

# EFB NEWS #02

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## EFB-GEEF held its General Assembly in Budapest

EFB-GEEF's April General Assembly was held on April 8th in Budapest to coincide with the Hungarian Presidency of the Council of the EU.

The President of EFB-GEEF, Philip Aminoff, presented EFB-GEEF's 2014 Strategy. In addition, EFB-GEEF welcomed two new Executive Committee members in Ingrid Faber, Chairman of FBNed, as of Autumn, and Tamás Kürti, Vice-President of FBN Hungary.

Philip Aminoff outlined before the General Assembly EFB-GEEF's 2014 strategy. The goals of the organisation include Eurostat to start collecting data on Family Businesses, and DG Enterprise and DG Taxation carrying out a joint study on the Total Efficient Tax Rate on income from Equity for different types of companies and owners. This strategy for 2014 also envisages a potential 'Communication on Family Business' to be performed by the Commission with recommendations on policies conducive to long term family entrepreneurship.

The 2014 strategy sets the objective that EFB-GEEF should be working in a more coordinated way with other organisations such as BUSINESSEUROPE, Eurochambres, and UEAPME.

By 2014, the ambitious target has been set that several Member States have started working in establishing a fiscal level playing field between Equity and Debt as a source of finance for households as owners.

Finally, EFB-GEEF plan to help create in the following years a world-wide network of Family Business organizations involved in Public Policy.

Following Mr Aminoff's speech, it was the turn of the President of the Employers' of Poland, Andrzej Malinowski, who was invited to the General Assembly to share with the audience the reality of the polish economy and highlighted that his organisation shares the same values of EFB-GEEF.

It was also announced at the General Assembly that a three year sponsorship deal with Deutsche Bank and EFB-GEEF was signed with the bank's executives Alexander Winkler and Cornel Wisskirchen. Finally, the participants at the General Assembly unanimously approved the candidatures of Ingrid Faber and Tamás Kürti for Executive Committee membership.

### Previous conferences

FBN Hungary, with the cooperation of EFB-GEEF and FBN organised a conference the previous day entitled 'Succession Boom – Survival Practices.' Mr Zsolt Semjén, Deputy Prime Minister of Hungary spoke at the conference and underlined the importance of Family Businesses in the Hungarian Economy. EFB-GEEF representatives also took part in a roundtable discussion entitled "Examples of national policies conducive to long-term family entrepreneurship."

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European Family Businesses  
GEEF





## Letter from the Secretary General

Dear friend,

In the present times of serious financial crisis, Family Businesses and their long-term vision are a positive asset that the EU is taking into account. The invitation to our President, Philip Aminoff, to the EU Competitiveness Council in Budapest, is a sign that Family Businesses are starting to have a voice amongst EU officials who influence economic policy.

Our participation in the consultation on the Competitiveness and Innovation Framework Programme and on the Single Market Act shows our commitment to achieve the best framework for the backbone of Europe's economy and to continue creating jobs and sustaining Europe's real economy in these years of uncertainty.

One of the main problems that Europe is facing now and will have to solve in the future years is the problem of the transfer of businesses. According to the report "Markets for Business Transfers" of the EU (May 2006), more than 700.000 businesses providing almost 3 million jobs in Europe will have to be transferred to a new owner every year. As it was very clearly stated in our General Assembly event in Budapest, especially the new Member States will

be facing the most difficult transition of all: the transfer from the first to the second generation.

Thousands of companies are at stake if we do not prepare those transitions with the right approach and we offer a good legal and fiscal framework to enable them to happen as smoothly as possible. The EU is preparing a project scheduled for 2012 about the identification of best practice cases (probably by means of a study and the creation of an expert group at European level), followed by communication and dissemination activities. EFB-GEEF is planning to be very active in this initiative.

At the same time, Corporate Governance is right now being discussed in the EU. Our position is very clear: there is no need for any code or measure to regulate the governance of unlisted companies. Promoting the exchange of best practices is enough for unlisted companies - most of which are family businesses - to organize their governance as well as responsibilities towards their stakeholders.

This is not to say, however, that Family Business are opposed to corporate governance and do not benefit from guidelines or existing codes. On the contrary, EFB-GEEF agrees that proper and efficient governance is valuable also for these types of company, especially taking into account the economic importance of certain very large unlisted companies. But, importantly, a one size fits all model ignores the specificities and complexities within a Family Business.

