Appendix

Appendix 1: Family business survival rate ................................................................. 1
Appendix 2: Biggest Family Businesses ........................................................................ 1
Appendix 3: Percentage of Family businesses in the private sector in the world ............ 1
Appendix 4: Family businesses statistics from around the world .................................. 2
Appendix 5: The three circles model ........................................................................... 2
Appendix 6: Percentage workforce employed by FBs & FBs contribution to national GDP .... 3
Appendix 7: Different goals : family system versus business system ................................. 3
Appendix 8: Oldest family businesses ........................................................................... 4
Appendix 9: Family Business Succession Planning: Managing the family component .... 4
Appendix 10: The family business dilemma ..................................................................... 5
Appendix 11: Model of resistance to succession in Family businesses .............................. 5
Appendix 12: Succession Planning obstacles and suggested actions ............................... 6
Appendix 13: Overview of existing studies ..................................................................... 7
Appendix 14: Unplanned transitions destroy value ......................................................... 8
Appendix 15: Structure & governance of Family businesses .......................................... 9
Appendix 16: Survey Part 1 ......................................................................................... 10
Appendix 17: Survey Part 2 ......................................................................................... 11-12
Appendix 18: Survey Part 3 ......................................................................................... 13
Appendix 19: Survey on the website of Empresas Familiares ...................................... 14
Appendix 20: Survey on Empresas Familiares ‘Facebook page ...................................... 14
Appendix 21: Results Survey Part 1: Leadership succession practices ............................. 15-17
Appendix 22: Results Survey Part 1: Practices ‘average ................................................ 18
Appendix 23: Results Survey Part 2: Average of the responses for each factor ............... 18
Appendix 24: Results Survey Part 3: The key success factors ........................................ 19
**Appendix 1: Family business survival rate**

*Source: Beckard & Dyer Jr*

![FAMILY BUSINESS SURVIVAL RATE](image)

**Appendix 2: Biggest Family Businesses**

*Source: Economist.com, Bloomberg & McKinsey reports*

<table>
<thead>
<tr>
<th>FBs</th>
<th>Country (founded)</th>
<th>Industry</th>
<th>Revenue, 2013, Sbn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walmart</td>
<td>United States (1962)</td>
<td>Retail</td>
<td>$476.30</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>Germany (1937)</td>
<td>Automotive</td>
<td>$261.70</td>
</tr>
<tr>
<td>Glencore</td>
<td>Anglo-Swiss (1974)</td>
<td>Commodities</td>
<td>$232.70</td>
</tr>
<tr>
<td>Samsung</td>
<td>South Korea (1969)</td>
<td>Electronics</td>
<td>$209.00</td>
</tr>
<tr>
<td>Exor</td>
<td>Italy (1927)</td>
<td>Finance/industrial</td>
<td>$151.10</td>
</tr>
<tr>
<td>Ford</td>
<td>United States (1903)</td>
<td>Automotive</td>
<td>$146.90</td>
</tr>
<tr>
<td>Lukoil</td>
<td>Russia (1991)</td>
<td>Oil</td>
<td>$141.40</td>
</tr>
<tr>
<td>Mcesson</td>
<td>United States (1833)</td>
<td>Pharmaceuticals</td>
<td>$137.60</td>
</tr>
<tr>
<td>Foxconn</td>
<td>Taiwan (1974)</td>
<td>Electronics</td>
<td>$109.90</td>
</tr>
</tbody>
</table>

**Appendix 3: Percentage of Family businesses in the private sector in the world**

*Source: Family Firm Institute INC.*
### Appendix 4: Family businesses statistics from around the world

<table>
<thead>
<tr>
<th>Family business Statistics in the world</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ FFs account for 2/3 of all businesses around the world</td>
<td>John Davis, Harvard Business School, 2007</td>
</tr>
<tr>
<td>➢ 70% - 90% of global GDP annually is created by FBs in the world</td>
<td>European Family Businesses, 2012</td>
</tr>
<tr>
<td>➢ Between 50-80% of jobs in the majority of countries worldwide are created by family businesses</td>
<td>European Family Businesses, 2012</td>
</tr>
<tr>
<td>➢ 85% of start-up companies are created with family money</td>
<td>European Family Businesses, 2012</td>
</tr>
</tbody>
</table>

