

PANAGIOTA KOULOUVARI

# Family-Owned Media Companies in the Nordic Countries

A Portrait of Structures  
and Characteristics of 25 Firms

**FAMILY-OWNED MEDIA COMPANIES  
IN THE NORDIC COUNTRIES:  
A PORTRAIT OF STRUCTURES AND  
CHARACTERISTICS OF 25 FIRMS**

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# FOREWORD

This report is the second from the research project Family-Owned Media Companies in the Nordic Countries. The project is being conducted by the Media Management and Transformation Centre, Jönköping International Business School, Jönköping University, Sweden.

The first report (Koulouvari, 2004) addressed the relevance of the family business discipline in the media industries. The report explored the landscape of family-owned media companies in the Nordic countries and identified research challenges in studying them. It introduced issues faced by family-owned media companies and proposed an agenda for further research.

This report begins the further research, presenting results of a study of a small-scale survey of executives in family-owned media firms. The report has been written by Panagiota Koulouvari, a post-doctoral research fellow at the centre.

The project has been possible through the financial support of the Carl-Olof and Jenz Hamrin Foundation to the Media Management and Transformation Centre.

This report lays the foundation for even further investigation into the importance of family media to society, the issues and problems faced by families that own media companies, and managerial and policy solutions to those challenges.

*Robert G. Picard*  
*Hamrin Professor of Media Economics*  
*Director, Media Management and Transformation Centre*



# 1. INTRODUCTION

## *1.1 The Media Industries*

The media industries have significant impact on national culture and public opinion. National economies around the globe significantly benefit from the activities of media-related activities.

Media are defined as conveyors of published content, in any form, format, and combination of text, images, graphics, sound, and video; through any type and/or combination of distribution channels, with a specific communication purpose for one or many media consumers (Rosenqvist, 2000). Consequently, the media industries include sectors such as television, newspapers, magazines, radio, books, Internet, and mobile content services. The industries also include printing, publishing, graphic arts, and television broadcasting, television production, radio broadcasting, radio production, newspaper production, magazine production, Internet production, entertainment in the form of film production, video production and game production.

Private entrepreneurial initiatives in the various sectors of the media industries have been developed to include family members. Furthermore, in many cases, the continuity of the business has been achieved by passing the torch to the next generation and keeping the business in the family. This is more apparent in the print media sectors, with the printing and graphic arts facilities, together with newspaper publishing and magazine publishing.

## *1.2 Family Business*

The term “family business” is used in a variety of ways, so some definition and precision is necessary. Davis (1983) describes family businesses as “those whose policy and direction are subject to significant influence by one or more family units. This influence is exercised through ownership and sometimes through the participation of family members in management.” This produces a unique setting that differentiates family businesses from other businesses. “It is the interaction between two sets of organization, family and business, that establishes the basic character of the family business and defines its uniqueness,” according to Davis.

When researchers, consultants, and members of family business talk about “family business,” they do not refer to a homogenous group of firms. Although all family businesses share similar characteristics, they are different as well. Differences, for example, exist in terms of size, structure, management, and governance. Similarly, there are families who see their family business as any other investment and hire external people to run the day-to-day operations; other families are heavily engaged in daily routines and operational activities within the company.

Researchers still elaborate on the formal definitions of family business and three delineating definitions are found in the literature: the broad definition, the middle definition, and the narrow definition (Table 1). The broad definition describes family business as existing when there is effective control of strategic direction by the family and when the business is intended to remain in the family, regardless of the amount of direct family operational involvement. The middle definition requires that the founder or founder's descendants run the business, that there is legal control of voting stocks, and that there is some family involvement in the business operations. The narrow definition stipulates that multiple generations are involved in the business, that the family is directly involved in running and owning the family business, that there is more than one owning family member with significant management responsibility, and that many in the family involved. In a recent work, Klein et al. (2003) propose an alternative way of defining family businesses based on family influence via power, experience, and culture. This alternative method for assessing the extent of family influence on any enterprise enables the measurement of the impact of family on outcomes such as success, failure, strategy, and operations.

*Table 1: Definitions of Family Business*

<b>Broad</b>	There is effective control of strategic direction by the family	The business is intended to remain in the family	There is little direct family involvement	
<b>Middle</b>	The founder/ descendants run the business	There is legal control of voting stocks	There is some family involvement in the business	
<b>Narrow</b>	Multiple generations are involved in the business	The family is directly involved in running and owning the family business	There is more than one owning family member with significant management responsibility	There are a lot of family members involved

Source: Astrachan and Shanker (1996) in Cappuyns et al. (2003).

### *1.3 Family-Owned Media Businesses*

Family-owned media firms range in size from small to large and many of the largest media companies worldwide are family media enterprises. There are thousands of family-owned media companies but no definitive listings exist. Table 2 lists some of the largest family media conglomerates around the globe. The revenues of these companies and the number of people they employ are significant in both economic and social terms.

Table 2: Major Family-Owned Media Companies Worldwide

COMPANY	FAMILY	EMPLOYEES	REVENUES (in billions USD)	COUNTRY
Viacom	Redstone	120 630	24 606	USA
Bertelsmann	Mohn	80 632	19 193	Germany
News Corp	Murdoch	35 000	17 474	Australia
Comcast	Roberts	82 000	12 460	USA
Cox Enterprises	Cox	77 000	9 900	USA
Clear Channel Communications	Mays	41 800	8 421	USA
Thomson Corporation	Thomson	42 000	7 756	Canada
McGraw-Hill	McGraw	16 505	4 788	USA
Advance Publications	Newhouse	22 785	4 200	USA
Cablevision Systems	Dolan	21 075	4 003	USA
Cisneros Group	Cisneros		3 800	Venezuela
Hearst	Hearst	17 170	3 300	USA
New York Times	Sulzberger	12 150	3 079	USA
Daily Mail and General Trust	Harmsworth	19 452	2 891	UK
Knight Ridder	Knight and Ridder	18 000	2 842	USA
Globo Group	Marinho	24 000	2 800	Brasil
Washington Post	Graham	11 600	2 584	USA
Verlagsgruppe Georg von Holtzbrinck	Holtzbrinck	12 600	2 365	Germany
Grupo Televisa	Azcarraga	12 600	2 075	Mexico
Bonnier Group	Bonnier	9 114	2 000	Sweden
Arnoldo Mondatori Editore	Berlusconi	4 782	1 429	Italy

Source: *Family Business Magazine*

#### 1.4 Family-Owned Media Companies in the Nordic Countries

Family-owned media have historically been a central facilitator upon which Nordic culture, identity, and social activity have been based. Family-owned newspapers and book publishers have for two to three centuries represented and influenced public opinion, culture, and social life. Nordic society recognizes the social roles and responsibilities with protections on freedom of expression. In the late twentieth century, public service broadcasting across the Nordic region was expanded to include private, commercial radio and television as a means of increasing audiences' choices and increasing the availability of content and content sources.

