

Role differentiation in FF succession: the impact of private equity / private banking

Gianluca Colombo and Vincenzo Piantedosi

Transfer of Ownership in Private Businesses – European Experiences

Stockholm, March 25th and 26th, 2010

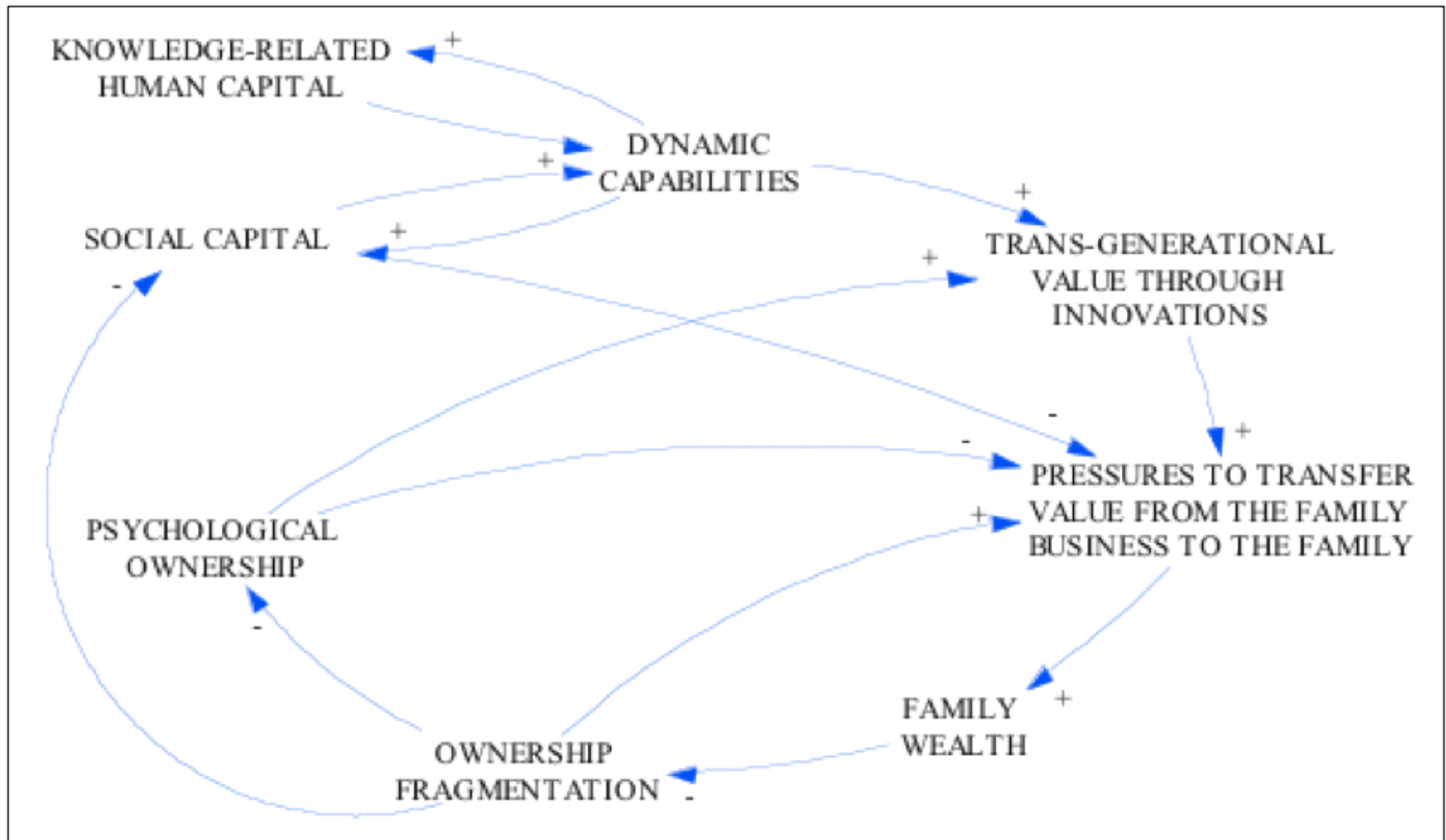
Content

- Research question
- Model
- Simulations findings
- Discussion and implications

