family side

- Why do we continue?
- Who takes what role in the family?
- What to do with incompetent children?
- What role do in-laws have?
- Do we like each other?

The family leader(s)

- What shall I do after retirement?
- Who am I if not the leader of the family business?
- Does anybody love me?



.....hence LTP is postponed!

Lack of long term planning have severe consequences

1. Destroy businesses because wrong decisions or lack of real entrepreneurship
2. Increase the economic cost of family succession
3. Reduce firm value by increasing key personal risk
4. Makes the next generation pursue other paths
5. Makes management and other stakeholders more likely to pursue other options
6. Makes it harder / more expensive to find external capital
7. Increase the likelihood of family fights after (or even before transition)

The Essence:
A successful transition requires:

Competent next gens have education and measurable CVs. &

Lack of Long Term Planning poison the family transition. Cause value destruction, employee frustration and family conflicts