

*Family businesses**Fighting with other*

In addition to the various discussions at the Truck Europe Forum on the major challenges of the sector – particularly by means of the European Transport Barometer – the 2009 edition paid special attention to family-owned transport businesses. Although subject to the same market constraints as other larger companies, these businesses are using their own resources to get through the crisis.



Good succession is planned... very early.

Present in various forms (foundations, holdings, limited partnerships, etc.), family-owned road transport businesses represent a large majority of the European businesses. History shows that they have been able to demonstrate great competitiveness, and at the highest level,

“It is crucial to pass on the skills before birth, and to define each person’s responsibilities clearly.”

and they have one similarity that characterises them: a presence in the markets over several generations. To try to understand precisely why they are so firmly rooted in the sector, one needs to focus on their intrinsic qualities.

A particular structure

Managed by men and women who ‘carry’ them, family businesses are

motivated by a strong, coherent vision, reinforced by a set of fundamental values to which the family attaches great importance, such as strong staff involvement, an industrial rather than a purely financial purpose, speed of decision-making, and not forgetting their pride in the family name! A reputable family name will symbolise the company’s visiting card in the markets. As Elmer de Bruin, external relations representative for TLN, the Dutch transport federation, adds: “Family businesses are distinguished in particular by the degree of involvement of their employees. And where the viability of the business depends on it, it is not unusual to see some of these employees willing to help these businesses with a contribution in capital or even in production.” And this simply out of empathy.

All of which are reasons why family businesses are able to grasp the

relationship with their customers and staff with more flexibility than larger groups which are prey to profitability at all costs. In the shadow of the huge transport structures, family businesses offer ‘capitalism’ with a human face.

Also, and well beyond the strict pursuit of purely financial profitability, family structures attach special importance to ‘entrepreneurial’ values. In the name of the durability of the business, the managers of a family-owned structure feel genuinely concerned about it, with, as a general rule, a certain degree of risk-taking in terms of investments.

As Pere Padrosa, director of Padrosa Grup, a family-owned transport business in Spain, confirms: “as a family business, you make every effort to enjoy a certain reputation in the market while retaining an exemplary level of customer service”.

The independence given to them by the family nature of their capital

Weapons



Joe Reynolds and his son, the new CEO of the family business Reynolds Logistics.

Isis Bindels (PricewaterhouseCoopers): "Family businesses must make every effort to have a sufficiently solid financial basis."

effectively allows this type of business to pursue strong durability objectives that are far removed from those dictated purely by the financial market. A body of characteristics which gives family businesses a certain originality in terms of strategies pursued, functioning and staff management.

A solid structure

However, although it constitutes one of their main strengths, the family atmosphere that may prevail in such a structure may, conversely, represent a cumbersome hindrance to its development. Issues such as succession problems, marriages and divorces and sometimes difficult management of shareholders all remain particular obstacles which the businesses cannot disregard. The successful family businesses are those that are capable of distinguishing themselves through

their transparency, those that have managed to endow themselves with a solid structure within which the role and responsibilities of each person have been clearly defined. Thus, a passive shareholder does not need to be concerned about matters that fall within the strict competence of the board of directors. But under no circumstances must the owner of a family business neglect the optimisation and development of his internal resources, particularly through training plans to ensure a degree of continuity in the handover of skills.

Finally, in these difficult times, even more so than the multinationals, family-owned transport businesses must remain extremely vigilant in their daily management, particularly in financial matters. According to Iris Bindels, consultant at PricewaterhouseCoopers, "family businesses are relatively conservative and they often suffer from a

**THE BIGGEST GRIPE FOR FAMILIES:
SUCCESSION**

At times, there can be numerous obstacles blocking the path leading to handing over a business. And even though the majority of owners want the business to remain in family ownership, the same questions arise again and again — the structure of one's company, search for a successor, preventing disputes, financial viability of the transfer, etc. — sometimes with the constraint of having to decide the fate of one's business in hasty fashion.

For this reason, the business owner must, throughout his career, keep in mind the possibility of a future handover. Consider the remarks of Joe Reynolds, who passed the torch to his son almost a year ago: "A phased process is essential. It was only after training in engineering that my son entered the business as a driver, then a supervisor, before eventually moving up through the grades." And thus integrating the knowledge of the job and the values and spirit of the family business; a way for the future successor to demonstrate his motivation and his commitment.

lack of liquidity. It is essential that they equip themselves with an adequate financial basis". Currently, companies based on a family structure are redoubling their efforts to get through the crisis. Their spirit demonstrates a genuine desire to stay afloat, even if they also inevitably suffer losses. And it will, perhaps, be their particular

approach to the market constraints that will enable them to get through the crisis better equipped than the multinationals.

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