In the next months, we are planning to actively participate in the European SME week at the European Parliament (7th October), where 10 different workshops will explore some issues relevant to us such as access to finance, business transfers, women's entrepreneurship or entrepreneurship education. As well, we are planning to organize an event at the European Parliament, most probably the 12th of October, in order to explain some MEP's our concerns and main issues.

Best,

Jesús Casado Navarro-Rubio





## Philip Aminoff addressed the EU Competitiveness Council on Family Businesses

EFB-GEEF's President was invited to the informal meeting held in Budapest

Philip Aminoff was invited by the Hungarian Government to deliver a speech in front of all the Ministers of Industry of the European Union who met on the 13th April in Gödöllő, Budapest. EFB-GEEF's President encouraged the Council of Ministers to take a resolution on the issue of creating a fiscal level playing field for equity as a source of company funding that would support continuity, renewal and growth in the European Family Business sector.

EFB-GEEF's President started his presentation stressing the importance of Family Businesses in Europe. Mr. Aminoff said that Family Businesses are the main form of enterprise across the world. In Europe, the majority of all jobs in the private sector in Europe are in this type of company, and in the high growth economies a very large proportion of all companies are family-owned.

However, there are considerable challenges ahead. Only because Europe's economy rests on Family Business activity today, "we cannot assume that this will be so in future unless attention is paid to policies that can successfully contribute to securing continuity, renewal and growth in the sector", said EFB-GEEF's President.

Philip Aminoff set out in front of the Ministers the issues that are specific to Family Businesses. Firstly, the legal, fiscal and administrative environment, that is either supportive of entrepreneurship or not, is not defined by policies pertaining to company activity alone, but by

the combined effect of policies at company level and at personal level. Also, for biological reasons, transfers of ownership cannot be avoided. This unique challenge does not exist in companies held by funds, institutional investors, and the public sector, etc.

Philip Aminoff explained that, long term Family Businesses have, additionally, typical characteristics such as "a strong concept of continuity, very long term customer relationships, a focus on the quality of the asset base through on-going reinvestment and the preference for equity versus debt, as a company with a good amount of own resources is master of its own affairs".