### Appendix 5: The three circles

*Source: Tagiuri & Davis, 1982*
**Appendix 6:** Percentage of workforce employed by Family businesses & Family businesses contribution to national Gross Domestic Product

*Source: Family Firm Institute INC.*

**Appendix 7:** Different goals : family system versus business system

*Source: John L. Ward, 2001*
Appendix 8: Oldest family businesses
Source: Family business module, Alexandre Dias da Cunha, 2015

<table>
<thead>
<tr>
<th>Family</th>
<th>Established</th>
<th>Years</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mogo &amp; Takanashi</td>
<td>1613</td>
<td>401</td>
<td>Japan</td>
</tr>
<tr>
<td>Birkenstock</td>
<td>1774</td>
<td>240</td>
<td>Germany</td>
</tr>
<tr>
<td>S. Santos</td>
<td>1792</td>
<td>222</td>
<td>Portugal</td>
</tr>
<tr>
<td>Du Pont</td>
<td>1802</td>
<td>212</td>
<td>USA</td>
</tr>
<tr>
<td>Dumas</td>
<td>1837</td>
<td>177</td>
<td>France</td>
</tr>
</tbody>
</table>

Appendix 9: Family Business Succession Planning: Managing the family component
Source: KPMG enterprise, 2011
Appendix 10: The family business dilemma

Source: Ward, 1988

Appendix 11: Model of resistance to succession in Family businesses

Source: Handler, 1988
**Appendix 12: Succession Planning obstacles and suggested actions**

*Source: Randel S, Carlock & John L. Ward,*

<table>
<thead>
<tr>
<th>Business Status</th>
<th>Obstacles</th>
<th>Suggested actions steps</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senior generation</strong></td>
<td>• Doubts regarding younger generation’s capabilities&lt;br&gt;• Loss of enjoyment from day-to-day operations&lt;br&gt;• Resistance to change in business direction or strategy</td>
<td>✓ Create meaningful career opportunities&lt;br&gt;✓ Identify a future role that contributes to the firm&lt;br&gt;✓ Participate in strategic succession planning</td>
</tr>
<tr>
<td><strong>Successors</strong></td>
<td>• Concerns about family expectations&lt;br&gt;• Self-doubt about capabilities&lt;br&gt;• Sharing power and multiple shareholders</td>
<td>✓ Support family meetings to explore commitment and vision&lt;br&gt;✓ Engage in management development activities&lt;br&gt;✓ Create family and business governance structures</td>
</tr>
<tr>
<td><strong>Spouse</strong></td>
<td>• Impact on marital relationship&lt;br&gt;• Concerns regarding financial security</td>
<td>✓ Develop a future lifestyle plan&lt;br&gt;✓ Create personal estate and financial plans</td>
</tr>
<tr>
<td><strong>Other stakeholders</strong></td>
<td>• Loss of personal relationships&lt;br&gt;• Concerns over financial stability</td>
<td>✓ Phase down involvement over time&lt;br&gt;✓ Show confidence in successor</td>
</tr>
</tbody>
</table>
**Appendix 13: Overview of existing studies**