Many of the private firms that were granted broadcast rights were family-owned or controlled firms that previously had been active in print media. National policies and choices granted rights to Nordic firms thus ensuring a continued appreciation for and service to Nordic cultural and social needs. Because of the internationalization of capital and European Union regulations, that continued Nordic ownership of print and broadcast media is not guaranteed.



Another important contribution of family-owned media companies is the significant economic roles they play, providing employment opportunities and contributing turnover and value-added to the national economies. Because they are domestic and Nordic firms, they keep much of their profits in the national and regional economies.

Because of these cultural, social, and economic factors, it is in the public interest to maintain and improve the sustainability of Nordic family-owned media companies. Domestic and Nordic family-owned media companies are more likely to remain Nordic in their content and operations and to keep playing important roles in the lives of millions of people in the hundreds towns and cities in the region.

### *1.5 The MMTC Family Media Project*

The Media Management and Transformation Centre at the Jönköping International Business School initiated the project on Family-Owned Media Companies in the Nordic Countries in 2003 to study the scope and nature of these family businesses and the challenges that they encounter.

The project was designed to fill a significant gap in knowledge and understanding. Only a limited number of studies in family business and media businesses deal with the topic of family-owned media companies, and information identifying family-owned media companies in the Nordic countries is poor and inadequate.

The project adopts approaches and information from the family business studies discipline and the media economics and management discipline. We have made research inquiries to government and non-government organizations, academic institutions, media organizations, and other official and non-official resources to develop background information and understanding and we have made extensive literature reviews in the disciplines to develop a base of knowledge. With this study, the project begins to develop direct new knowledge of the issues and challenges faced by Nordic family media businesses.

### *1.6 Purposes and Methods of this Study*

This study extends research by exploring how and the extent to which issues and challenges identified in the initial study of family media (Koulouvari, 2004) are present in media companies in the Nordic countries.

It presents a portrait of companies that reveals how issues of decision making, participation in the company and its management, strategy, and future of the firm are handled.

This report is based on data gathered through a questionnaire that asked both closed- and open-ended questions. Data were gathered from 25 companies in the Nordic region to provide understanding of actual practices. The survey used a questionnaire developed by the Media Management and Transformation Centre at Jönköping International Business School for this project. It was distributed to firms identified as family-owned media companies in Denmark, Finland, Iceland, Norway, and Sweden. The questionnaire was available in both English and Swedish for the convenience and understanding of respondents. The results are provided in this report through graphical representation with explanatory notes.

Although the sample is small, the companies correspond to a large share of the media industry in the Nordic countries because it includes most of the most important family firms. Nevertheless, the majority of the families in the study are small- and medium-sized enterprises, reflecting the importance of such firms in the industry overall.

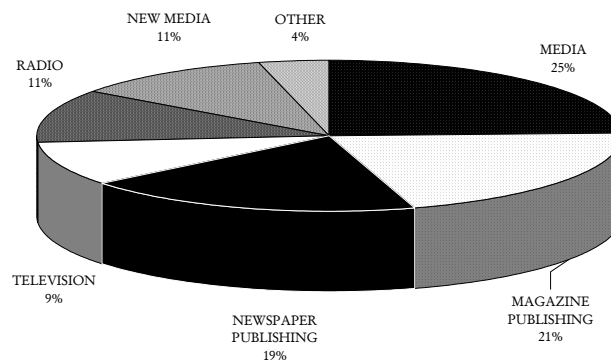
Because the study is based on a small sample, generalization of the results must be considered carefully. However, the study provides significant insight into the scale and scope of practices related to issues of family ownership of media firms that is useful for understanding trends and developments and provides the bases for further, more intensive research. Sections 2 and 3 of this report present the responses of those who answered the questionnaire and provide a usable portrait of family-owned firms in the Nordic nations.

## 2. COMPANY STRUCTURES AND CHARACTERISTICS

### 2.1 Company Characteristics

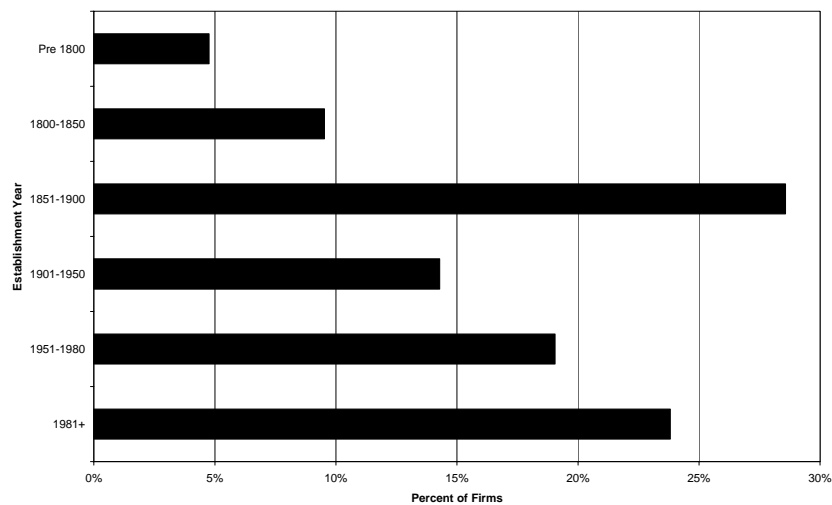
This section explores the basic characteristics of media firms in the study, focusing on issues of sectors in which they are active, size, ownership structures, and the means and levels of family participation in the firms.

Companies included in the study are active in every major media sector.



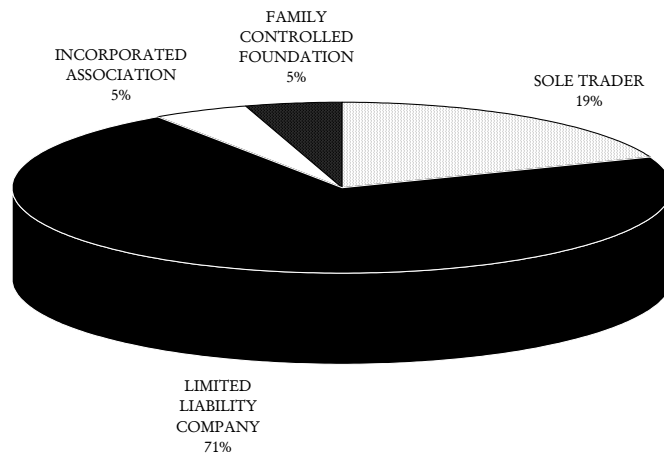
*Question: In which category does your company fit into?*

The majority of the companies have long histories and 44 percent of the family-owned businesses surveyed reported that they were established before 1900.



