

SORAINEN



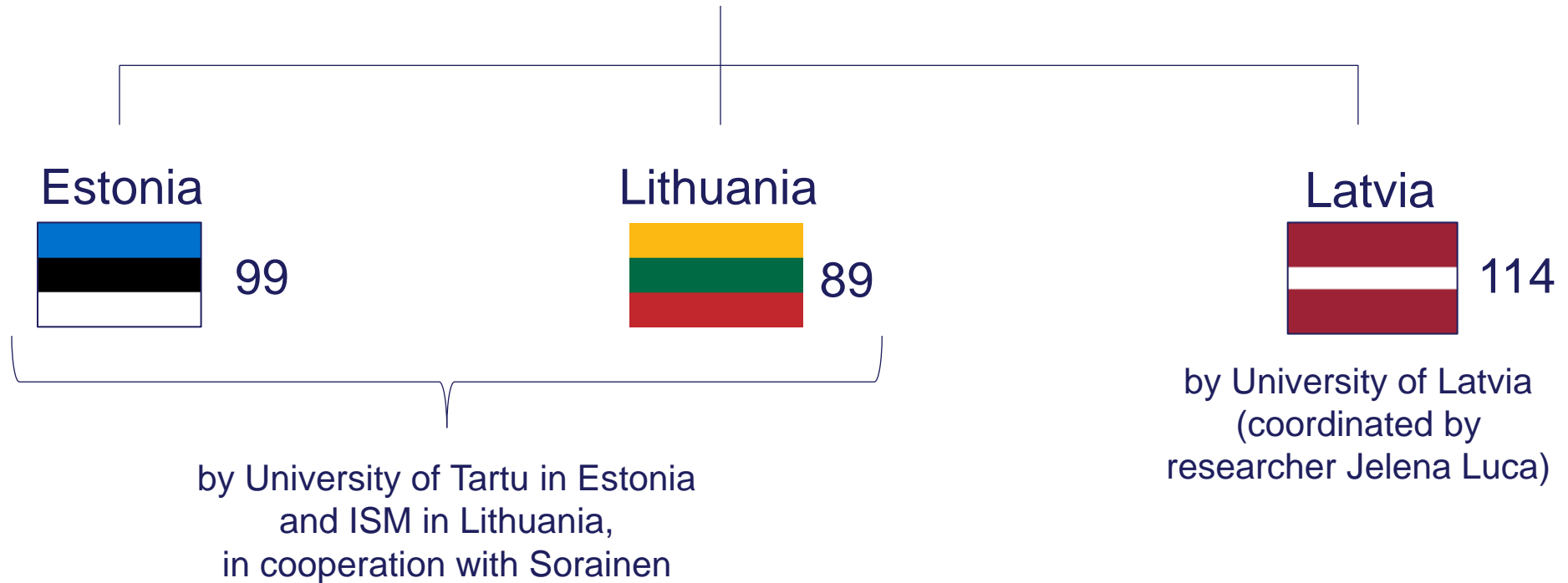
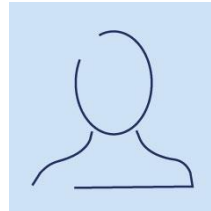
How to make your
family business
successful through
generations?
Insights from the first
pan-Baltic survey

Jurgita Karvelė
Estonia, Latvia, Lithuania

01.10.2024

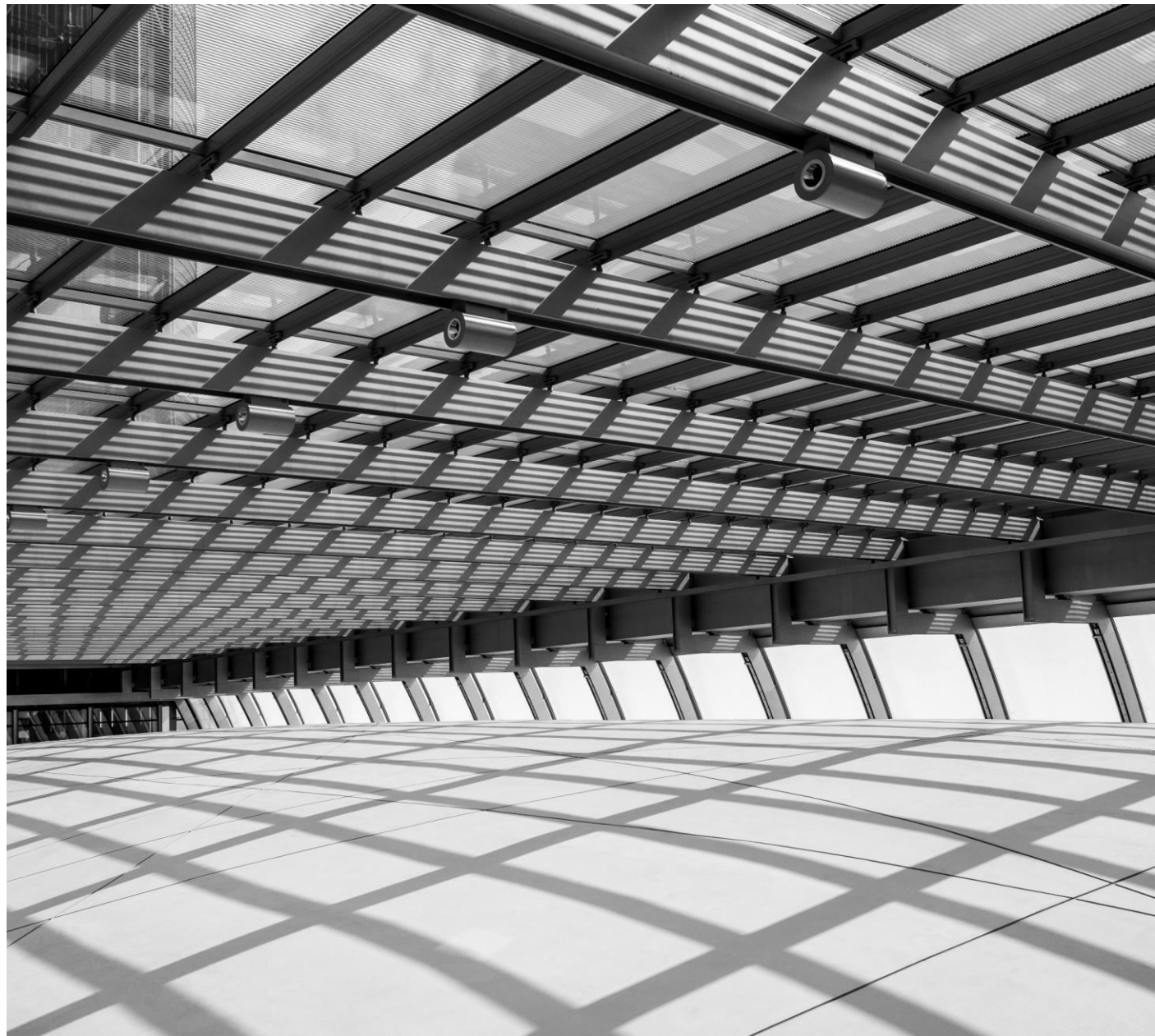
First survey of family businesses in Baltic States

Over 300 family businesses were surveyed



Governance

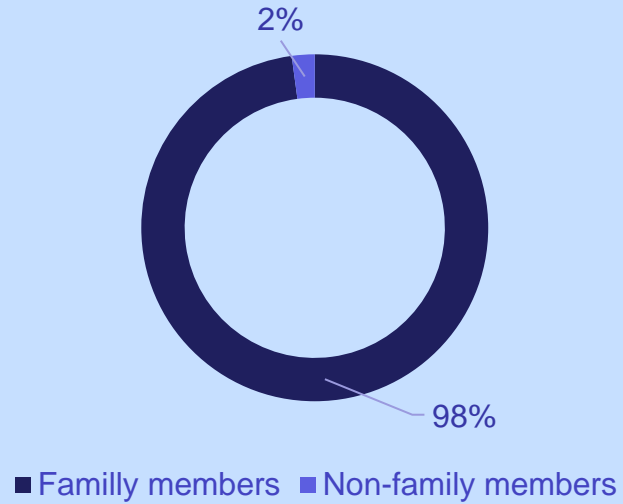
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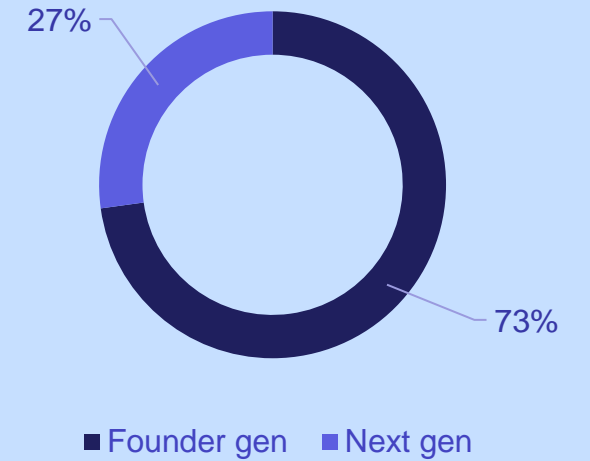
Portrait of respondents