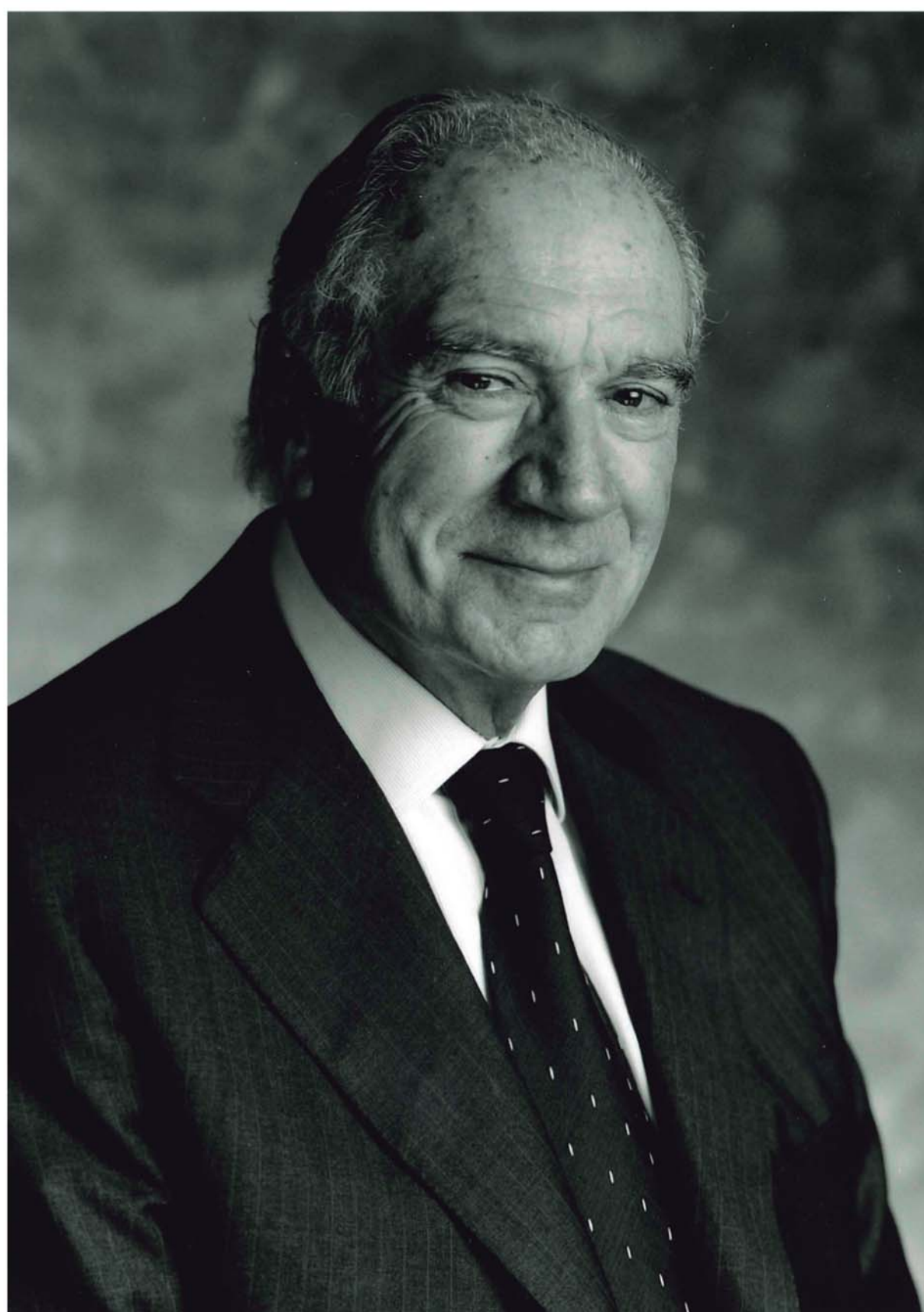
"So, one would think that there would now be policies that could be conducive to long term entrepreneurship, especially with regard to building stronger equity positions in companies, be it through a favourable environment for profit retention in the companies or for paid-in long-term equity. Unfortunately, this is not so. In reality the combined effect of fiscal policies and financial market structures in most countries in the Western world means that debt and property are favoured over equity, short term equity is favoured over the long term one, and faceless ownership is favoured over ownership by human beings", Mr. Aminoff explained to the Competitiveness Council.

For EFB-GEEF's President the answer to what should be done "is very simple: create a level playing fiscal field for equity as a source of company funds and for human beings as business owners". Mr. Aminoff explained then the need to create a level playing field for equity, as a source of company funding, as today most fiscal systems across Europe tax equity much more harshly than deposits, bonds or property.

Philip Aminoff urged the Council to take a resolution on the issue of creating a level playing field for equity as a source of company funding, as taxation is out of the Commission's remit and individual member states are not ideally the ones to rule on it, as "what is required is a systemic change". The President of EFB-GEEF concluded assuring that such a resolution would support continuity, renewal and growth in the European Family Business sector.







“A Family Business is a good business when it is agile and can quickly adapt”

Interview with Mariano Puig,  
Honorary President EFB-GEEF

What led you to found EFB-GEEF? Which were your targets on that time?

Firstly, I would like to say that it is a pleasure for me to continue working with EFB-GEEF after so many years. What led a group of entrepreneurs to found EFB-GEEF? As a group, we realized that European family companies needed an organization to be in contact with the EU institutions in Brussels. In order to make a first contact we approached FBN, the existing European organization by that time. However, they had a more academic profile and our aim was not part of their objectives. Then we learnt that the creation of a lobby was necessary and founded EFB-GEEF with the contribution of the Family Business associations existing in other countries, mainly France, United Kingdom, Spain and Italy; we met in Paris and they had the bad idea of appointing me as their first President.

Our activity in Brussels began by approaching the people responsible of the different institutions; we had to explain what Family Business represented, since our main purpose was to let everyone know about the importance of Family entrepreneurs in Europe as a source of wealth and employment.

The EC high-ranking officials were badly informed on what we talked about and on the importance of Family Business, and traditionally assimilated us as SMEs (Small and Medium Sized Enterprises). We had to explain that, indeed, the majority of Family Businesses were small, but there were also many medium and big companies among them. That is to say, there had to be a vertical division according to the type of company, regardless of its size.

Then, the EU presidency changed and its officers too, so we had to start again. From the very beginning, our goal was to have a visible head in Brussels and in the EU, a representative of our group. If we were able to succeed in acquainting the EU with the importance of Family Business, we could push then for European policies to favour the creation of a legal framework suitable for their development.