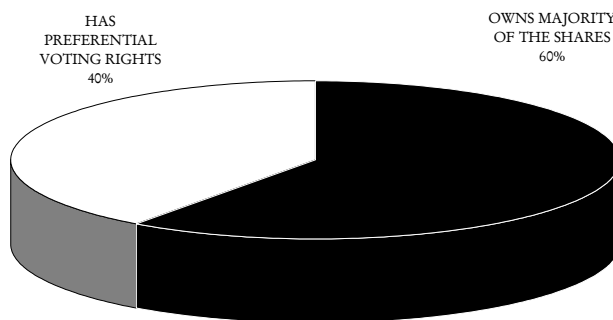
*Question: When was the business founded?*

The most common ownership structure for the family firms is a limited liability company, although nearly 20 percent are sole traders (sole proprietorships). This latter result is higher than can be expected among all family-owned firms, however, because the group of companies included in the study included the largest publicly traded media firms in the Nordic nations.



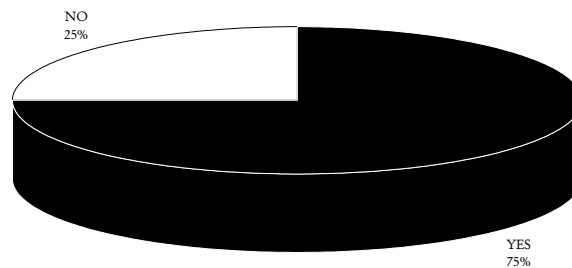
*Question: What type is the company?*

The majority of firms are privately held. Among public-traded firms, 60 percent maintain family control by owning the majority of shares and the remaining 40 percent do so through preferential voting rights.



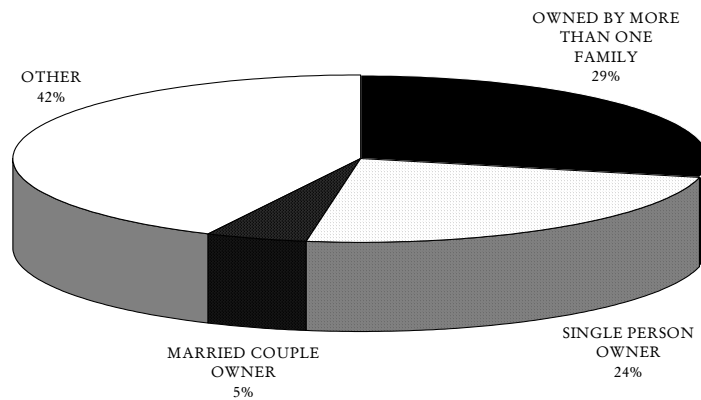
*Question: If a public company, how does the family maintain control over the firm?*

Although all the firms in the study were family owned according to the definitions of family firms, one-fourth of the respondents do not consider the company as a family business.



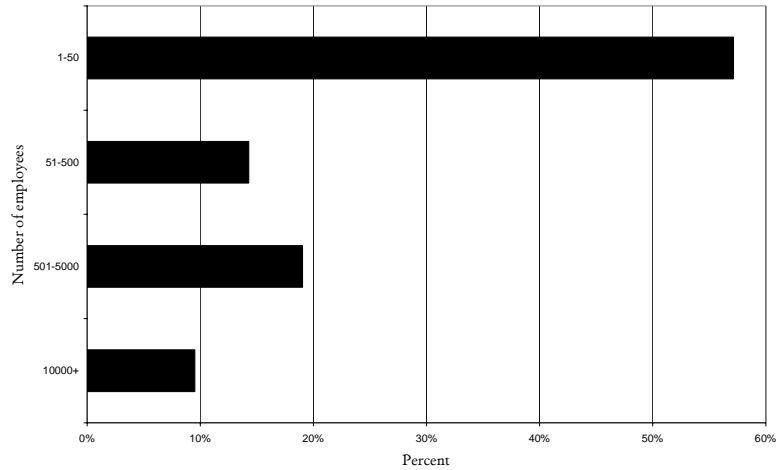
*Question: Do you consider the company to be a family business?*

Twenty-nine percent of firms are owned by a single person or couple and another 29 percent by more than one family. In cases in which respondents answered “other,” they specified the ownership structure as foundation, publicly traded, father and son, single family, or brother and sister.



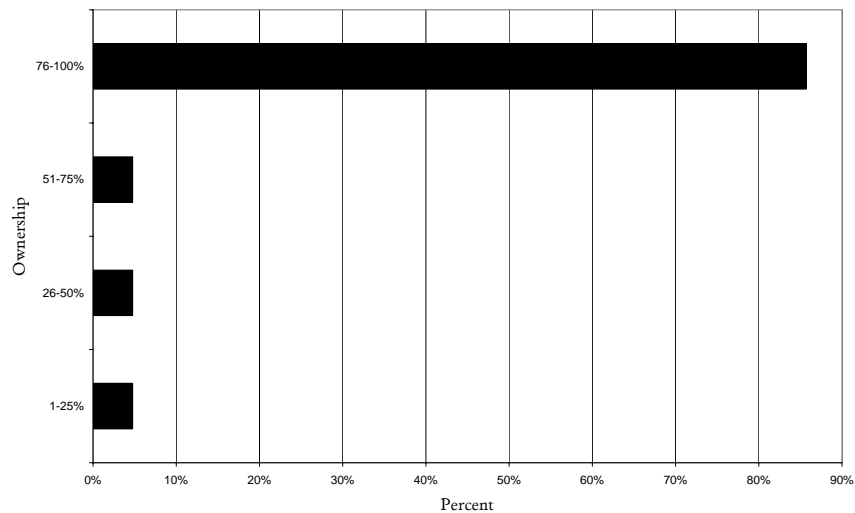
*Question: How is the ownership structured for the company?*

The majority of the firms (57 percent) in the study employ fewer than 50 people, placing them in the small business category.



Question: What is the total number of employees in the business?

The extent of family ownership in the firms is seen in the fact that the preponderance of firms (86 percent) are ones in which the owning families hold 76 to 100 percent of the company ownership. In 91 percent of the cases, families held more than half of the ownership.



Question: What is the percent participation of the family ownership of the company?

Active participation of family through employment is relatively limited and affected by family size and company size. In 59 percent of the cases, fewer than 3 family members are employed within the business.