Estonia

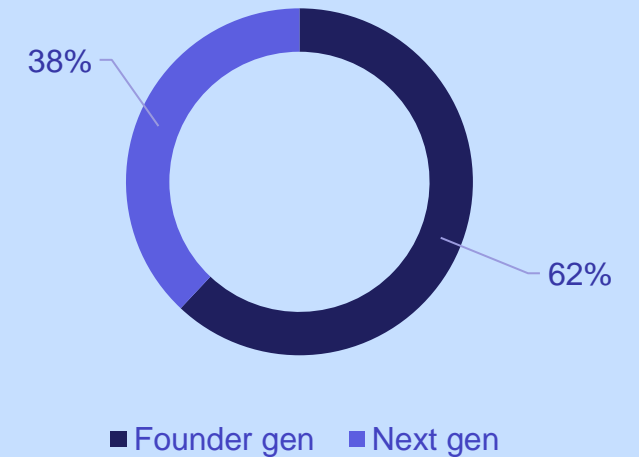
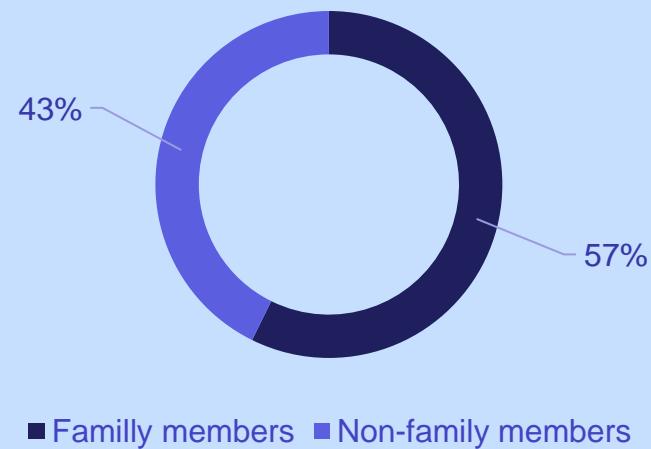
Family member/
Non-family member



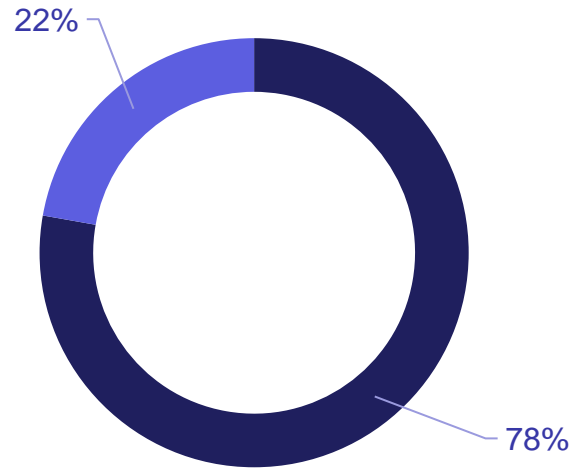
Founder generation/
Next generation



Lithuania

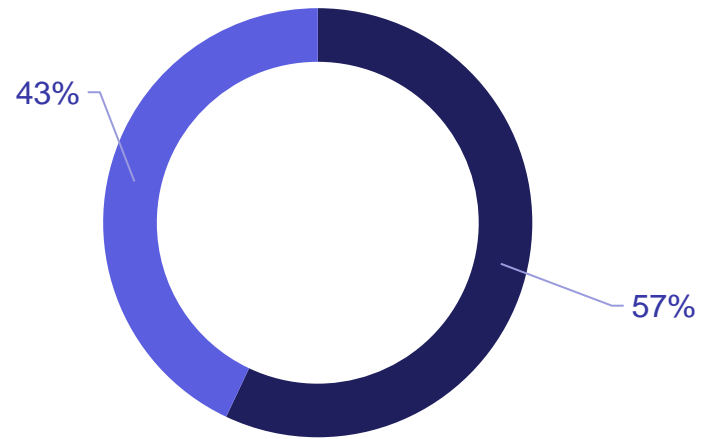


Does a family member influence strategic decision-making in your company?



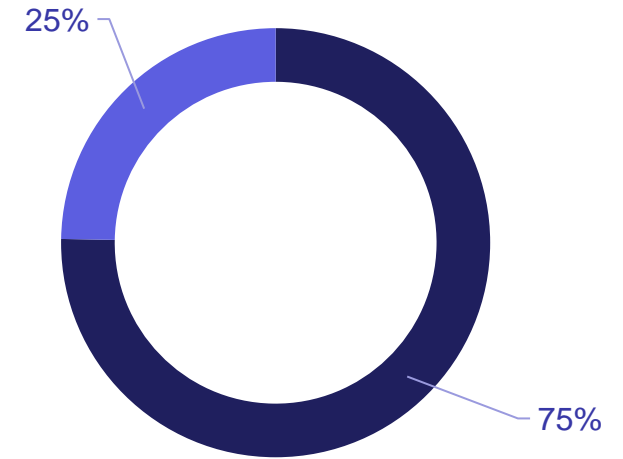
■ Yes ■ No

Estonia



■ Yes ■ No

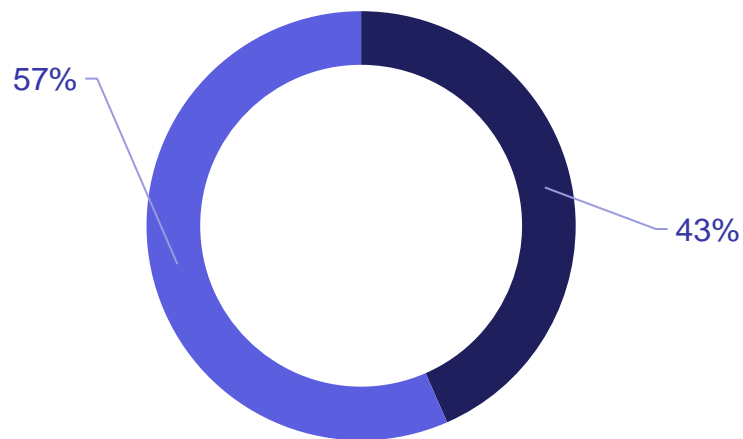
Latvia



■ Yes ■ No

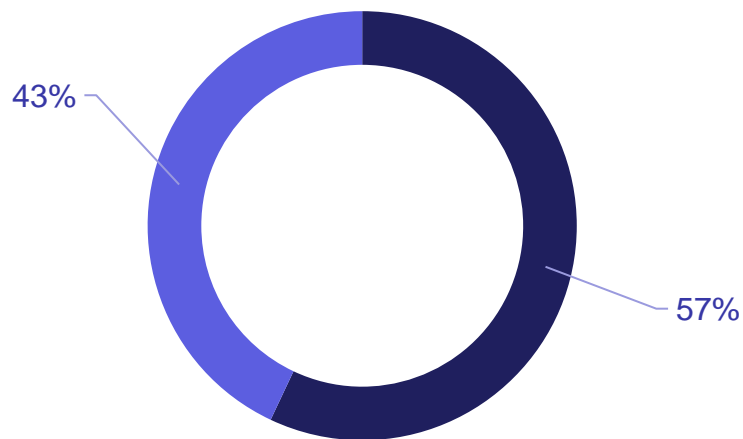
Lithuania

Do you introduce your company as a family business (e.g. to cooperation partners, customers, employees)?