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Type</th>
<th>Sample</th>
<th>Data collection</th>
<th>Main issues</th>
<th>Key Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Wang et al. 2004)</td>
<td>Research paper on family business performance and succession issues planning</td>
<td>169 FBs</td>
<td>Surveys/questionnaires and business data base</td>
<td>• Why should the family be committed to perpetuating the business?</td>
<td>The success planning plays an important role in medium-sized family businesses, while in small-sized businesses it has been overlooked.</td>
</tr>
<tr>
<td>(Davis &amp; Harveyson 1995)</td>
<td>Study on Process model of succession planning</td>
<td>1616 FBs</td>
<td>Surveys, Industry trade reports</td>
<td>• Has a successor been chosen who will assume operating control of your business?</td>
<td>This paper desired to build knowledge about the succession process in the family business across generations. This awareness will not only be a foundation for future research but also holds implications for FBs owner/managers and advisors. The family exerts a consistent positive influence to see that adequate planning will be performed to guarantee the survival of the business beyond the current generation.</td>
</tr>
<tr>
<td>(Dub et al. 2009)</td>
<td>Research paper on succession solutions in FBs</td>
<td>350 FBs SMEs</td>
<td>Telephone survey</td>
<td>• Generational transition</td>
<td>The research shows that a high proportion of FBs in Slovenia are going to face the problem of succession in the near future. 65% of respondents are not preparing the transfer of management and or ownership in the next five years.</td>
</tr>
<tr>
<td>Randel S. &amp; John L. Ward, 2001</td>
<td>Book on a strategic planning for the Family Business</td>
<td>–</td>
<td>–</td>
<td>• Preparing the next generation of family management and Leaders</td>
<td>FB planning has traditionally positioned on two issues: Estate planning and succession. The key point of the book is to understand the importance though several steps of a succession planning for the FBs with a management and ownership outlooks.</td>
</tr>
<tr>
<td>Handler 1994</td>
<td>Paper review on succession in family business</td>
<td>–</td>
<td>–</td>
<td>• Succession as a process, The role of the founder, The perspective of the next generation, Characteristics of effective successors</td>
<td>The succession in family business is a process which has to be done correctly by all the stakeholders.</td>
</tr>
</tbody>
</table>
Appendix 14: Unplanned transitions destroy value

Source: BCG analysis, 2014
Appendix 15: Structure & governance of Family businesses

Source: Handler. 1988
Appendix 16: Survey Part 1

Thesis Survey: Nova School of Business & Economics

Part 1: General Information Assessment on Leadership succession practices

On a one-to-five scale, where “1” means Strongly disagree and “5” means Strongly agree to what extent do you agree with the following statements:

1. My family business has an actionable process in place to select new senior executives.

2. My company is grooming a specific executive to succeed the current CEO.

3. If the current CEO left tomorrow, a family member can take over the leadership.

4. The CEO and executive team are actively involved in succession planning and talented reviews.

5. The board is actively involved in succession planning and talents assessments for the leadership positions.

6. There is an adequate pool of potential successor candidates for the CEO position.
Appendix 17: Survey Part 2

Thesis Survey: Nova School of Business & Economics
Part 2: Do these factors determining or not a successful family business leadership succession

➤ On a one-to-five scale where “1” means Not at all likely and “5” Extremely likely, how likely are you to recommend the following factors to succeed in a leadership succession:

1. Having a succession planning.
2. Starting the succession process early.
3. Fostering family harmony.
4. Preserving the family’s values & vision.
5. Doing a smooth transfer of power.
6. Developing a cross generational team-work.
7. Being able to rely on an active advisory board in the succession process.
8. Asking the leader to leave but not disappear, becoming councillor.
9. Having the rust from the stakeholders in successor’s abilities and intentions.

10. Having the tendency for the successor to take over the leadership.

11. Establishing a training program for the successor.

12. Ensuring agreement and motivation from the successor to continue the business.
Thesis Survey: Nova School of Business & Economics
Part 3: The key success factors for a successful leadership succession

Please choose five of the following factors that are essential for you to succeed in a leadership family business succession:

1. Having a succession planning.
2. Starting the succession process early.
3. Fostering family harmony.
4. Preserving the family's values & vision.
5. Doing a smooth transfer of power.
6. Developing a cross generational team-work.
7. Being able to rely on an active advisory board in the succession process.
8. Asking the leader to leave but not disappear, becoming councillor.
9. Having the rust from the stakeholders in successor's abilities and intentions.
10. Having the tendency for the successor to take over the leadership.
11. Establishing a training program for the successor.
12. Ensuring agreement and motivation from the successor to continue the business.