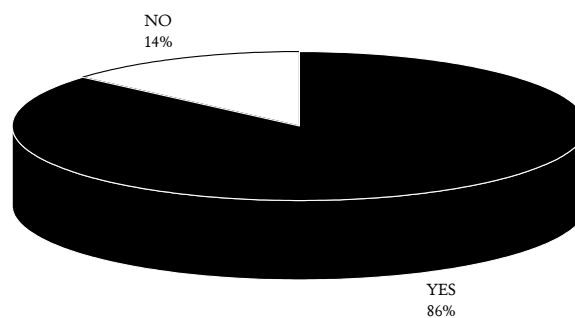
Number employed	Percent
0	18%
1	23%
2	18%
3	9%
4	18%
5	5%
6	5%
12	5%

*Question: How many members of the family are employed within the business?*

## 2.2 Governance

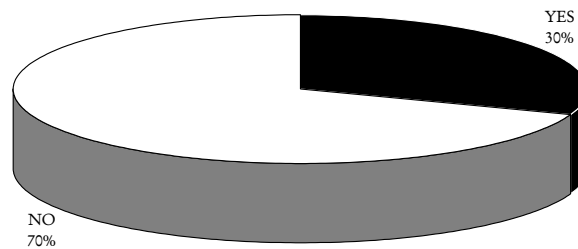
This section investigates how the company is governed by shareholders, family members, or individuals in providing strategic direction and oversight rather than day-to-day management.

The majority of family firms have governance boards. Fourteen percent of the firms reported that they did not have such a board.



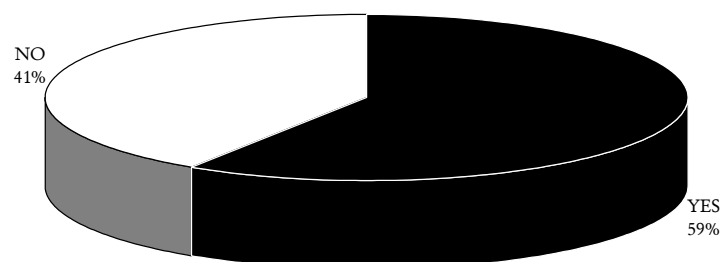
*Question: Does the business have a governance board?*

Seventy percent of the family-owned media businesses do not have a policy about who should serve on the governance board, such as whether it should include shareholders, family members, or outsiders.



*Question: Is there a clear policy about who should serve on the board?*

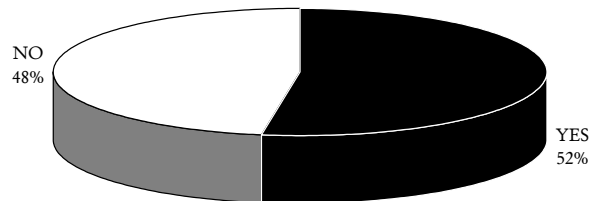
In 41 percent of the cases, the respondents indicated that their respective companies have no advisors who are free and willing to openly challenge the leaderships' strategies and decisions.



*Question: Are there advisors free and willing to openly challenge the leadership's strategies and decisions?*

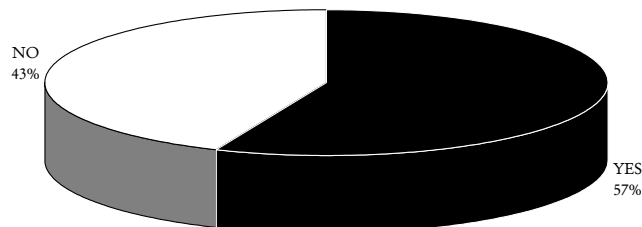


Forty-eight percent of the respondents indicated that non-active owners do not have a mechanism for appreciating or reviewing the performance of the senior management team.



*Question: Do non-active owners have a mechanism for appreciating and/or reviewing the performance of the senior management team?*

More than half of the companies do have board members that respondents reported could be helpful in mediating or resolving family differences.

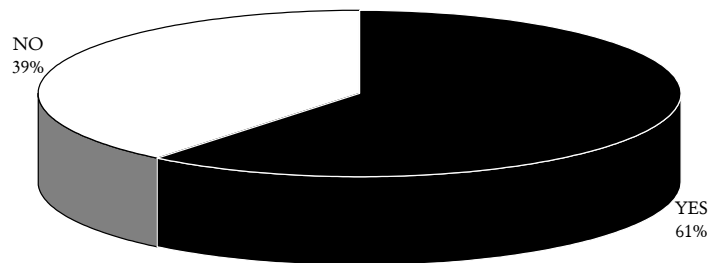


*Question: Are there board members who can be helpful in mediating or resolving family differences?*

### 2.3 Family/Company Culture

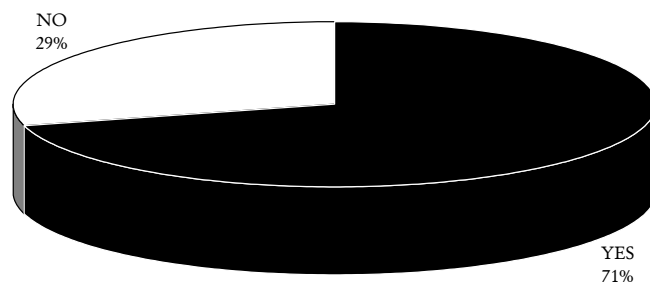
This section focuses on the values and culture of the family, whether and how the company is influenced by those family values, the extent to which family and company activities are intertwined and interdependent, and how family is defined.

Sixty-one percent of the respondents indicated that their companies were run with commitment to the values of the owning family. Nearly 4 out of 10 indicated that those values were not a factor.



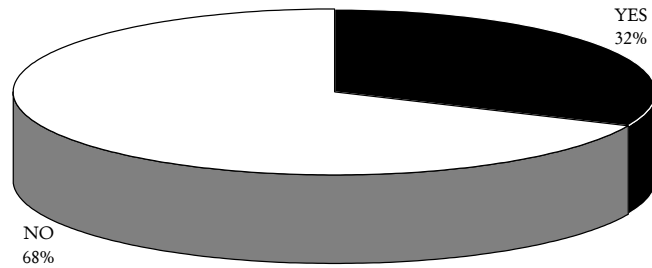
*Question: Are there family values that your company is committed to?*

The founder contributed values to the company that are maintained in the business, according to respondents in 71 percent of the companies.



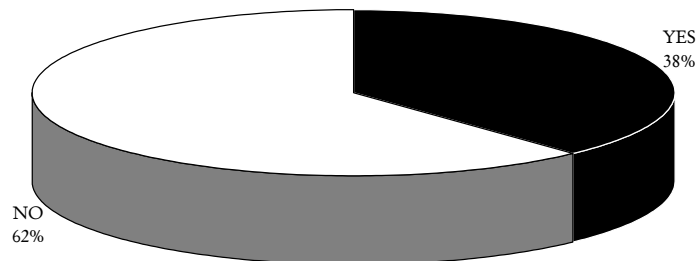
*Question: Are there values of the founder that are maintained in the business?*

In 68 percent of the cases family members do not have organized time for getting together to discuss and resolve differences of opinion about the business and/or conflicts with each other.