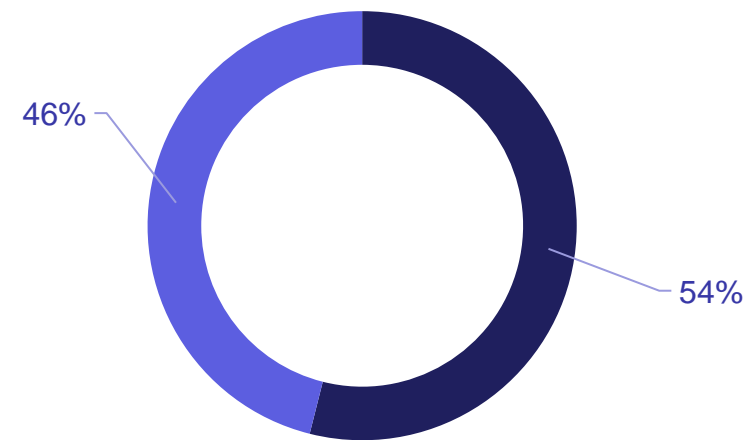
■ Yes ■ No

Estonia



■ Yes ■ No

Latvia

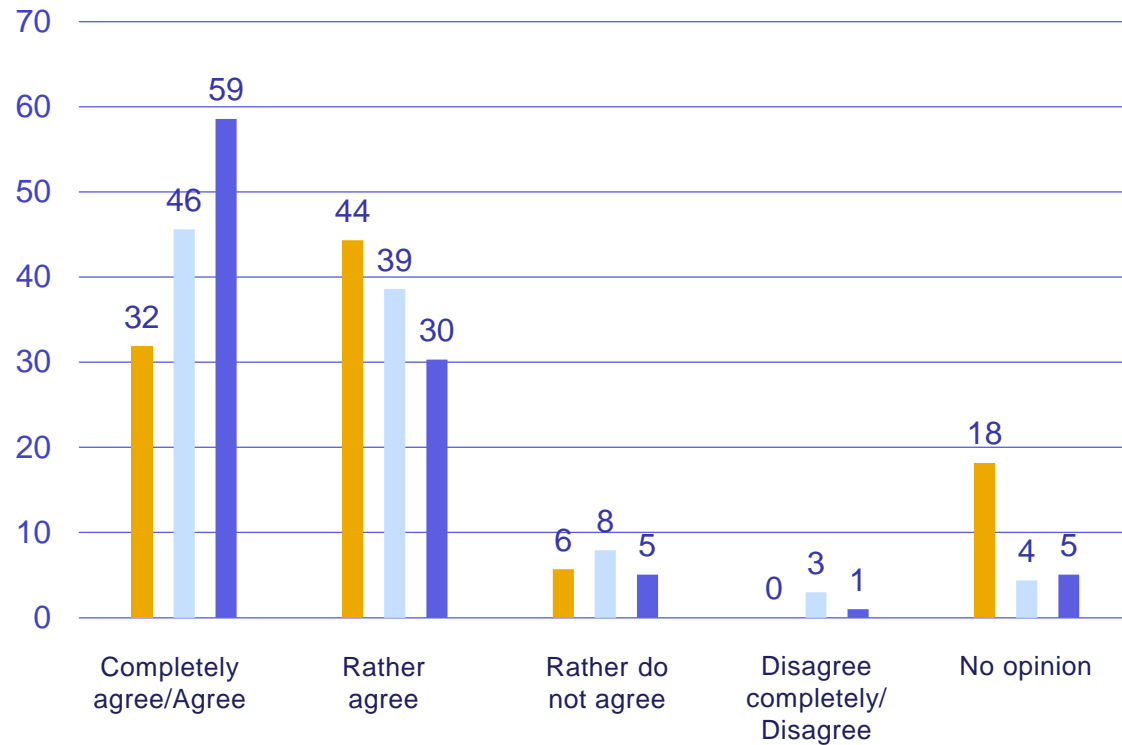


■ Yes ■ No

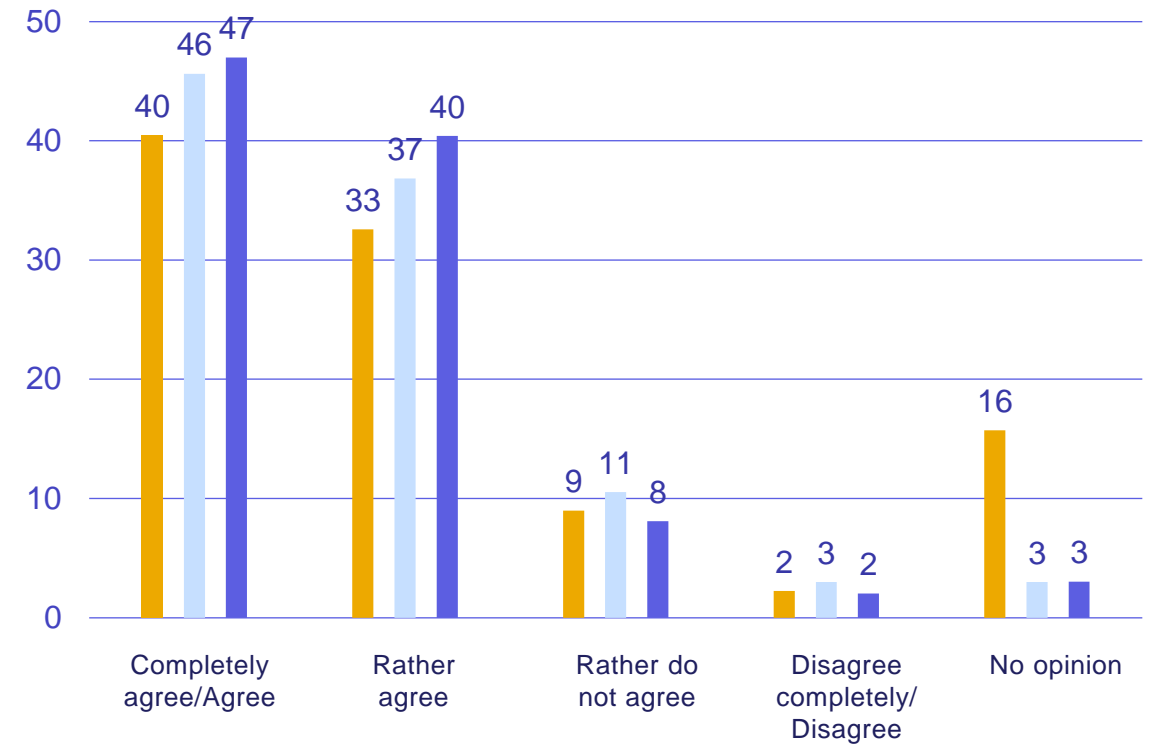
Lithuania

How resilient the family businesses are?

To what extent do you agree that your company can recover quickly from crises and failures? (%)



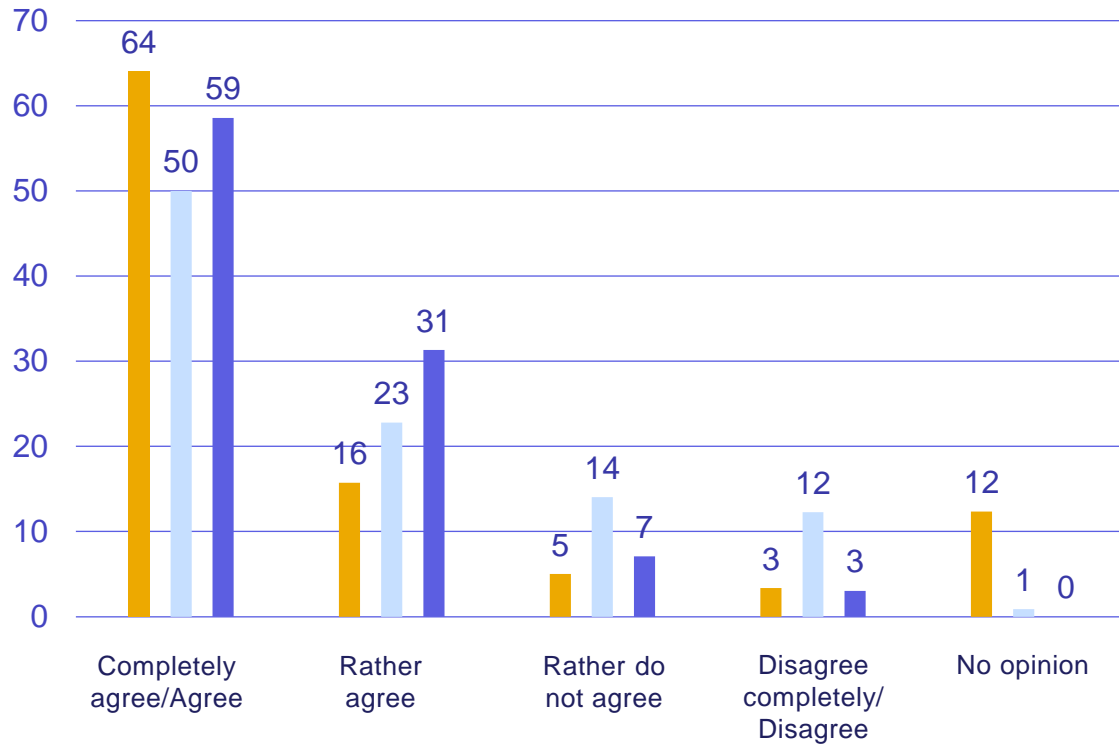
To what extent do you agree that your company can easily handle the challenges? (%)



