

The 6th EFB Summit - Brussels

Family Business: The reliable partner for the sustainability challenge

The 6th European Family Business Summit took place from the 19th to the 20th of November in Madrid. Over 200 family business leaders from 20 European countries attended the event to discuss the sustainability challenge and the role of family business in this context.



The conference was opened by **Alfonso Libano**, the outgoing Chairman of EFB, who underlined the need to actively promote the family business model as a force for good in our society. He declared, 'family businesses are everywhere, they are the manifestation of European capitalism, they are Europe's past, present and future.' Mr Libano noted that it had been an honour to serve as chairman of EFB and thanked the community for their support throughout his tenure.

In the first keynote of the day, **Manuel Valls**, underlined the fact that Europe, as an idea, represents values, and principles of peace, solidarity, social justice, single market, small and large companies, prosperity, protection. He stated that it is an 'alliance between democracy, the economic market and the social state.' We must believe in it. That is our great challenge, make it ours and instil these principles in future generations because Europe needs European citizens!' Mr Valls argued that, in this task, Family Businesses play a leading role as they represent about 50% of European GDP, more than 60 million jobs and 14 million companies. He called on the family business community to remain a conduit of those European values.



The topic of sustainability, the focus of this year's Summit, was addressed by **Rafael Sardá** from the National Council of Research (CSIC), Professor at ESADE who spoke about the Social-Ecological System. Mr Sardá argued that we have entered the human-influenced Anthropocene age, and we are witnessing accelerating changes in earth system processes.

Mr Sardá argued that businesses' current initiatives, under a triple bottom line, are not enough to combat the intensifying social-ecological challenges that face us. He concluded by noting, 'we need to do more, and we need to do it soon.'



In the first panel, entitled “Sustainability: A matter of urgency”, moderated by Jesus Casado, the audience was treated to a lively debate between three leading family business leaders. The panel included, Founder and President of Ecoalf, **Javier Goyeneche**. He explained that he founded his clothing company by exclusively using recycled waste. Javier remarked that he bases the company’s strategy on the ethical conviction that businesses should grow not only by respecting the

environment but also doing something to take care of the planet. **Ingrid Faber**, CEO of Faber Halbertsma Group, explained how her family businesses has been transformed to become truly circular. She noted that, throughout this transition, the company saw circularity as an opportunity to gain a competitive advantage over the market. She noted, every aspect of the company now is planned in such a way that have sustainability and circularity at their heart. **Alfonso Líbano**, CSR Chairman, Coca-Cola European Partners, noted that the company has implemented a comprehensive sustainability action plan that has already borne significant results. He noted that the company is committed to cutting waste significantly across the supply chain and ensuring that all packaging can be recycled.

The penultimate presentation of the day was given by Professor **Cristina Cruz**, from IE Business School. Professor Cruz spoke about the often-neglected issue of socio-emotional wealth in family businesses. Cristina explained that socio-emotional wealth are the intangible noneconomic aspects that family-owners derive utility from the company. Notable examples include the continued association of the family name with the activity of the company. Professor Cruz concluded that family businesses must learn to effectively manage the paradoxes that are created between the preservation of socio-emotional wealth and financial results.



The final presentation of day was delivered by Lionel Aeschlimann, Managing Partner at Mirabaud. Lionel explained that Mirabaud is a private family-run bank and has existed since 1819, and as such, is celebrating its 200th anniversary. Mr Aeschlimann noted that Mirabaud has a vast international presence and the bank that prides itself on its continued ability to adapt to change.



In the first presentation of day two, **Olaf Leurs**, EMA Head of Family Business at KPMG, presented the findings of the latest *Family Business Barometer*. This year, over 1600 respondents took part from all over Europe. Olaf noted that the family business community has sent out a clear message to Europe's decision-makers, improve the Single Market, and focus on fostering global trade. Olaf remarked that Europe's business families remain positive about the future of

their companies and their families at a time of rising economic and geopolitical uncertainties (full report can be found [here](#)).

The main highlight of the 2019 Summit was the interview of **Marijke Mars**, Member of the Board of Mars Inc by Demetrio Carceller. Marijke spoke at the length about what measures the Mars company are putting into place to ensure that the family business has a positive impact on society and the planet. Marijke noted that purpose and principle, which are the main drivers of her company, are not new concepts. Since 1947, the company has always been driven by values which seek a positive impact on all societal stakeholders. Mrs Mars noted that, as a private company, Mars has been able to be more flexible and be decisive when it comes to how it does business across its range of activities. In addition, Marijke noted that the UN's Sustainable Development Goals (SDGs) now form an integral part of the company's strategy. Marijke explained that family businesses must think about 'doing the right thing', which ultimately means leaving the planet in a healthy state for the next generation. Finally, Marijke emphasised the need for all businesses to measure their positive societal impact as a core assessment of the success of the business.



For the final panel discussion of this year's Summit, EFB brought together two exceptional entrepreneurs. The topic of discussion was the relationship between innovation and tradition in the context of the family business. Rightly or wrongly, these two concepts have sometimes been equated as conflicting with one another. The topics were addressed by **Jens Fiege**, Managing Shareholder, Fiege Logistik Group and **Jean-Nicolas D'Hondt**, CEO of Pollet. There was a consensus that family businesses are still unfortunately seen as being hampered by tradition. In fact, both speakers noted that innovation forms, not only an integral part of their strategy, but of the companies' values. Both noted that their companies have a 'tradition of innovation', using previous examples and a history of coming up with new ideas as inspiration and a driver to keep doing the same thing across generations.



In his first public address, the New Chairman of EFB, **Udo Vetter**, acknowledged that the world economy is going through a tough period. Positively however, he remarked that there seems to be a renewed sense of optimism around the concept of Europe. He stated that family businesses in Europe fully support a Europe of values, as values form the basis of our companies.

Mr Vetter noted additionally that, in the context of a challenging economic outlook, family companies will need the best conditions we can find around the globe to successfully operate for the long-term. He said, during this next institutional cycle, the EU should focus on completing the single market, improve trade capability with the rest of the world and promote long-term sustainable financing. Mr Vetter concluded that the values of family businesses are European values. We believe our values are of benefit to society and to the regeneration of the European Union.

The closing keynote of the 2019 EFB Summit was delivered by **Pedro Sanchez**, President elect of the Spanish Government. In his address, Mr Sanchez argued that, following many years of political uncertainty, Spain needed a period of stability. He noted that many necessary reforms would need to be enacted to prepare Spain for the future. This can only be achieved through consensus and compromise, he said. Mr Sanchez noted that his government would be committed to preparing the Spanish economy for the green transition, which he argued could bring huge economic potential for the country and its citizens.



Finally, Pedro Sánchez recognised the important societal role of family businesses. He noted, 'family businesses are close to people and hence are able to spread the values we need - an economy that serves the people and not solely the necessary financial logic.'

Full list of panellists and their bios can be found [here](#).