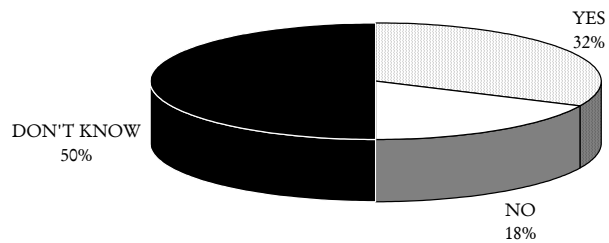
*Question: Is there an organized time when family members can get together to discuss and resolve differences of opinion about the business and/or conflicts with each other?*

In two-thirds of the companies, in-laws are not considered as equal family members.



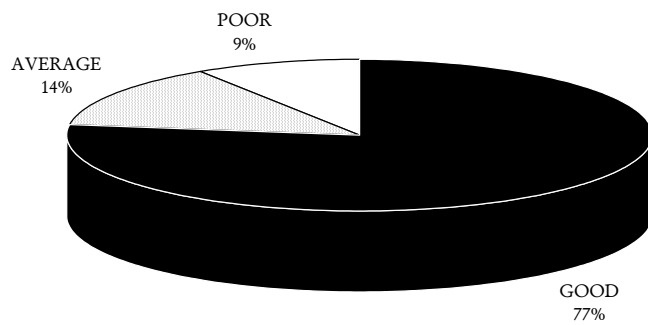
*Question: Are in-laws considered to be equal family members?*

Half of the respondents do not know whether in-laws are eligible to become leaders of the family business and they can clearly do so in only one-third of the firms.



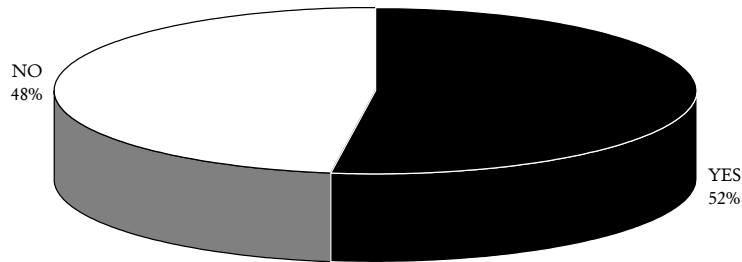
*Question: Are in-laws eligible to become leaders of the family's business?*

Communication within the family is characterized as good in more than three-fourths of the companies.



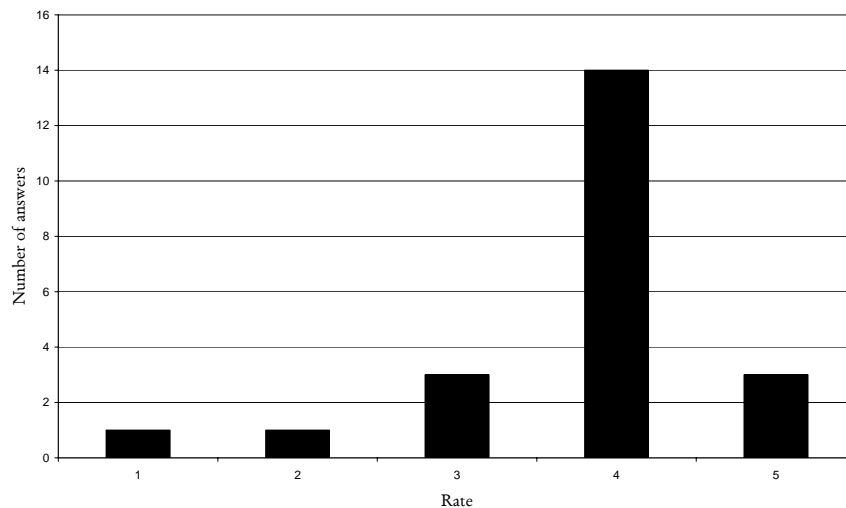
*Question: How would you describe communication within the family?*

In almost half of the cases families reported the they do not use formal meetings for discussing business matters.



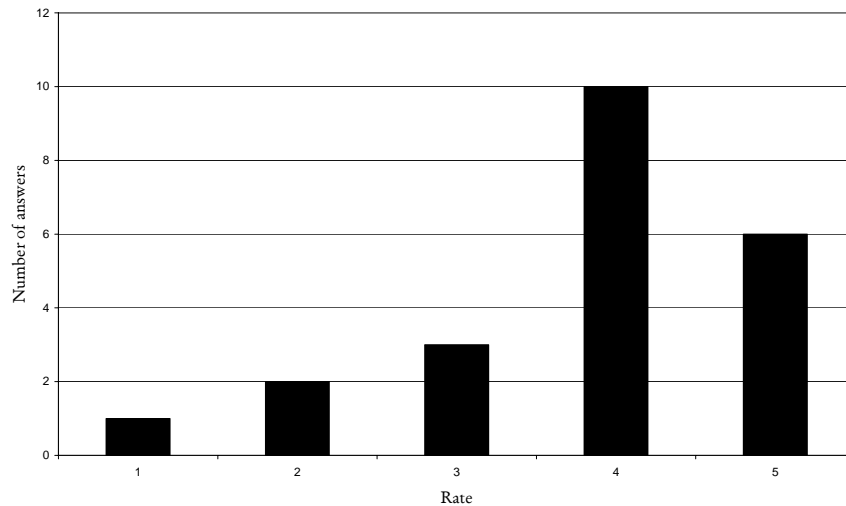
*Question: Does the family meet at formal meetings to discuss business matters?*

Family members appear to share similar values to a fairly large extent. When asked to rate the extent to which family members share similar values on a scale from 1 to 5 (where 1 is least and 5 is the maximum), respondents for the majority of firms indicated that the values were shared.