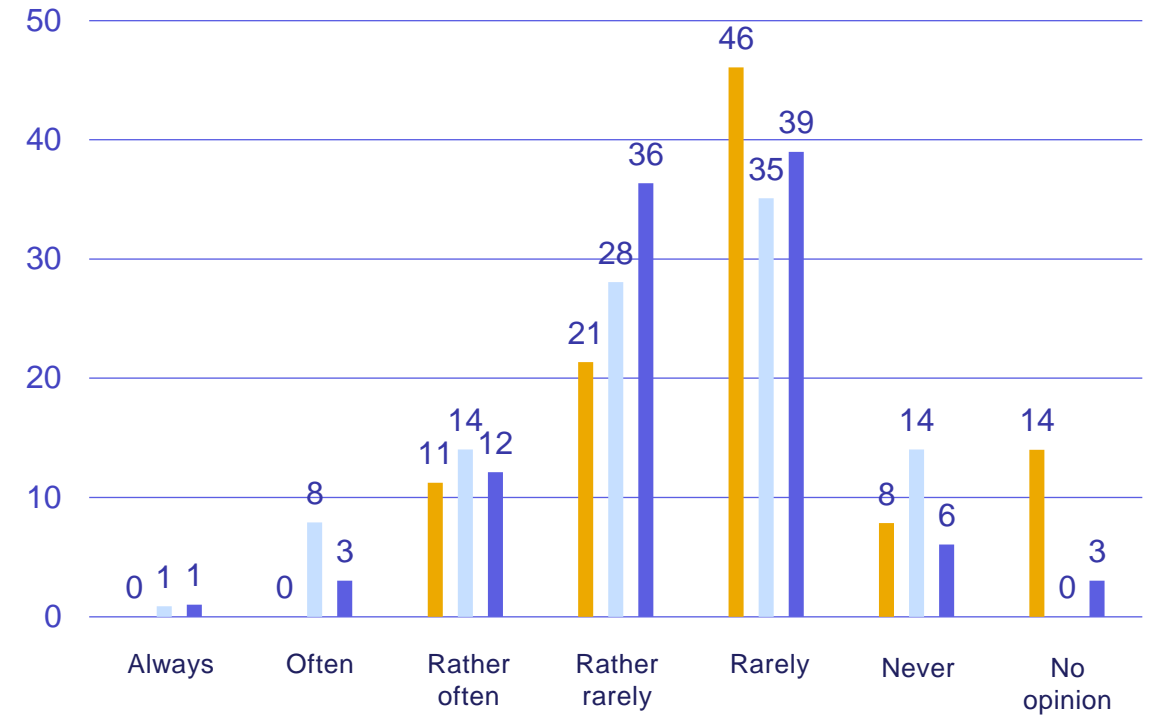
■ Lithuania ■ Latvia ■ Estonia

Are there any correlation between emotions & education?

How important do you consider formal (academic) education? (%)

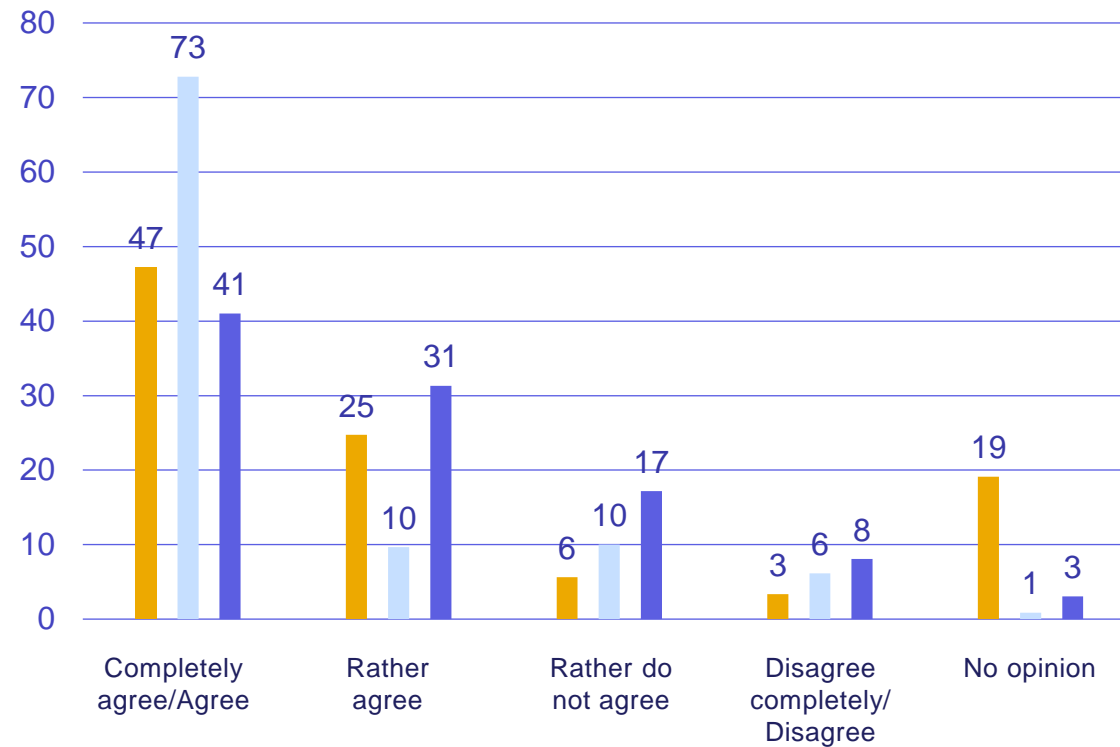


How often do managers in your company make decisions based on emotions? (%)

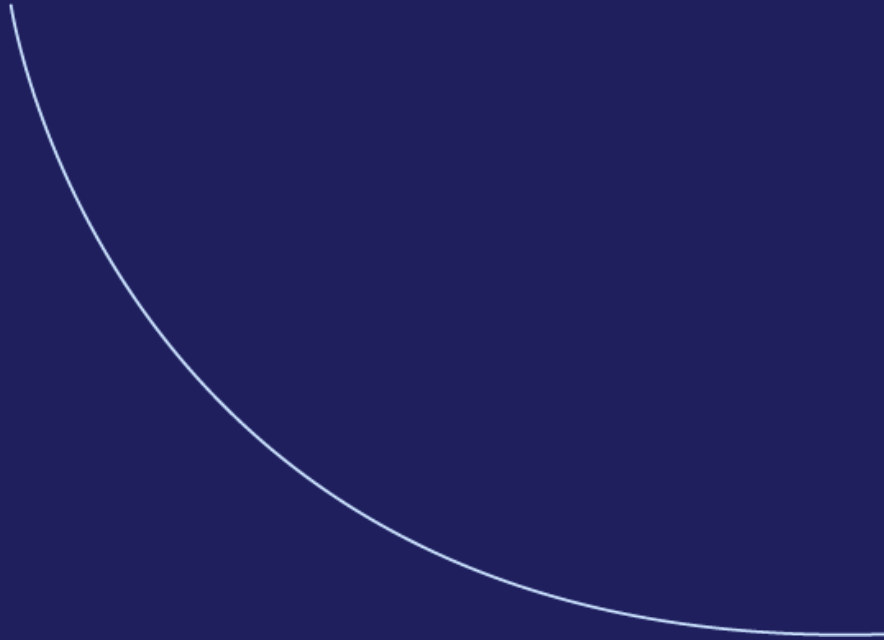


■ Lithuania ■ Latvia ■ Estonia

To what extent do you agree that family values play a role in your company? (%)