We reached our maturity in 2000 when, on the occasion of the Spanish presidency of the EU, we succeeded in organizing an ECOFIN meeting in Aranjuez. There were attendees like Erkki Liikanen, European Commissioner for Enterprise, and Rodrigo Rato, then Vice President of the Spanish Government and Minister of Economy. Family entrepreneurs from all Europe attended the event, and on the eve of ECOFIN we met them and asked them to prepare a two-minute speech about the problems that Family Businesses were facing within their respective countries.

The following day, when they showed their concerns, the Finance or Economy Minister of their respective countries paid special attention and took notes. From that moment on, things have positively changed.





**Once explained the beginning and the course developed by EFB-GEEF, and more than 15 years after, what are your conclusions on the work already done?**

We have a long way to walk, but the important thing is all that we have done so far. Undoubtedly, the fact that the European Commission has a responsible for the specific issues of family businesses is a milestone. In these 15 years we have had excellent management teams, now led by President Philip Aminoff and Secretary General Jesús Casado.

**Talking about entrepreneurial spirit, you are an entrepreneur yourself, and so are your sons. This makes you an authority on the subject; do you believe that this spirit is in good shape in Europe?**

I would like to stress out two aspects. In Europe we have a welfare state, an important social achievement. However, we cannot get used to a series of well-deserved rights and forget our duties and the necessity to reinforce these advantages with economic growth and productivity if we want to enjoy them in the future.

On the other hand, being an entrepreneur today is easier in the USA and Asia, due to many reasons. The high economic growth in these two continents has been a good ground for the appearance of entrepreneurs. However, I do consider that there is a good entrepreneurial spirit in Europe, and fortunately there are many good businesses schools that form people to create business, so I hope we can recover from the crisis period we have lived in during the last three years.

**What are the current challenges that Family Businesses are facing in Europe?**

In my opinion, Family Businesses have the same challenges than any other company, but bearing in mind that the framework of the company is different, as it has to deal with family, property and the company itself.

The rest is a big trap- and I say “trap” because it is something that makes people fall to the ground- and the greatest trap for family businesses is succession, the generational change.

If this change is not properly planned and is not fruitful, it is a serious problem which affects the Family Business. Big multinational companies change their upper management every 4-5 years. Executives reach their top at 55, in their mid fifties, and retire in their early sixties. In the case of Family Businesses, this change is made at the end of a generation, every 30-40 years. The rules followed to carry

out a change every 4-5 years are established and assumed in companies. In Family Businesses there cannot be rules every 30 or 35 years, because both the external and the internal context will have changed. Succession is like a suit made to measure each time. If you can get through it, perfect. If not, it is an added problem.

**In your opinion, which lessons should we learn from this crisis? What are the strong aspects with which Family Business can contribute in this context?**

The first thing we all have to learn, companies, families and citizens, is what the proverb says: “stretch your arm no further than your sleeve”. The lesson from this crisis is that we all need to have more control on issues related to financing and indebtedness.

To me, the most important contribution of Family Businesses in this context is its ability to make quick decisions. Family Businesses normally have to be answerable to their shareholders for their actions, being their shareholders the family members. If they are close, the family will be able to make quick decisions that might change the course of the company in special moments. This agility could be more difficult for a multinational company due to its size or the structure of its shareholders, among other reasons.

I would say that a Family Business is a good business when it is agile and can quickly adapt to the situation in times of upheaval.

**Which policies should be fostered at a European level?**

Regarding Family Business, I would love to see the EU’s high-ranked officials stressing out the importance of Family Businesses at a public event or economy forum. At the same time, the conditions for a small enterprise to eventually become a medium and then a big size company should be given. This would encourage the youth to become entrepreneurs, feeling supported by the policies made by the European institutions.

**What can we do to better transmit the entrepreneurial spirit?**

Aim high!

I believe that Universities should teach the quest for excellence in each moment. In the same way that we cheer success in sports, and winners succeed because they are the best and because they struggle a lot, we should be aware of the fact that effort is the path of success, and this is achieved by means of excellence. Aim high in life. Sometimes our society tends to standardize everything, and this discourages the effort that has to be made in order to overcome difficulties and stand out from the rest.