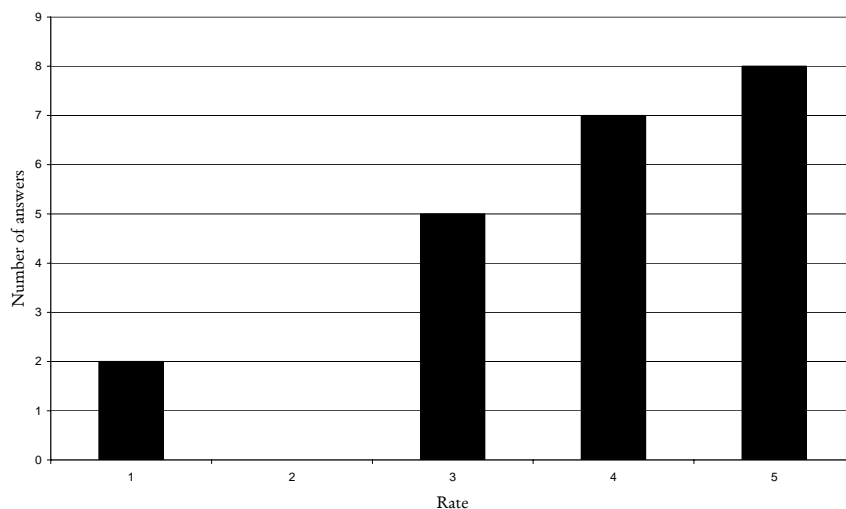
*Question: Please rate from 1 to 5, (where 1 is least and 5 is the maximum) the extent to which family members share similar values*

Family members and the company share similar values to a great extent. When asked to rate that extent on a scale from 1 to 5 (where 1 is least and 5 is the maximum), a high level of shared values was reported in the majority of cases.



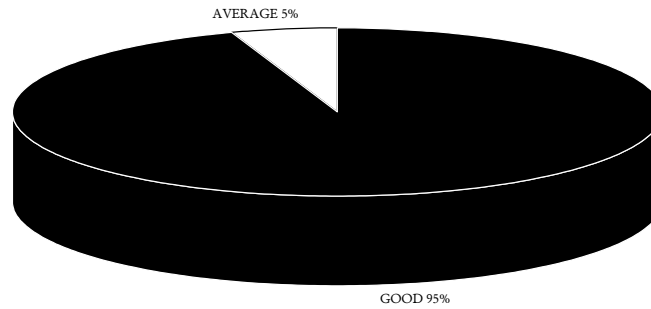
*Question: Please rate from 1 to 5, (where 1 is least and 5 is the maximum) the extent to which family members and the company share similar values*

When asked to report the extent to which family members are willing to put in a great deal of effort beyond that normally expected to help the family business be successful (on a scale from 1 to 5, where 1 is least and 5 is the maximum), the majority indicated that family members were willing to put in extra effort to help the family business be successful.



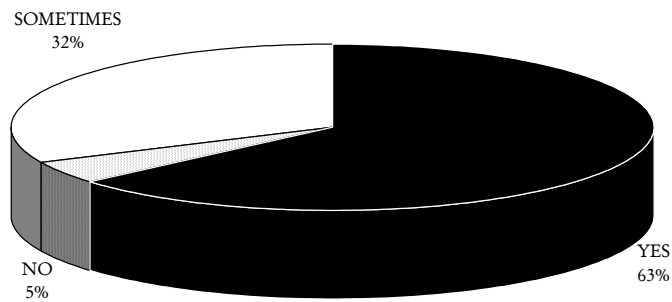
*Question: Please rate (from 1 to 5, where 1 is least and 5 is the maximum) the extent to which family members are willing to put in a great deal of effort beyond that normally expected to help the family business be successful*

The great majority of respondents reported that family members maintained good relationships with each other in the business and none reported poor relationships.



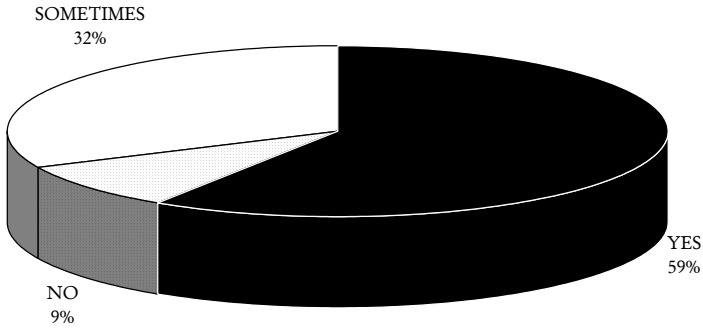
*Question: How is your relationship [poor, good, average] with family members in the business?*

Despite reporting generally good relations, in one-third of the cases the families reported difficulties in communicating effectively about business matters.



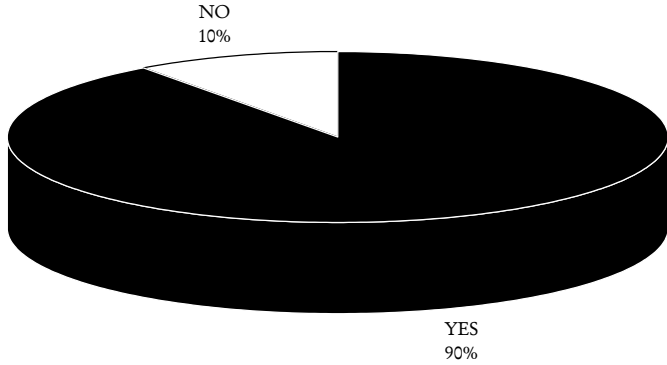
*Question: Does the family communicate effectively around business matters?*

The respondents indicated that the family does not always communicate effectively around sensitive personal and/or emotional issues, although nearly 60 percent indicated that the communication was effective.



*Question: Does the family communicate effectively around sensitive, personal, and/or emotional issues?*

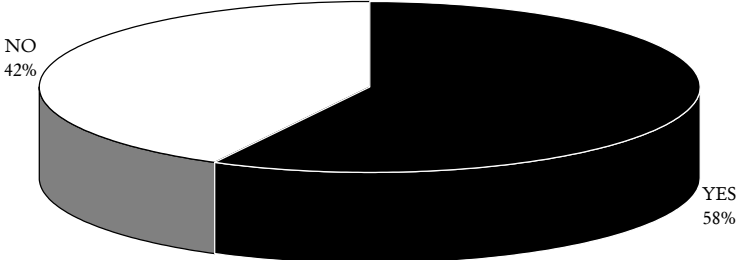
The vast majority of respondents indicated that the families accept and acknowledge the viewpoints of other family members.



*Question: Does the family accept and acknowledge the viewpoints of other family members?*

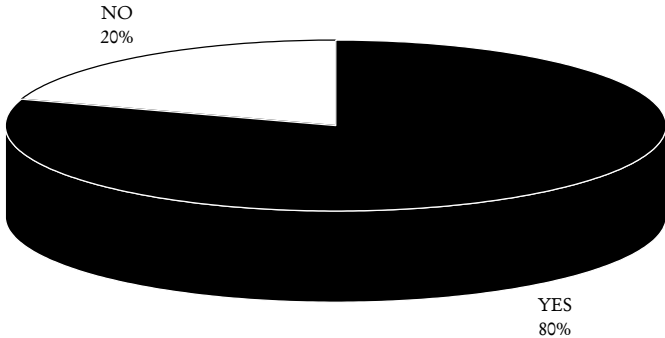


Respondents reported that family members communicated praise more often than criticism in 58 percent of the cases.