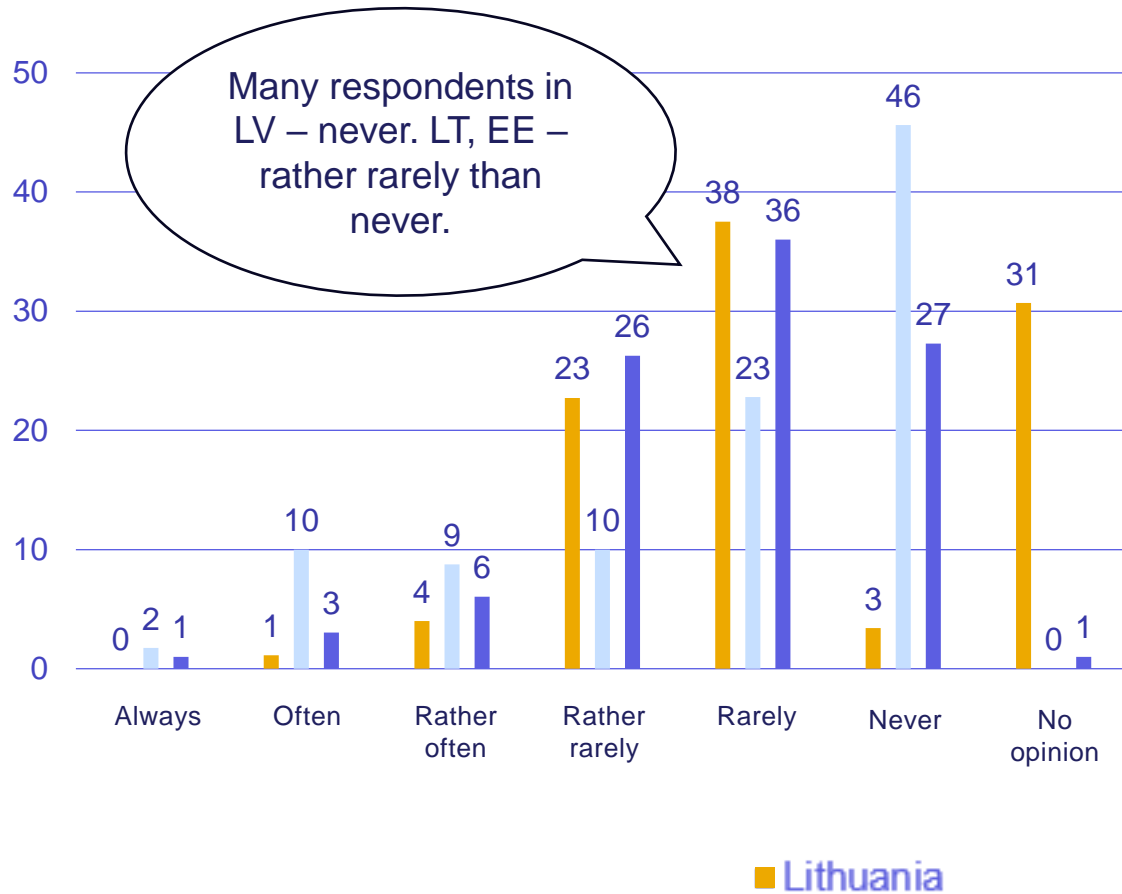
Traditions common in all countries*



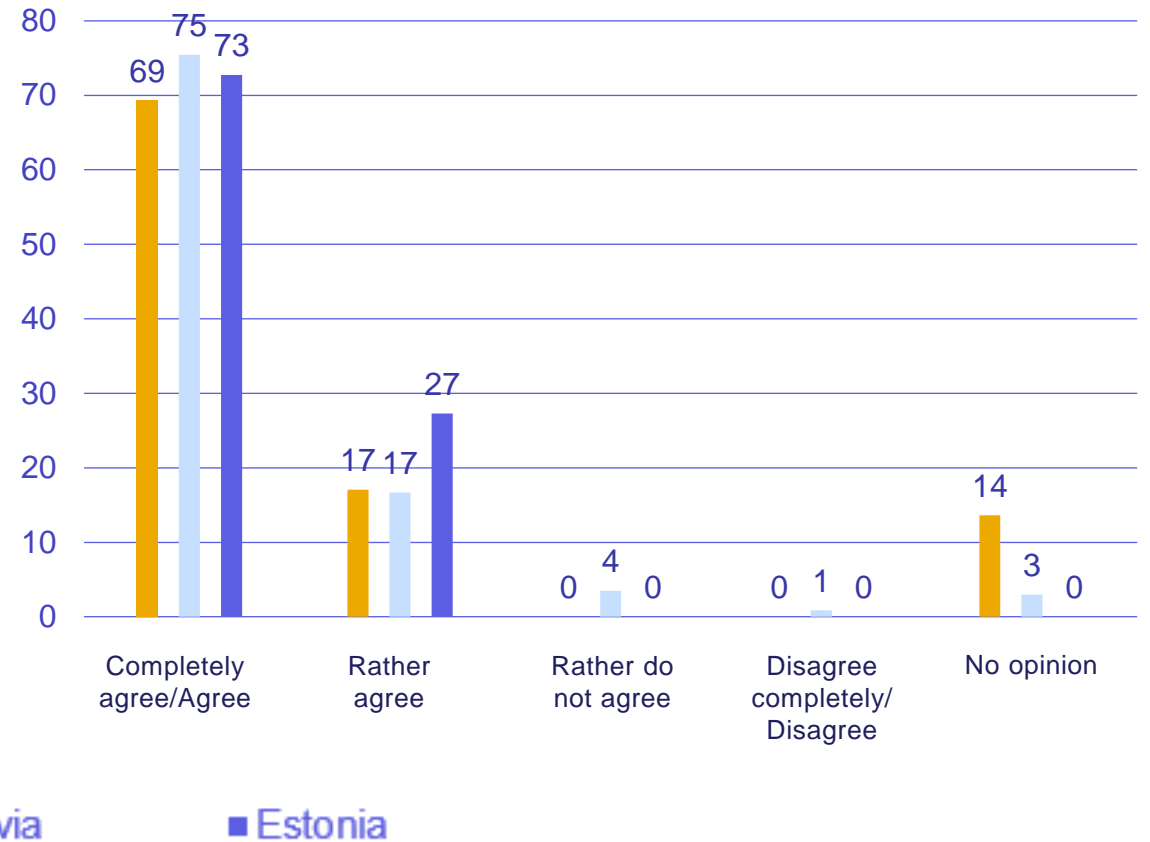
- *Family involvement* in business activities and traditions is a strong cultural focus. All three countries emphasise family participation in decision-making processes as well as company events and gatherings.
- *Celebrations* are a central part of family traditions in all three countries (birthdays, holidays like Christmas with paid time off or special events, anniversaries).
- *Cultural values* like loyalty, respect and openness are upheld in companies across all three countries.
- *Less formal, more personal relationships.* All countries focus on fostering personal bonds and maintaining less formal atmospheres.

Trust and disagreement

How often have you had difficulties in resolving intra-family disagreements related to the development of the family business? (%)



To what extent do you agree that there is trust in your company (between employees, between employees and managers, between employees and family members)? (%)

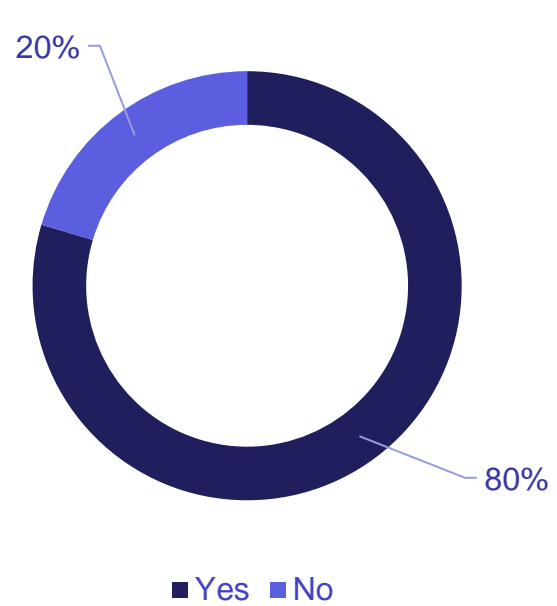


Succession

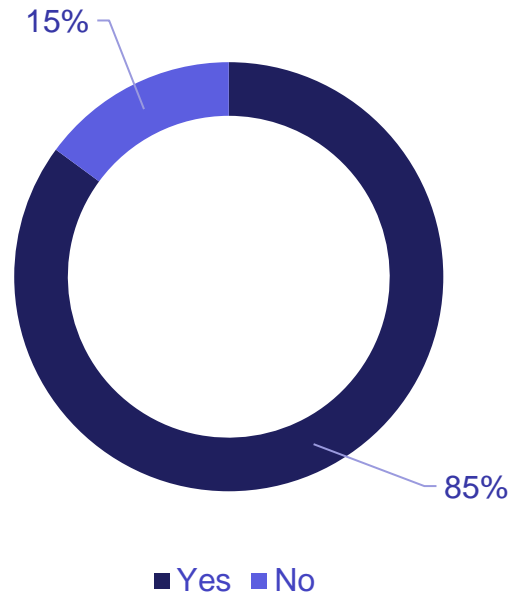
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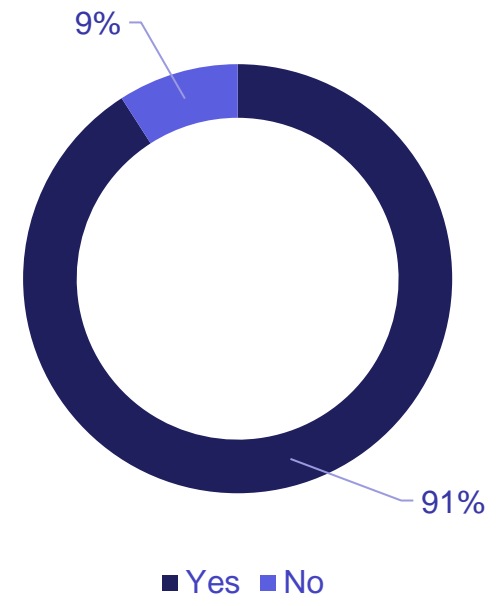
If you are a family member, do you want to pass your business down to the next generation (in your family)?



Estonia

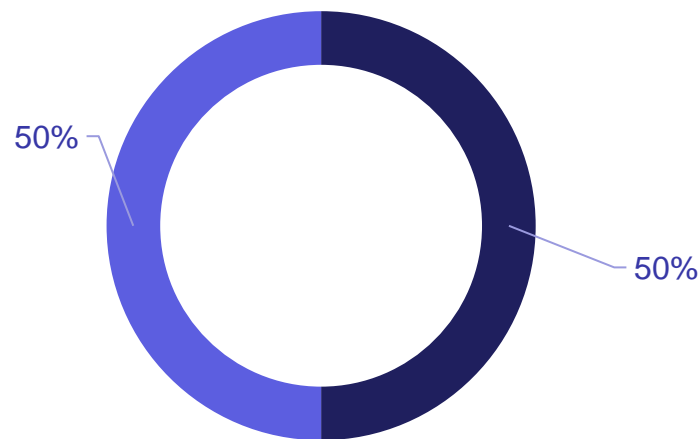


Latvia



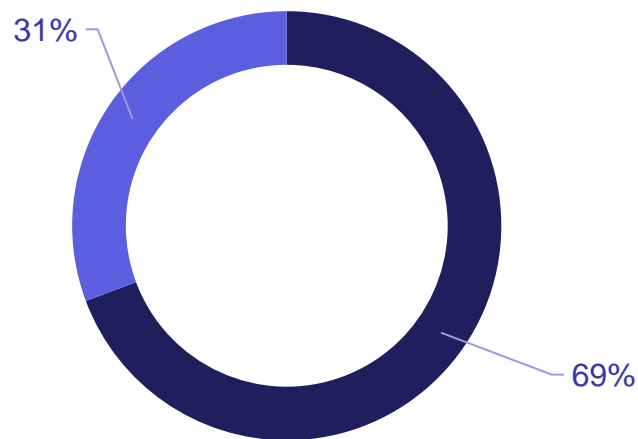
Lithuania

Does the company have a successor (someone who is brought up to take over the managing of the company)?