Thank You for your precious collaboration!
Appendix 19: Survey on the website of Empresas Familiares

Aluno da Universidade NOVA - Pedido de resposta a um inquérito

O meu nome é Joris Desbois, sou um estudante francês de Nova Business School, em Lisboa. Eu estou a fazer a minha Tese de mestrado em Gestão sobre um tópico de sucessão nos negócios de família. A fim de completar o meu projeto de trabalho e os meus estudos, preciso da sua preciosíssima ajuda, respondendo rapidamente a algumas perguntas relativas às suas práticas e experiências no seu negócio de família.

Veja demorar apenas 5 minutos do seu tempo e as suas respostas são essenciais para a minha pesquisa.

Muito obrigado pela sua colaboração e o seu tempo!

Para responder

https://thesisurveyfbsnovasbe.evalandgo.com/s/?id=JT1aSU5WkOUEIQAn&a=JTIeyU5QWwlOTg=

Appendix 20: Survey on Empresas Familiares ‘Facebook page

Aluno da Universidade NOVA - Pedido de resposta a um inquérito

O meu nome é Joris Desbois, sou um estudante francês de Nova Business School, em Lisboa. Eu estou a fazer a minha Tese de mestrado em Gestão sobre um tópico de sucessão nos negócios de família. A fim de completar o meu projeto de trabalho e os meus estudos, preciso da sua preciosíssima ajuda, respondendo rapidamente a algumas perguntas relativas às suas práticas e experiências no seu negócio de família.

Veja demorar aprox. See more

See translation
Appendix 21: Results Survey Part 1: Leadership succession practices

1. My family business has an actionable process in place to select new senior executives.

- Strongly disagree: 10%
- Disagree: 15%
- Neutral: 33%
- Agree: 24%
- Strongly agree: 18%

100% = 67 answers

2. My company is grooming a specific executive to succeed the current CEO.

- Strongly disagree: 10%
- Disagree: 11%
- Neutral: 33%
- Agree: 31%
- Strongly agree: 15%

100% = 67 answers
3-IF THE CURRENT CEO LEFT TOMORROW, A FAMILY MEMBER CAN TAKE OVER THE LEADERSHIP.

100% = 67 answers

4-THE CEO AND EXECUTIVE TEAM ARE ACTIVELY INVOLVED IN SUCCESSION PLANNING AND TALENTED REVIEWS.

100% = 67 answers
5-THE BOARD IS ACTIVELY INVOLVED IN SUCCESSION PLANNING AND TALENTS ASSESSMENTS FOR THE LEADERSHIP POSITIONS.

100% = 67 answers

6-THERE IS AN ADEQUATE POOL OF POTENTIAL SUCCESSOR CANDIDATES FOR THE CEO POSITION.

100% = 67 answers
Appendix 22: Results Survey Part 1: Practices 'average

Average

1. My family business has an actionable process in place to select new senior personnel.

2. My company is grooming a specific executive to succeed the current CEO.

3. If the current CEO left tomorrow, a board member can take over the leadership.

4. The CEO and executive team are actively involved in succession planning and talent assessments for the leadership positions.

5. The board is actively involved in succession planning and talent assessments for the leadership positions.

6. There is an adequate pool of potential successor candidates for the CEO position.

Average of the responses for each factor

Appendix 23: Results Survey Part 2: Average of the responses for each factor

Joris Desbois
Appendix 24: Results Survey Part 3: The key success factors

Percentage of the factors essential to succeed in succession (each factor/100%)

- Having a succession planning
- Starting the succession process early
- Preserving the family harmony
- Preserving the family values and vision
- Doing a smooth transfer of power
- Developing a cross generational team-work
- Being able to rely on an active advisory board in the succession process
- Asking the leader to leave but not disappear
- Becoming councilor
- Having the trust from the stakeholders in successor's abilities and intentions
- Having the tendency for the successor to take over the leadership
- Establishing training program for the successor
- Ensuring agreement and motivation from the successor to continue the business