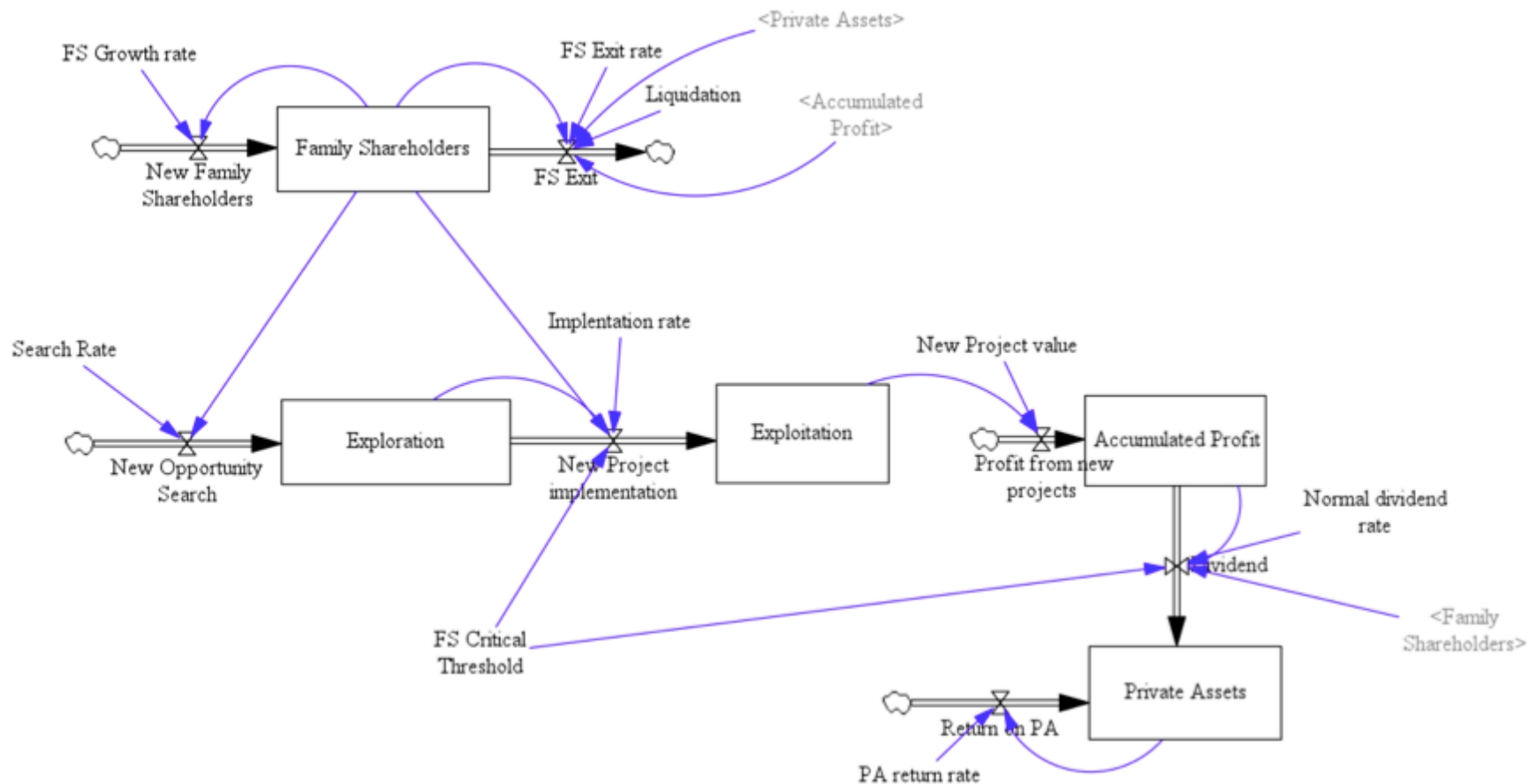
Ownership fragmentation due to successions

- Roles differentiations due to succession
- RBV and DC perspective
- Corporate entrepreneurship
- RQ 1: How does ownership fragmentation impact on entrepreneurship performance?
- RQ2: How does private equity (banking) contribute to successful transitions?