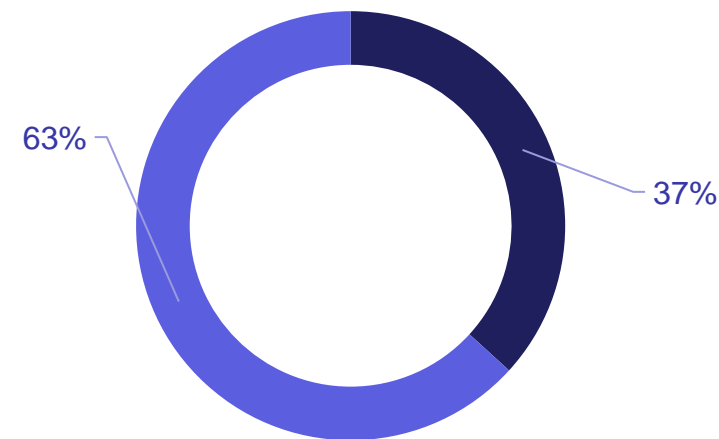
■ Yes ■ No

Estonia



■ Yes ■ No

Latvia

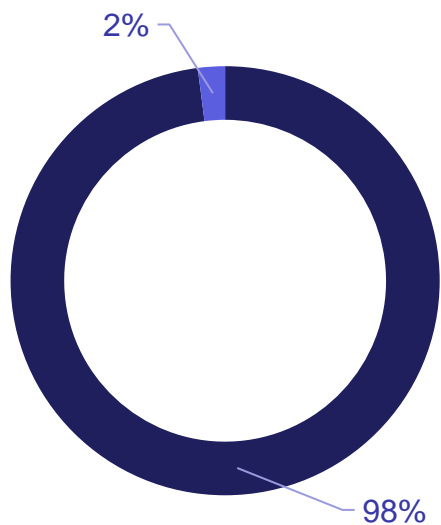


■ Yes ■ No

Lithuania

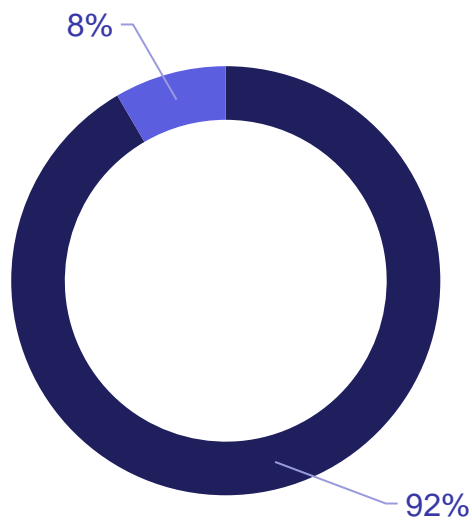
LV majority
"YES",
EE 50/50,
LT majority "NO"

For those, who answered “YES” about having a successor: is it a family member?



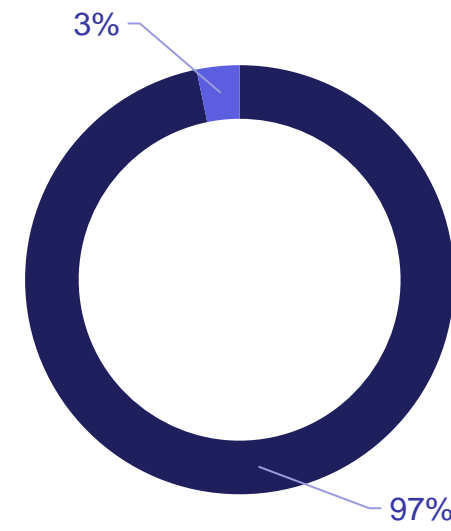
■ Yes ■ No

Estonia



■ Yes ■ No

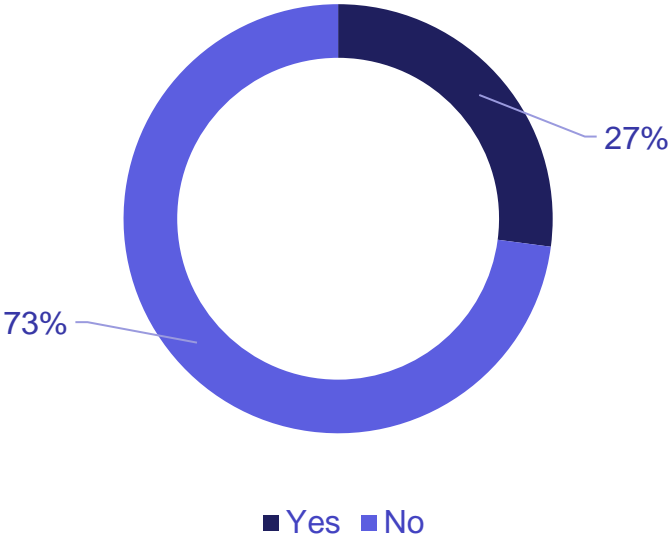
Latvia



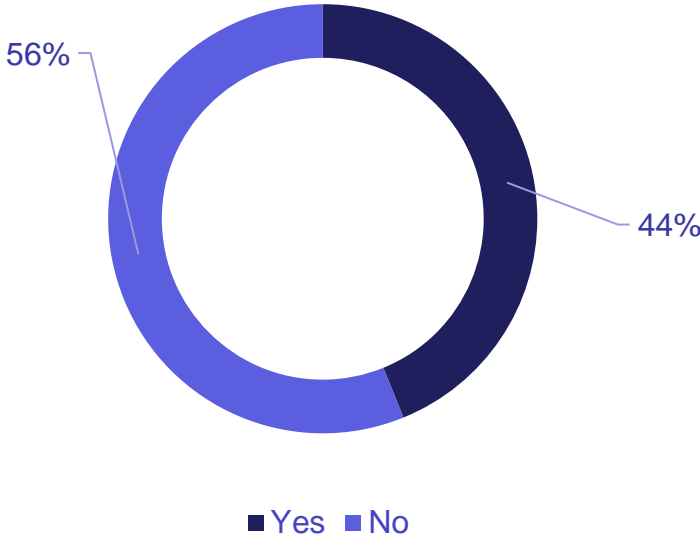
■ Yes ■ No

Lithuania

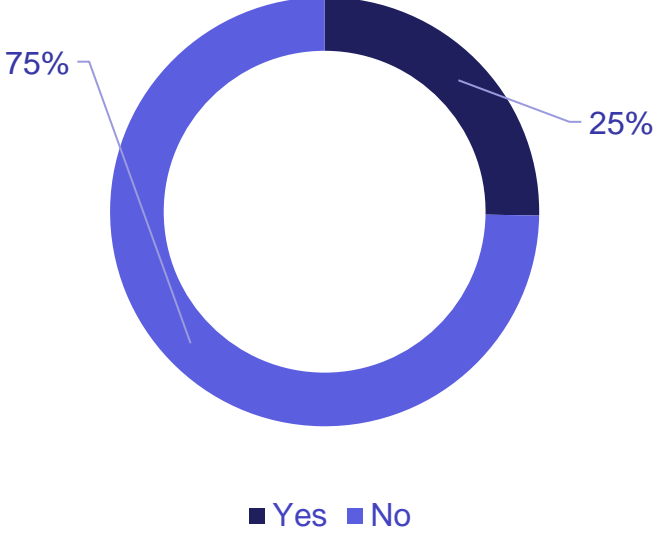
Do you have a formal or informal succession plan?



