



Transfer and succession in Austrian family firms

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Agenda

- Family businesses in Austria and Europe
- Business transfers in Austria
 - Number of business transfers in Austria
 - Characteristics of transfers realised in Austria in 2006
 - Development of the transferred companies



Definition of Family business

A family business is a firm of any size of which

- the majority of direct or indirect decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs; and
- at least one representative of the family or kin is formally involved in the governance of the firm.

Source: European Commission, 2009



Family businesses in Austria and Europe

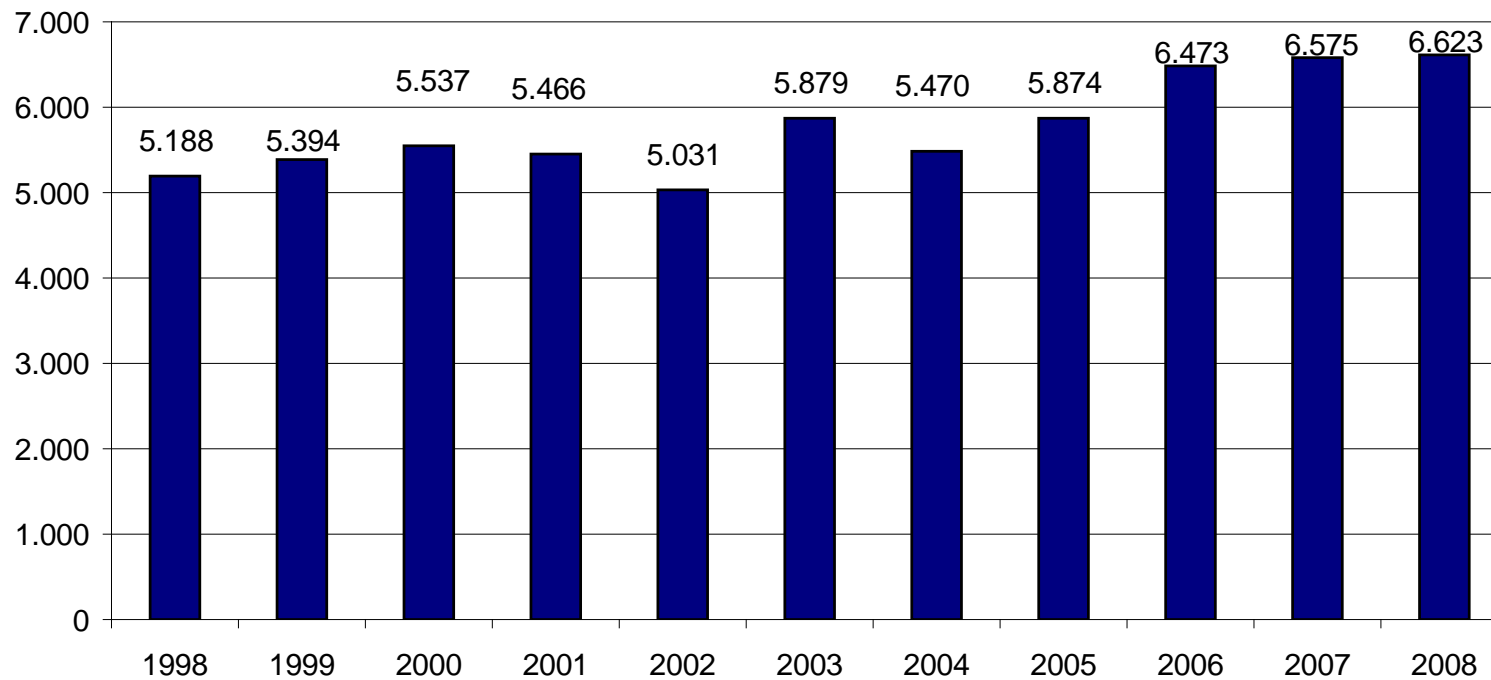
- more than 90 different definitions
- most of the available studies come to the same result
 - family business account for about 70 - 80% of private businesses and
 - provide 40 – 50% of private employment

Source: Mandl, 2008; PWC, 2007



Business transfers in Austria (I)