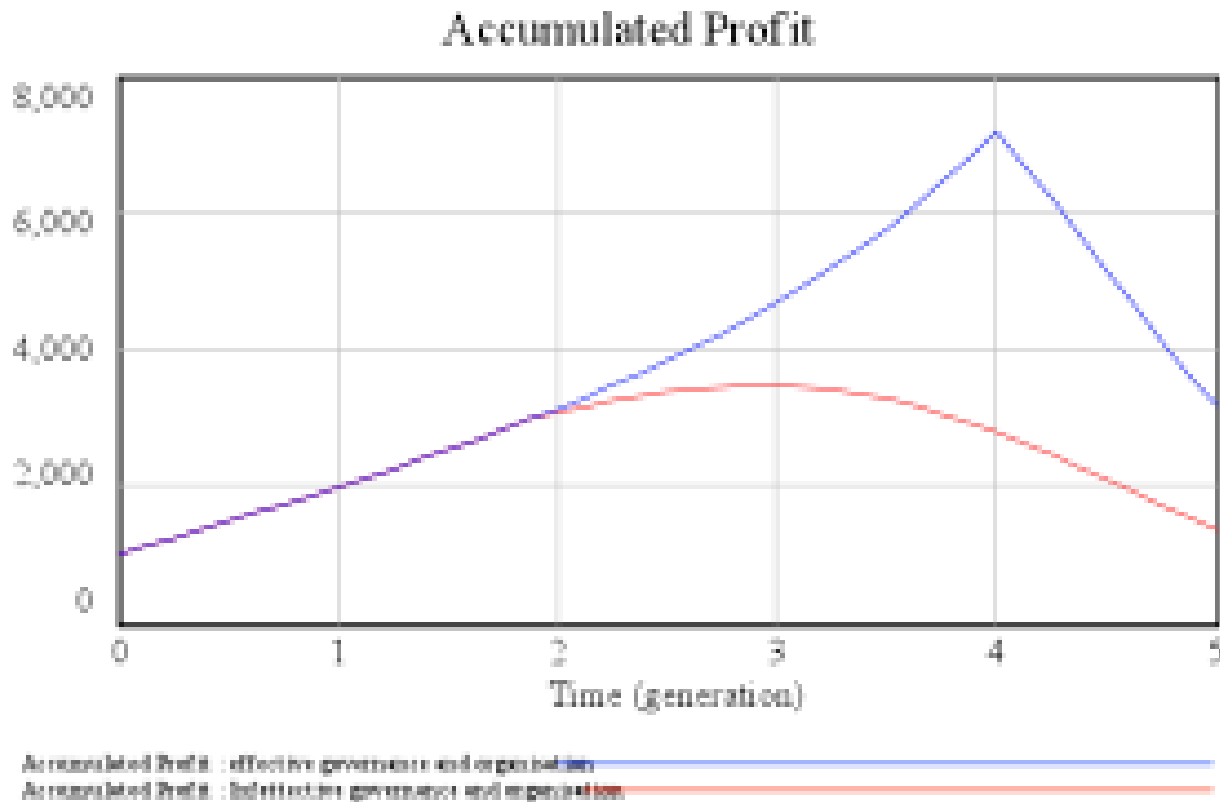
Our Basic Model



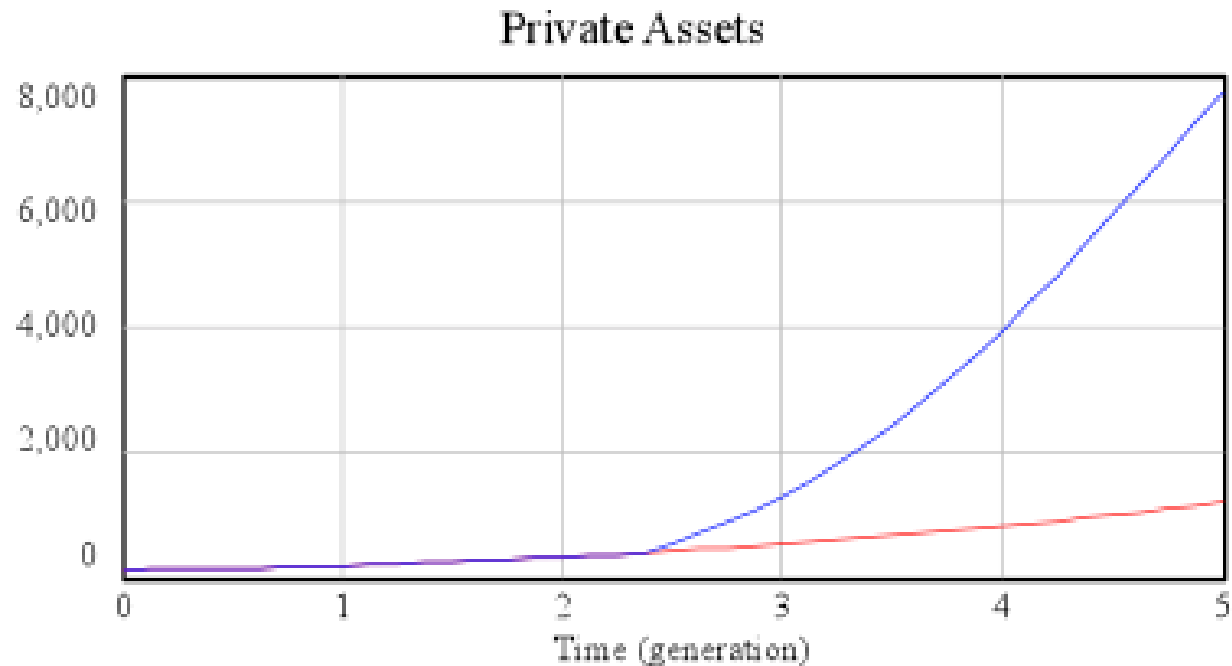
Private banking and private equity impact