Estonia



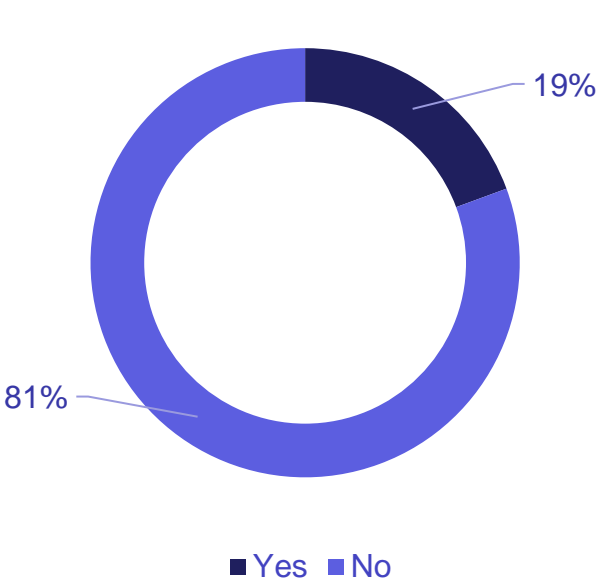
Latvia



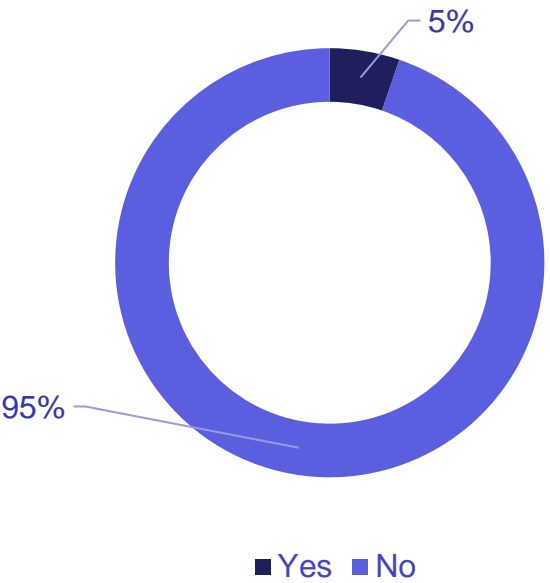
Lithuania

Although majority respondents have successor in mind, no succession plan yet

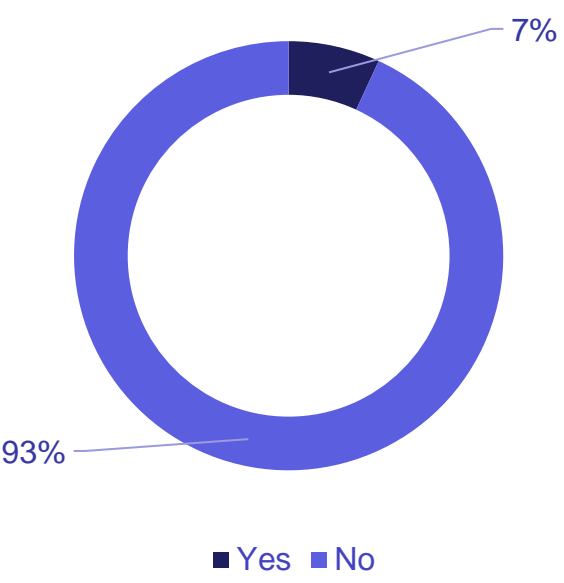
Does your firm have a family business constitution?



Estonia



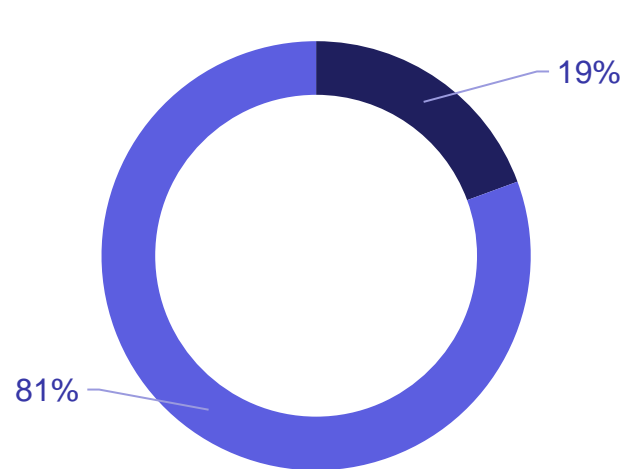
Latvia



Lithuania

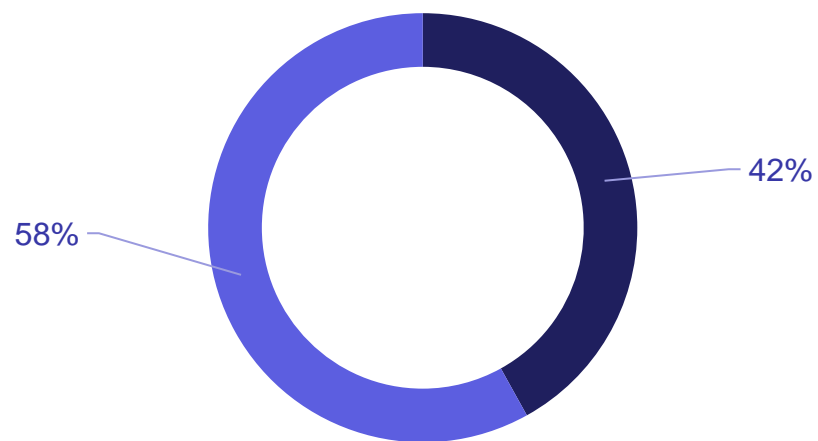
This question for Estonian respondents was phrased differently, so their answers may not fully correlate with those from Latvian and Lithuanian participants

Does your company have a system in place to train a successor?