Number of Austrian business transfers, 1998 – 2008,
craft and services

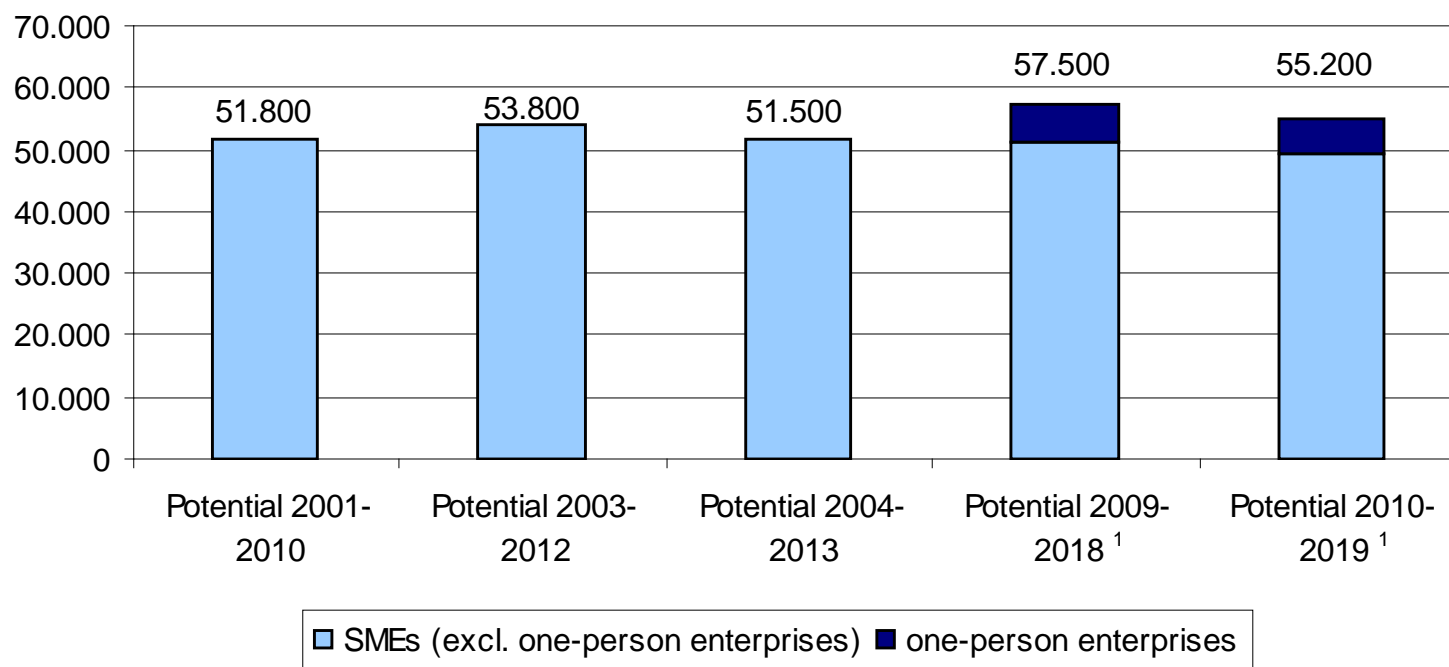


Source: Federal Economic Chamber Austria



Business transfers in Austria (II)

Number of estimated potential transfers of Austrian SMEs in the craft and services sector



1 one-person enterprises included

Source: KMU FORSCHUNG AUSTRIA (Austrian Institute for SME Research)



Business transfers in Austria (III)