Dr. Cornel Wisskirchen

## European Family Businesses: Well prepared for the Future

Deutsche Bank became an official partner of European Family Businesses-GEEF this year. While there were already numerous touch points over the past few years, we have now established a firm partnership, broadening our historic focus on German family businesses to a European perspective. We are convinced that family businesses in particular can make an integrative contribution to society and the economy in a converging Europe – insofar as they are able to successfully overcome the pending challenges. As a global bank, our mission is to accompany European family businesses down this path. Our business models will continue to vary by market – ranging from local branch networks in countries like Italy, Spain, The Netherlands or Poland, to a hub-oriented presence with a focus on capital markets and cross-border business in others. Either way, for larger family businesses with complex requirements and international business interests, Deutsche Bank is a strong alternative or complement to local institutions.

**Structural Advantages for International Competition are Given** The unity of ownership and corporate governance, which is traditionally found in Family Businesses, can offer important competitive advantages: long-term entrepreneurial thinking, streamlined decision-making processes, intimate customer relationships and high standards in terms of product and service quality. These values have lost none of their relevance, even in a globalised world. Many Family Businesses benefit from an intelligent focus on promising niche markets and technology-based product leadership. We therefore view Family Businesses as internationally competitive, exemplified in our home market Germany. German companies are among the global market leaders in many sectors. 95 percent of the largest German Family Businesses are already operating worldwide. The great majority is internationally active on the sales as well as the procurement side. Irrespective of limited funding and management resources, many of them have made tremendous strides in the process of internationalisation over the last few years – not only in quantitative terms (i.e. the number of countries that are covered), but also from a qualitative perspective (in terms of the local value chain depth).

**Four major challenges**, which are simultaneously to be considered success factors, must be overcome in order to realise structural advantages as competitive advantages and capitalise on them.

**First:** strengthening the financing structure – a permanent issue. Keys to success: more equity, an orderly banking circle, and the use of capital market instruments where this appears sensible – also in preparation for Basel III. An adequate equity position, which is crucial for resilience and the response time available in the face of setbacks, is the cornerstone. Most Family Businesses in Germany effectively boosted their equity base over the last few years, a trend that remained unbroken even during the crisis. Bringing new money into a company without giving up majority ownership has typically been difficult in the past. This has changed at least in part. Meanwhile family offices as well as private equity funds are highly interested in minority stakes in mid sized companies and Family Businesses. By the use of our wide and strong network we are able to support the strengthening of the capitalisation of Family Businesses by specific intermediation of both investor groups.

**Second:** the professionalisation of risk management, i.e. mainly the hedging of exchange rate, interest and commodity risks. While companies are increasingly recognising the importance of risk management, they are not consistently implementing the required structures and processes. In response to the crisis, Family Businesses have mainly optimised their risk management systems and made the reduction of working capital a high priority. This has led to a very comfortable liquidity position for many companies today. Nevertheless we consider a further professionalisation of risk management, especially hedging activities, as one of the most important challenges in the current environment. The volatility of commodity prices, interest rates and exchange rates is at historical highs. This makes profitability more susceptible over the short term and also increases the required risk absorption capacity, which is essential in order to count on the law of averages over time (insofar as it applies). This effect is intensified since it is often becoming more difficult (or more expensive) to shift these risks to suppliers or customers via long-term contracts or price adjustment clauses. In order to maintain the success of a company over the long term in a volatile and dynamic environment, risk management must be viewed from an integrated perspective and therefore becomes company management as such.

**Third:** enhanced transparency and improved controlling. Many entrepreneurs continue to manage their operations based on only a few and simple performance indicators. That fails to account for the complexity of their business and furthermore does not meet the demands of professionally operating banks that are in a position to grant loans – and even more does not meet the demands of the capital market.

**Fourth:** ongoing internationalisation in global competition. A joint study by Deutsche Bank and the Federation of German Industries (BDI) conducted in spring of 2011 shows that the largest German Family Businesses want to grow abroad due to their higher degree of internationalisation – which doubtlessly applies to European family Businesses as well. China, already the second-largest sales market today, will assume first place in this process. Here it is critical to set the course in a timely manner and to consider the various options of an international market presence.

Conditions are ideal for European Family Businesses to expand their recipe for success. This will require them to apply their intrinsic structural advantages to the pending challenges – a process that is viable and worth the effort.

Dr. Cornel Wisskirchen.