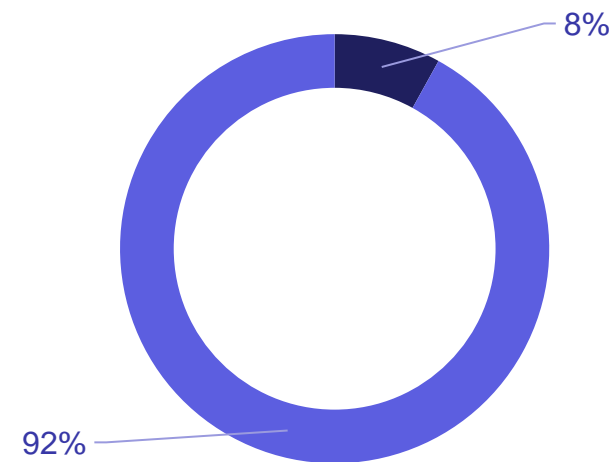
■ Yes ■ No

Estonia



■ Yes ■ No

Latvia

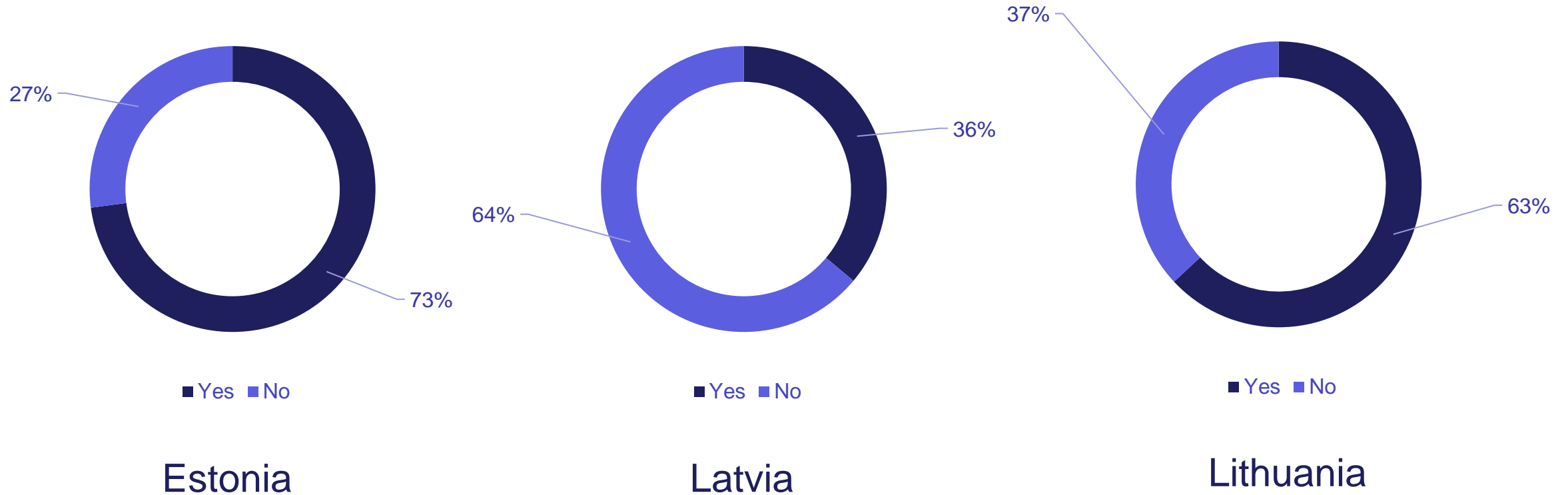


■ Yes ■ No

Lithuania

Although successor is in place, no training system

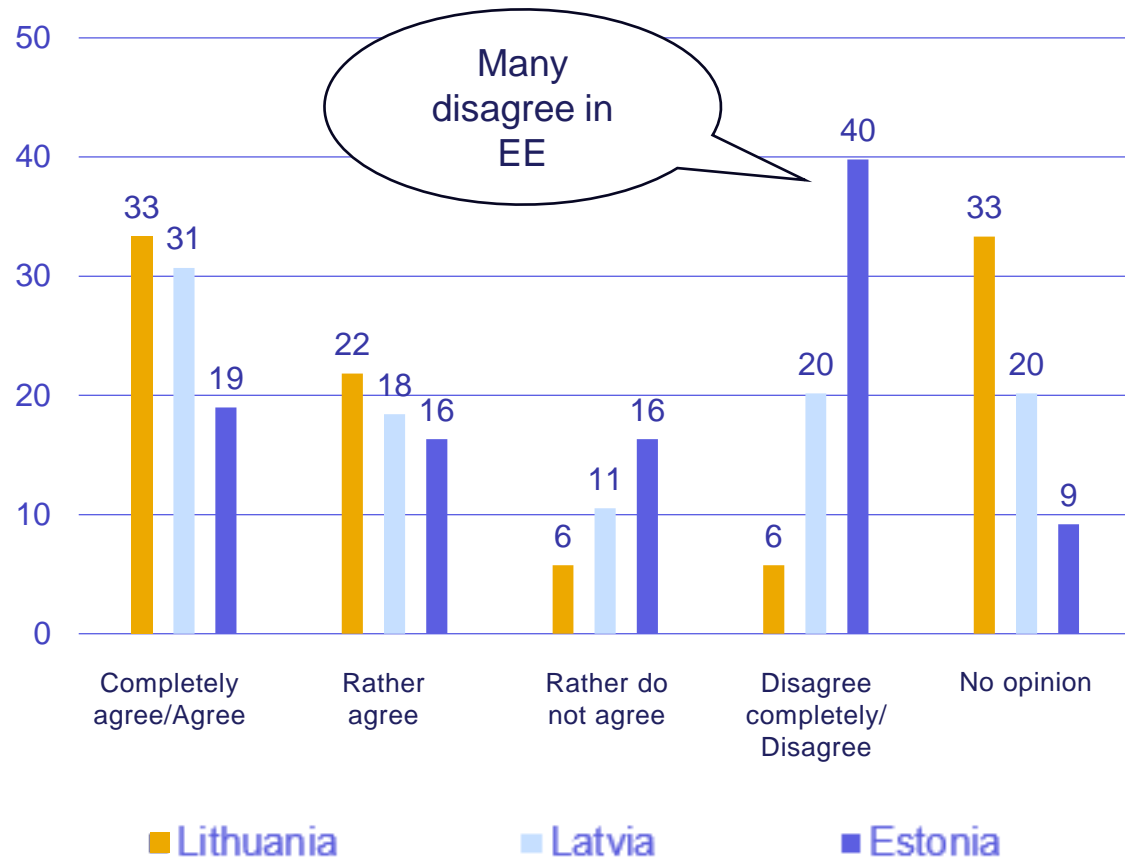
Are potential successors encouraged to gain experience outside the company first?



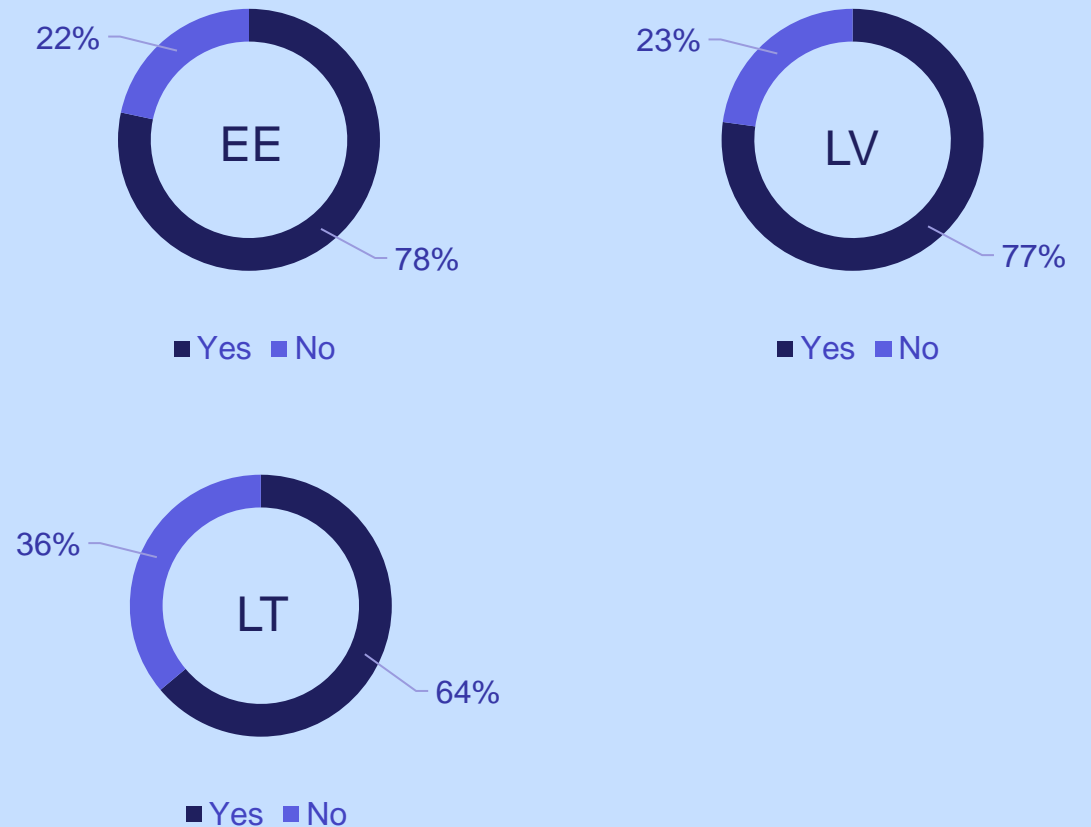
Experience
outside prioritised
in EE and LT

Criteria for successors & innovation

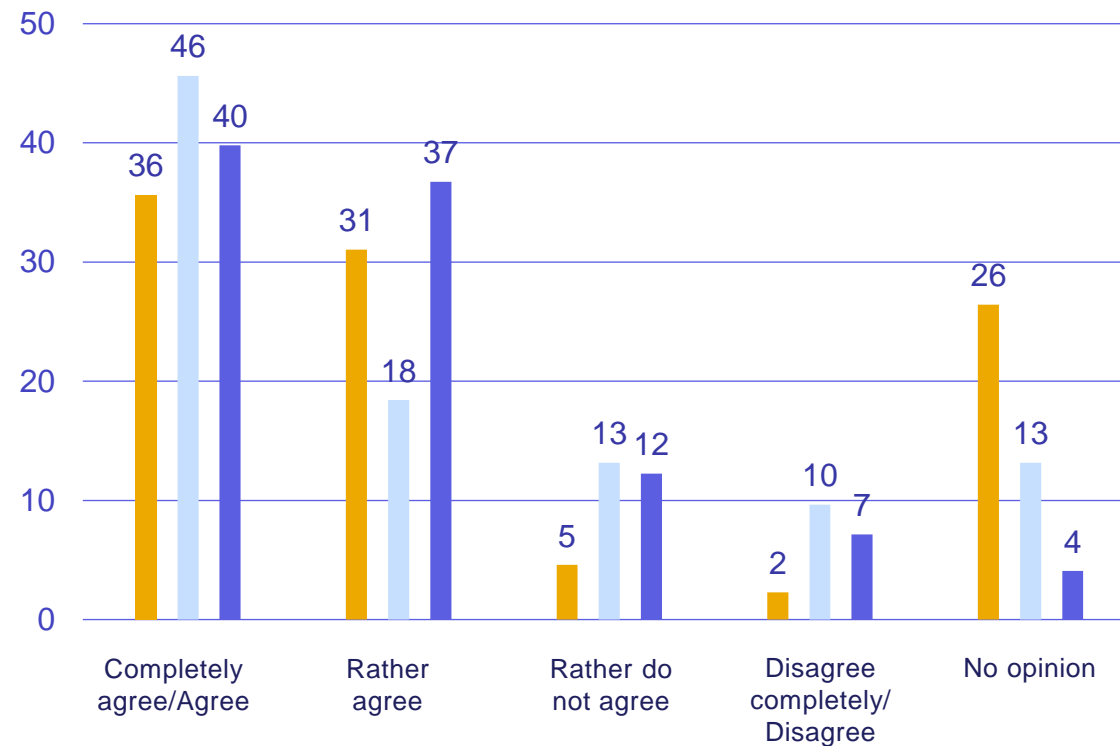
To what extent do you agree that the company has established specific criteria for the characteristics, competencies of the successors and skills (e.g. education, experience, age, gender)? (%)



Has the younger generation brought innovative solutions/techniques/products or technologies to your company?



If no family member wanted to manage the company (anymore), to what extent would you be willing to hand over the management of the company to professional management? (%)





Thank you!

Jurgita Karvelė,

Counsel,

Head of Private Client team in
Lithuania

jurgita.karvele@sorainen.com