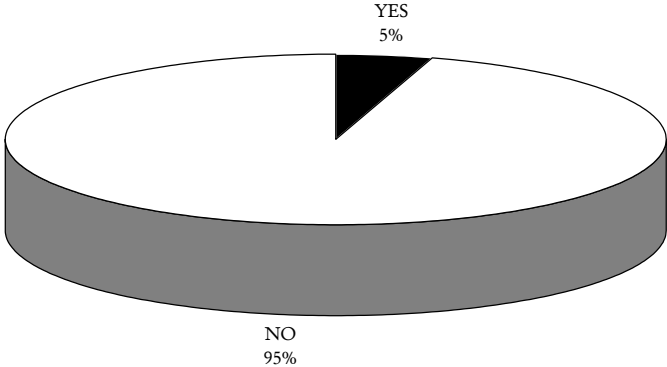
*Question: Is praise communicated more often than criticism by family members?*

Twenty percent of the respondents indicated that siblings and cousins cannot discuss and resolve their conflicts and differences.



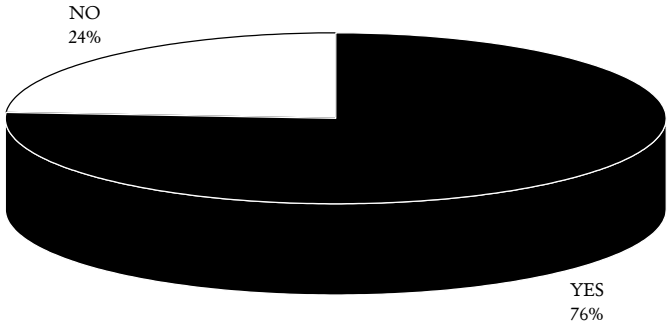
*Question: Are siblings/ cousins able to discuss and resolve their conflicts and differences?*

Nearly all respondents indicated there were no family problems and individual difficulties that were not being addressed by the family.



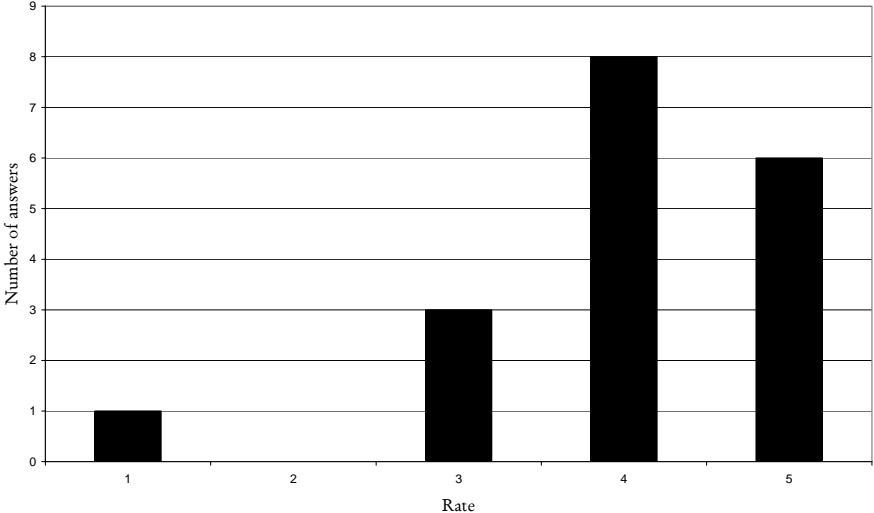
*Question: Are there currently family problems or individual difficulties that are not being addressed by the family?*

Three-fourths of the respondents indicated that they worked with family members in the business to achieve consensus.



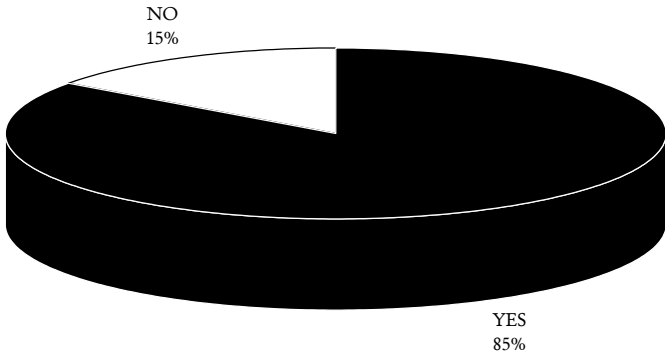
*Question: Do you work with family members in the business on "achieving consensus"?*

Achieving consensus is managed to a good extent according to respondents, who were asked to indicate the extent to which consensus was achieved on a scale from 1 to 5 (where 1 is least and 5 is the maximum).



*Question: If yes to the previous question, to what extent do you achieve it (please rate from 1 to 5, where 1 is minimum and 5 is the maximum)?*

The vast majority of respondents indicated that achieving consensus is important for their decision-making processes.



*Question: Is "achieving consensus" important for your decision making processes?*

## 2.4 Family Business

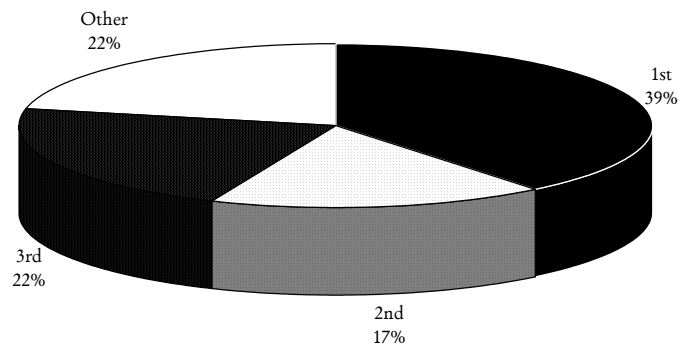
This section asks questions about the length of time the company has been in the family and its relations to others in the family. It uses generational terms in the questions and they are defined as:

*First Generation:* The Controlling Owner or couple stage: ownership control is consolidated in one individual or a couple. If there are other owners, they have only token holdings and they do not exercise significant ownership authority.

*Second Generation:* The Sibling Partnership Stage: two or more siblings have ownership control. There is effective control in the hands of one sibling generation.

