



INTERREG SUCCESS ROAD ROUNDTABLE HELPING SMALL AND FAMILY BUSINESSES THRIVE

On the 3rd of November 2021, CEC and its Success Road project partners from Greece, Lithuania, Poland, and Spain organized a high-level roundtable at the occasion of the European Week of the Regions and Cities. The roundtable brought together Jesús Casado (Secretary-General of European Family Businesses), Themis Eftychidou (Secretary-General for Industry, Ministry of Development and Investments, Greece), Konstantinos Kapodistrias (Prefecture of the Ionian Islands, Greece), Jordi Sebastia (Valencian Institute for Competitiveness- IVACE and former MEP, Spain), and Birute Miskiniene (Head of the Vilnius University Business School) to discuss the specificities and the value of family businesses in the European economy and how governments support them.

Family businesses: myths and realities

Jesús Casado recommended the audience to reconsider generally-held assumptions about family businesses. First myth: family businesses are less efficient than large, non-family multinationals. On the contrary, EFB data analysing the performance of family businesses conducted over three years (2015-2017) show that family businesses have created more jobs than regular multinationals (+13% vs. +5%), had a higher turnover growth (+21% vs. +17%), and had higher returns on earnings (20% vs. 25%). Second myth: family businesses are less resilient than non-family businesses. That is not the case: according to EFB data, 20% of family businesses last 50 years, when only 15% of S&P 500 companies survive the same amount of time. But dispelling myths around family businesses does not mean equating them with non-family businesses. Family businesses are a “different species”. They think in generations, not in quarters. Their purpose is continuity, not solely to maximize short-term share value. Family businesses also distinguish themselves by the high social responsibility standards to which they adhere. They are well aware of their role in the prosperity of local communities. Family-business owners are responsible owners. They prioritize protecting themselves from risk because they feel as custodians for the next generations.

A European perspective on family business support

Konstantinos Kapodistrias (Prefecture of the Ionian Islands) reinforced the importance of family businesses in the Greek culture and their peculiar role in the Greek economic structure. He also pointed out the need to scale up and strengthen these businesses with measures such as training for the owners – in marketing or e-commerce –, tax breaks, and clustering strategies.

Jordi Sebastia (IVACE, Spain) stressed that family businesses are even more important in the post-COVID world. But he indicated that there is no specific legislation for family businesses in Spain and pointed out the relevance of creating an EU-wide legal framework.

Themis Eftychidou (Ministry of Development & Investments, Greece) remarked that the current fragmented legal framework in Greece interferes with family businesses' competitiveness and resilience and that legislation should be consolidated at the national level to become an effective tool for growth. A simplified succession process and a lot of



communication stressing the intrinsic value of family businesses at national, regional, and local levels are essential to encourage new generations to take over.

Birute Miskiniene (Vilnius University Business School) discussed what she calls the "generation issue". Young people are multi-lingual, mobile, and technology-advanced, and the traditionalism of family businesses can sometimes deter them from taking over. Family businesses must find a balance between heritage, tradition, and innovation. When young people decide to enter the family business, they shake things up by expanding the business through new marketing techniques, apps, or e-commerce, and that is the right balance.

Following an interactive discussion, the panellists asserted their commitment to continue supporting family business transfers given their distinctive role in the European economy, and called other EU private and public stakeholders to follow suit. Family businesses are part of our culture, important actors in local communities, and high-performing economic engines. They are also a distinct structure, where emotional ties and the notions of tradition and legacy have a prevalent role. And because of this distinctive nature, family businesses require tailored legislation and support measures. The partners of the Success Road project will soon enter the second phase of the project, where specific, tailored measures to help family businesses thrive will be implemented and evaluated in each of the partner countries.

Watch the roundtable: <https://bit.ly/FamilyBusinessRoundtable>

More information at <https://www.interregeurope.eu/successroad/>



European Union
European Regional
Development Fund

Success Road Partners:

- **Ministry of Development and Investments (EL)**
- European Confederation of the Footwear Industry (BE)
- Hellenic Clothing Industry Association (EL)
- Valencian Association of Footwear Entrepreneurs (ES)
- Valencian Institute of Business Competitiveness (ES)
- Lithuanian Innovation Centre (LT)
- Mazovia Development Agency Plc (PL)