Co-Head German Midcaps and Member of the Management Committee Germany, Deutsche Bank



# Overview of the issues concerning Family Businesses in the Small Business Act

Finally, the long-awaited review of the Small Business was published at the end of February. The review of the SBA is one of the Commission's key proposals in the Single Market Act, an initiative that EFB-GEEF has fully supported. In the document, the Commission promises to do more with regards to cutting red tape, improving access to finance and harmonising tax systems among EU Member States. Through meetings with DG Enterprise, and the Cabinet of Commissioner Tajani, the SBA review includes recommendations that have been pushed by EFB-GEEF in Brussels.

**1. Level playing field for Equity versus Debt:** Point 3.2 p.8 touches on the debt and equity issue: 'New initiatives are needed to improve SMEs' access to finance, including via capital markets and encouraging investment through fiscal policies. High indebtedness has made many SMEs vulnerable to difficult financial market conditions. Therefore, Member States should provide incentives for investing revenue in equity, keeping in mind that the needs of entrepreneurial growth companies and established mainstream European SMEs are different.'

**2. Access to finance.** Point 3.2 p.9-10, regarding the issue of access to finance, the SBA review states that the Commission will strive to adopt, in 2011, an action plan for improving SMEs' access to finance, including access to venture capital markets, as well as targeted measures aimed at making investors more aware of the opportunities offered by SMEs. 'There is also a need to make investors more aware of the opportunities offered by the development prospects of listed SMEs, to create the conditions for an efficient network of stock exchanges or specific regulated markets focussing on SMEs, as well as to make listing and disclosure requirements more adapted to SMEs.'

**3. Business transfers.** Point 3.4 p.16, states that it is essential to improve the framework conditions for business transfers as over the next decade up to 500,000 businesses providing 2 million jobs will have to be transferred every year. The Commission will present a set of policy recommendations in 2011 based on a study measuring the size of the bankruptcy and second chance problem. Identify best practices to support business transfers and launch a campaign to promote these practices;

Other interesting points in the SBA review states that the Commission will strive to:

- Consider adopting a new legislative regime to ensure that by 2012 venture capital funds established in any Member State can function and invest freely in the EU.
- Present tax initiatives, such as a legislative proposal for a Common Consolidated Corporate Tax Base (CCCTB) and a new VAT strategy aiming notably at reducing tax obstacles and administrative burdens for SMEs in the Single Market (see below).

The SBA review also invites Member States to:

- Ensure that inconsistencies in tax treatment do not lead to double taxation which would hamper cross-border venture capital investments;



## Meeting with Hungary's Prime Minister Viktor Orbán

Last 25th of February EFB-GEEF's Secretary General held a meeting with Hungary's Prime Minister Viktor Orbán in Brussels. Jesús Casado attended the meeting with the organization's political advisor Matti Vanhanen, former Prime Minister of Finland.

The European Family Businesses representatives sought support to introduce their proposals for an adequate taxation environment in the EU for family owned companies in the agenda of the European Council that took place in Budapest later in April. Prime Minister Orbán offered his support, and explained Mr. Casado and Mr. Vanhanen the legal framework his government has implemented in Hungary for family businesses.

Jesús Casado asked Mr. Orbán to share those national achievements with the rest of the Union members, taking advantage of the current Hungarian Presidency of the EU.

## Institutional meetings with the main European political parties

One of the main objectives of EFB-GEEF's strategy for 2011 is to improve its relationships with the main European political parties, as a mean to gain higher visibility for Family Businesses issues in the European Parliament and Commission.

As a first step, President Aminoff and Secretary General Casado held a meeting in Brussels last February with Antonio López-Istúriz, Secretary General of the European Popular Party (EPP), the political force holding the majority in the European Parliament.

The meeting helped its participants to share views on the economic crisis and the policies that both the Parliament and the Commission are promoting for recovery. Mr. Aminoff and Mr. Casado detailed the work EFB-GEEF is carrying out participating in public consultations and releasing policy papers on issues such as taxation, entrepreneurship or several articles of the Small Business Act.





Torsten Pieper



Joseph Astrachan

## Betting on long term value

It is our strong contention that the world's financial crisis would have been far worse were it not for the business and social practices of family businesses. So profound are these effects and the positive actions of Family Business on social aspects of society that we urge all developed nations to do more to promote private ownership in general and Family Business in particular.