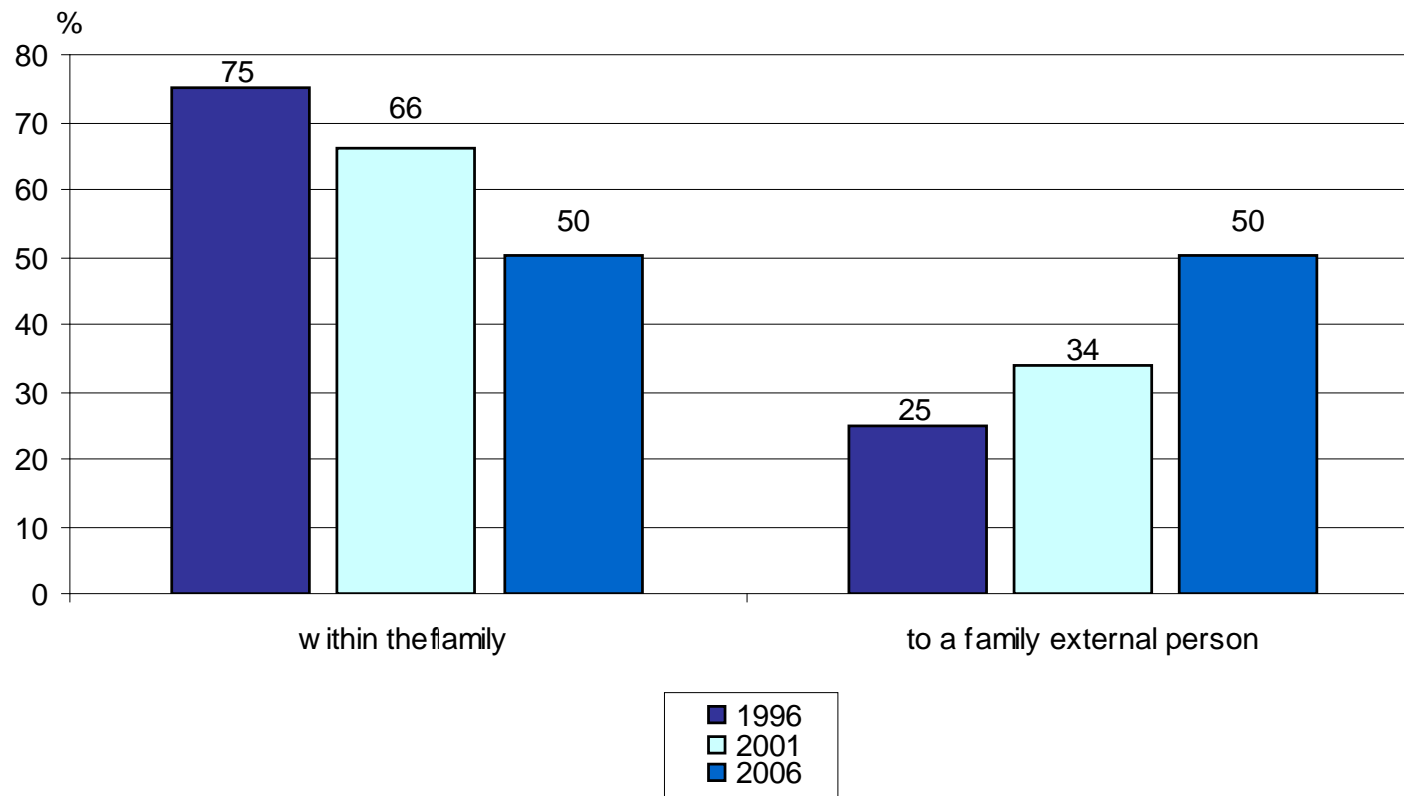
Affectedness of European countries by future business transfers



Compilation by KMU FORSCHUNG AUSTRIA (Austrian Institute for SME Research)

Characteristics of transfers realised in Austria (I)

Share of Austrian business transfers within the family and to a family external person, 1996 - 2006



Source: KMU FORSCHUNG AUSTRIA (Austrian Institute for SME Research)