Simulation findings: governance effectiveness



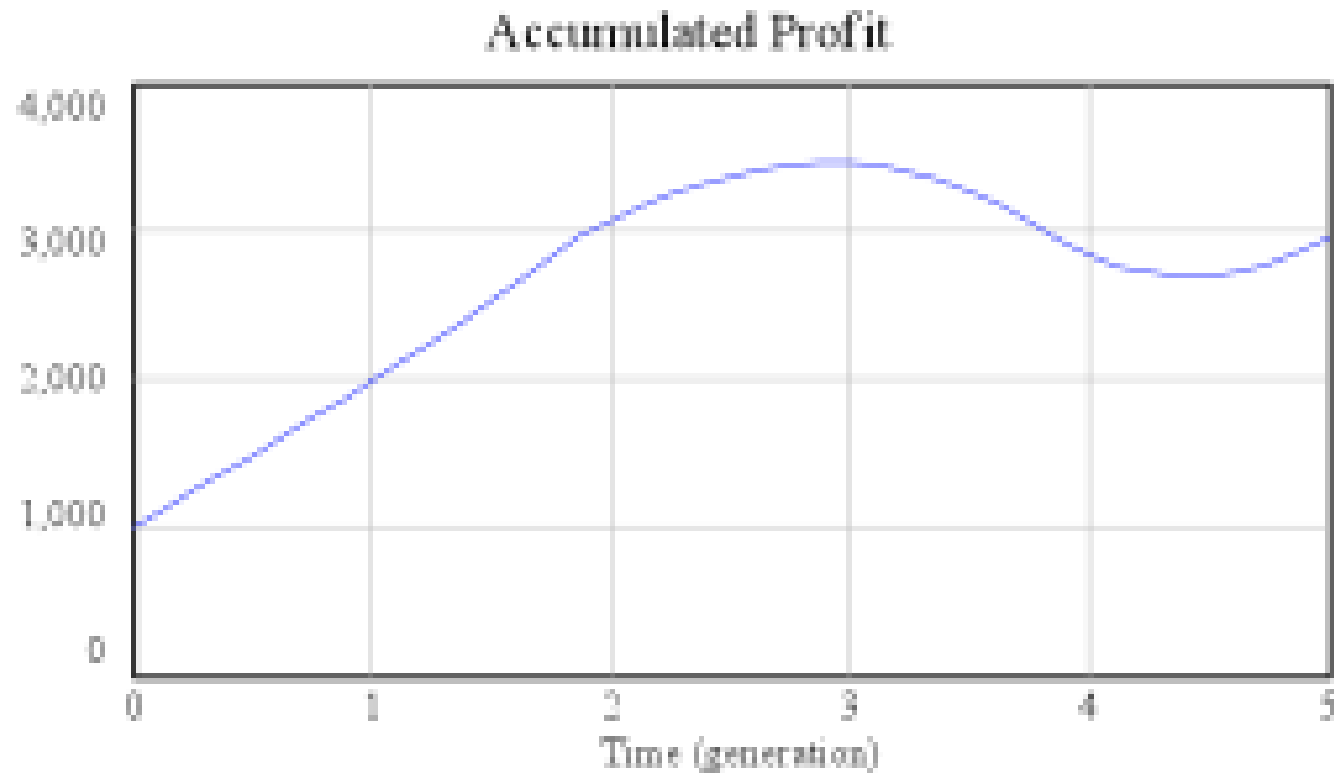
Simulations: private assets



Private Assets : many shareholders

Private Assets : Small number of Shareholders

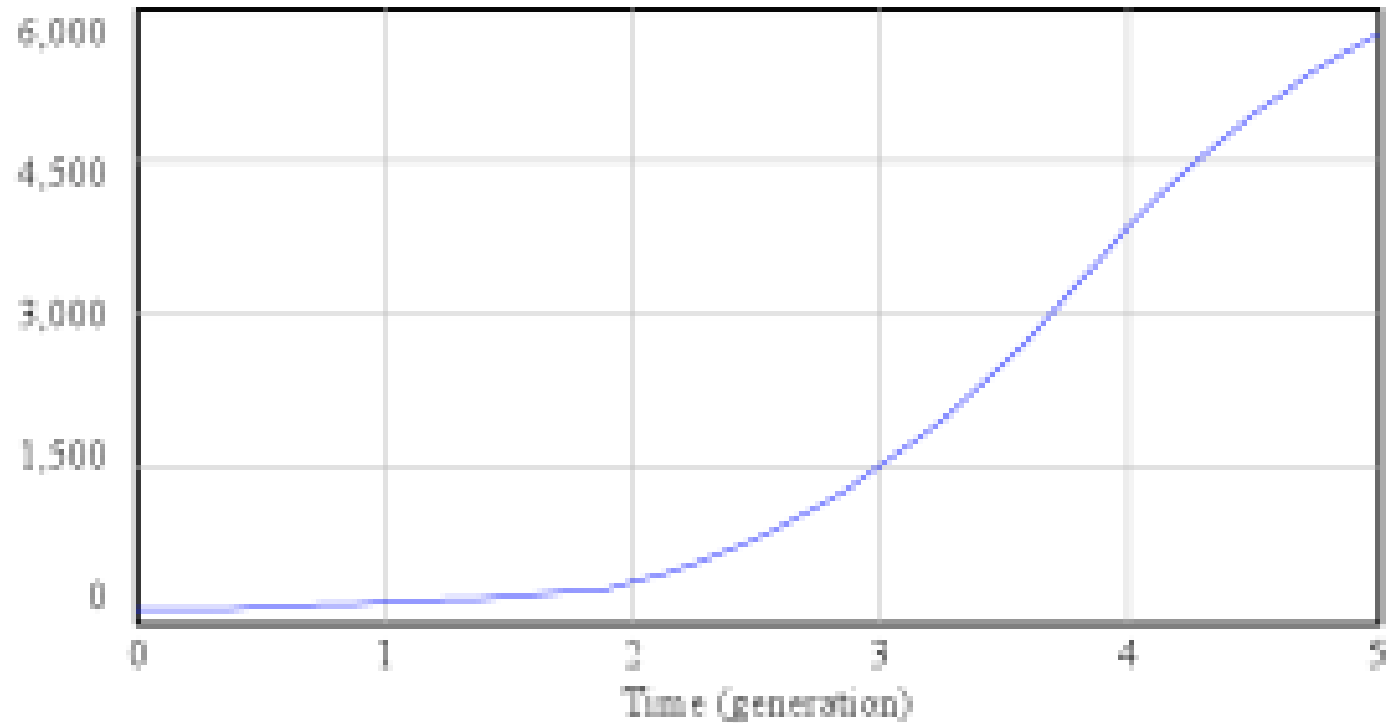
Simulations: private equity / banking 1



Accumulated Profit : Ownership Restriction

Simulations: PE/PB 2

Private Assets



Private Assets : Ownership Restruration

Conclusion

- Ownership fragmentation
 - Reduces Owners commitment
 - Increases pressure to drain FF resources
- Good Governance moderates the impact of ownership fragmentation
- Private bankers who integrate private equity services can complement / substitute good governance tools