Research shows that family influence comes with many positive benefits for the business and its various stakeholders. For instance, Family Businesses are known to use less debt, to perform better and to lay-off considerably less than their non-family counterparts. In addition, Family Businesses are usually more concerned with the welfare of the communities of which they are part, and tend to put less emphasis on short-term profit maximization, which often is the prevalent ideology in large anonymously held corporations.

What do these characteristics mean for an economy and society at large? When businesses take less financial risk, it means the economy as a whole is at less risk. Less risk also means less volatility and more stability. Greater interest in the community and care for employees creates an attitude of 'nobody will be left behind' – instead of 'every man for himself'. Furthermore, when communities are cared for, citizens are more likely to cooperate and pull together to avoid economic hardship and to recover more quickly from crises.

Another benefit to society is the long-term investment horizon means their wealth creation and growth over decades becomes substantial. This mirrors the needs of a growing family, which also mirror the needs of a growing society. Over time, the whole economy is becoming stronger and more stable. Let us not say that private ownership is always best; undoubtedly, public markets have many benefits. But one drawback of public markets is the focus on stock price, which is at best a short-term measure of success and does not promote actions designed for long-term benefit.

Family Businesses do more than just provide jobs and produce products and services, they stabilize and develop their communities, they often employ families and provide them with many progressive benefits, the act charitably in their communities and are good stewards of society. This leads us to postulate that family businesses may be a very viable answer to the oft-observed break down in the fabric of society that is often solved with increasing government

bureaucracy. Those closest to the need with the best knowledge of the needs may be positioned best to act in ways that do more than relieve suffering; rather, they act in ways that promote good relationships, responsible action, continuous development and self-improvement. Too often, governments act in ways that target one group at the expense of others without consideration of the impact of the programs on a complex system of human, financial, and physical relationships. If you extend this argument just a little it should come as no surprise that we believe that taxes levied on Family Businesses to fund social programs are highly inefficient.

So what else should countries do who are interested in promoting this important sector of the economy? First, we suggest to start discouraging the use of debt and start encouraging the use of equity. One way to encourage the use of equity is to encourage the reduction of taxes on the transfer of family businesses within the family. Another way is to provide opportunities for deductibility for equity similar to those for debt.

Second, governments, NGOs and others should stop lionizing large publicly listed corporations and start promoting private family businesses. In general we feel that any taxes on non-financial assets (illiquid assets) that are being put to productive use harm productivity in general and family businesses trying to grow enterprises capable of sustaining communities from a strong foundation. Governments might also consider reducing taxes on businesses in proportion to their activities in creating and delivering social programs on a local level.

Third, governments should be careful regarding a reduction in capital gains taxes to promote business growth. It is our contention that while this may be good for public equity markets and entrepreneurs who can start but not grow businesses, it also has negative effects in that it promotes the sale of businesses when that may not be in the interest of community or family and it also encourages anonymous investors to eschew rigorous due diligence before making an investment, loyalty and commitment in favor of greed.

There are two other things we suggest changing as they lead to distortions that lead to ineffective decisions. The first is that for private businesses, for the purposes of determining taxes, asset value for borrowing base calculations, and nearly any other purpose, that book value be applied as the rule. There are a few industries for which this will not be practical, but for most using book value is simple, predictable, and will free up intellectual and other resources for productive purposes. Just about the only time book value may not make sense is when a business is actually sold and in that case the value is very appropriately determined by a negotiation between two or more parties. As a rule we believe that one should not apply market based valuation thinking to assets for which there is no immediate market. It has many downsides including a distorted view of the assets being held by owners, employees and society.

Family Businesses generally are beneficial actors in society. Rather than seeking out the stories of malevolent and selfish business owners, we urge everyone to gather and tell, and retell the stories of family businesses that serve as role models for community concern and social welfare. Promote responsible behavior through recognition. This will also help encourage policy makers to consider the effects of policy decisions on family business.

Joseph Astrachan and Torsten Pieper  
Professors of Management and Entrepreneurship at Kennesaw State University, Kennesaw, GA USA.

<sup>1</sup> Because all debt is linked through debt markets, more debt in businesses not only means that society is more at risk because of business financial structure and fixed costs, but also because of the shared sensitivity to changes in interest rates and the financial condition of banks which have to abruptly stop loans or worse to better their own financial conditions.