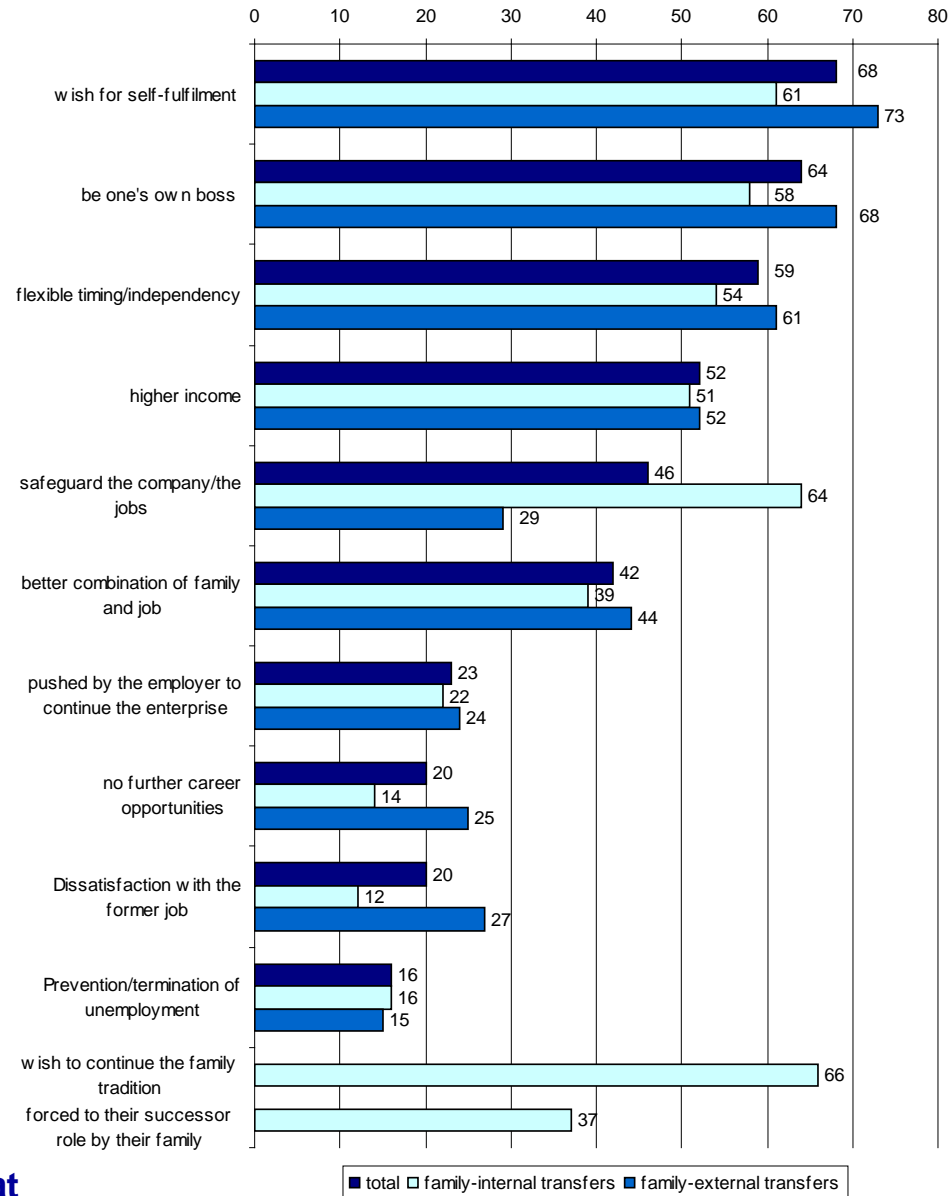


Characteristics of transfers realised in Austria (II)

- Form of family internal transfers
 - 21% gift
 - 12% inheritance

- Employment effect
 - each Austrian company transferred in 2006 employed 4.7 workers (including the entrepreneur)
 - higher effect than by a start-up

Main reasons for successions (multiple answers possible) in Austria, share of successors in %, 2006

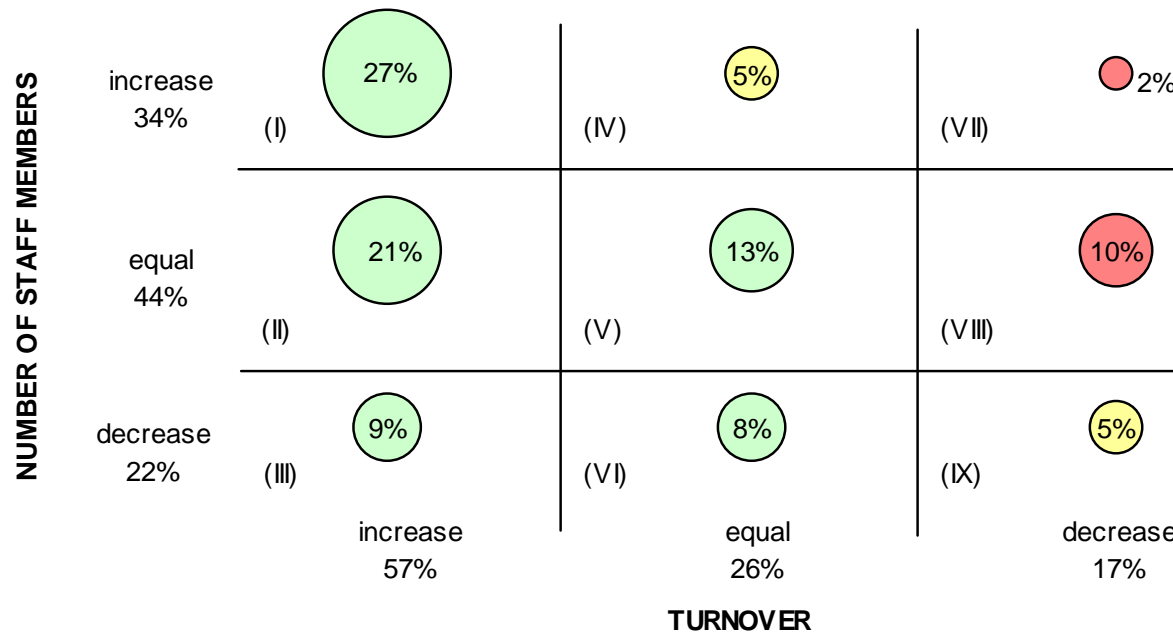


Source: KMU
FORSCHUNG
AUSTRIA (Austrian
Institute for SME
Research)



Development of the transferred companies

Development of sales and the number of employees of transferred companies in Austria, share of successions in %

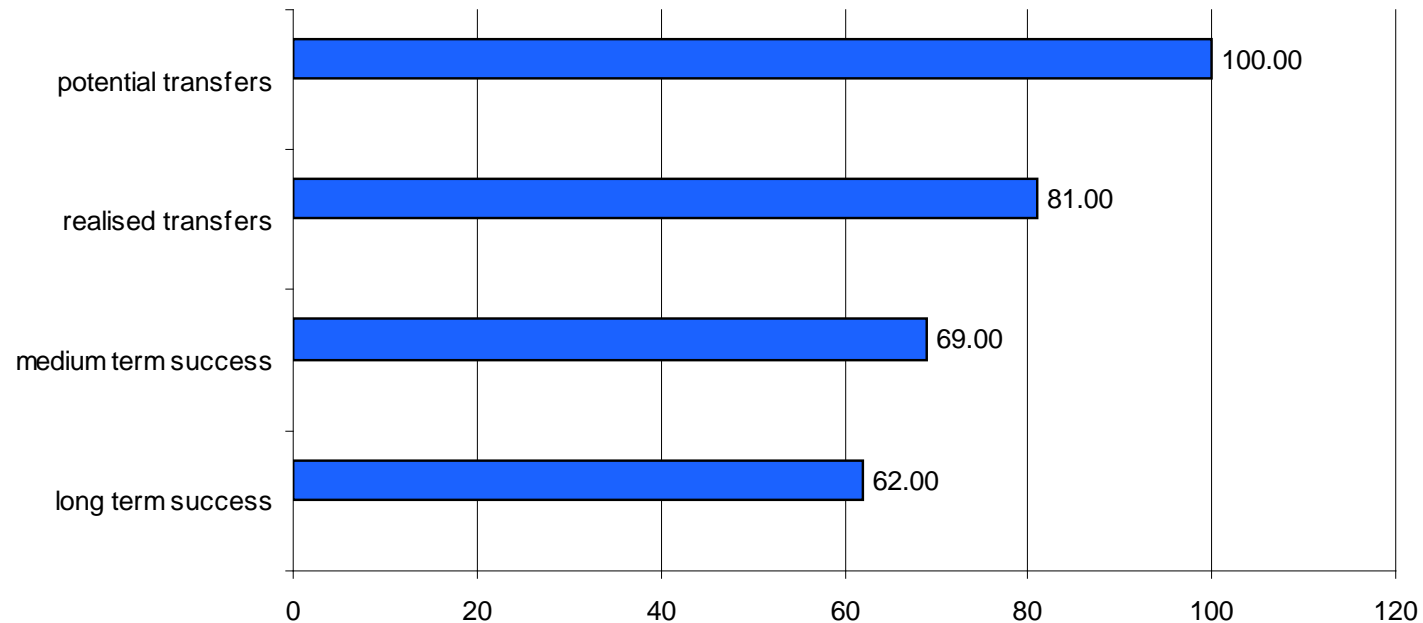


Source: KMU FORSCHUNG AUSTRIA (Austrian Institute for SME Research)



Conclusion

Success of Austrian business transfers, share of companies in %



Source: KMU FORSCHUNG AUSTRIA (Austrian Institute for SME Research)



Thank you for your attention!

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