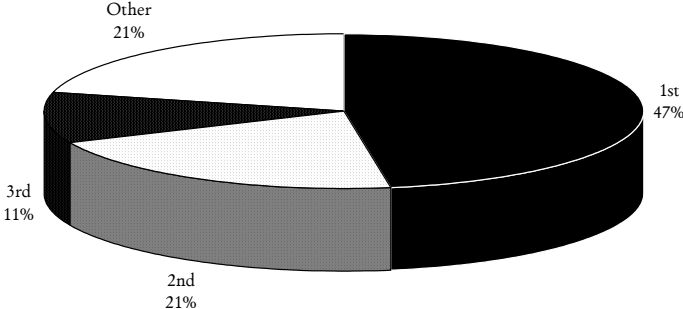
*Third Generation:* The Cousin Consortium Stage: there are many cousin shareholders. There is a mixture of employed and non-employed owners.

Nearly 40 percent of the businesses are owned by the first generation, and 60 percent have passed over to the next generations.



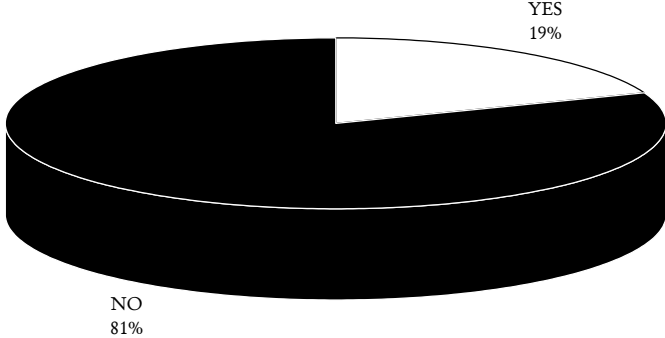
*Question: Which generation owns the company?*

Nearly half of the companies are reportedly run by the first generation family.



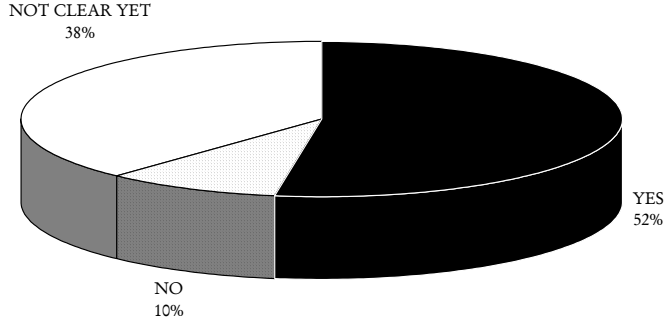
Question: What generation of the family is now running the business?

In 19 percent of the companies, ownership of the business is reported as restricted to those working in the business.



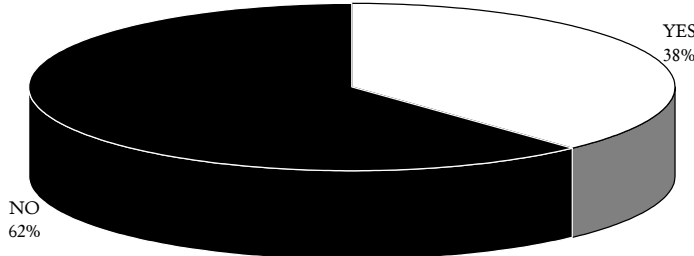
Question: Is the ownership of the business restricted to those working in the business?

Commitment to keeping the business in the family was reported in just slightly more than half of the companies.



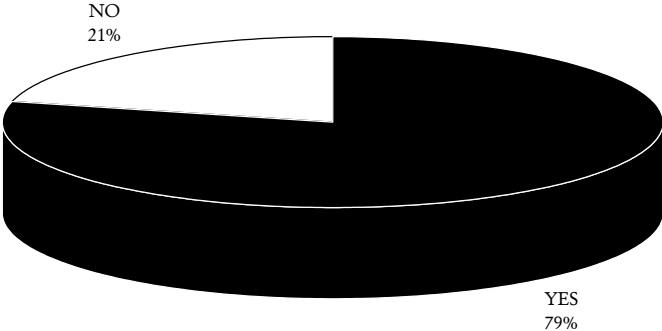
*Question: Is everyone committed to keeping the business in the family?*

Less than 40 percent of the respondents reported that there are family members involved in the management of the business who are not owners.



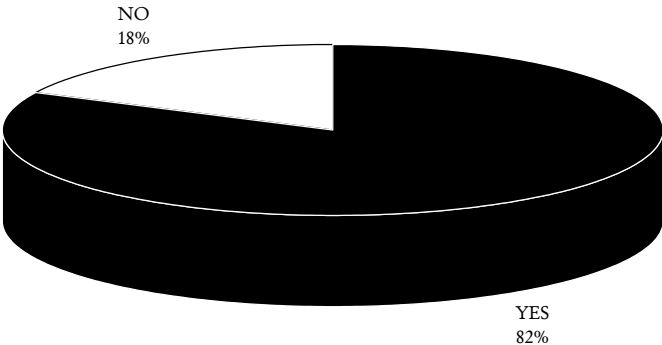
*Question: Are there any family members, who are not owners, involved in the management of the business?*

In more than three-fourths of the cases everyone within the family is reported to aware of the owner’s plans for the future.



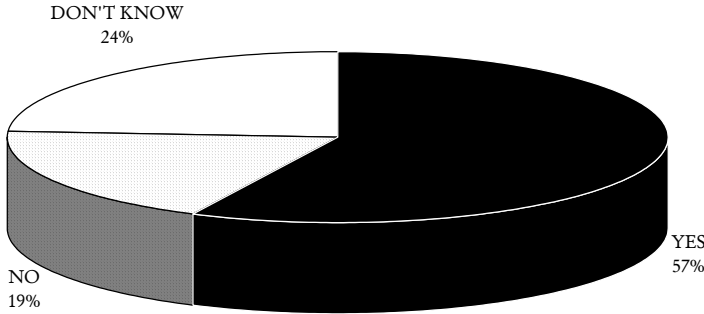
*Question: Is everyone within the family aware of the owner's plans for the future?*

Eighteen percent of the respondents said that their family media business does not have a management board.



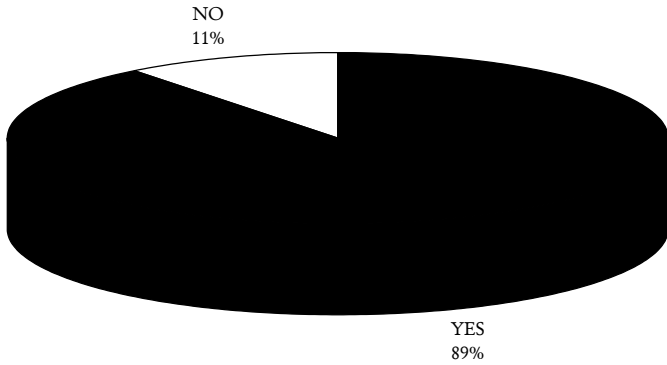
*Question: Does the business have a management board?*

More than half of the respondents reported that all family members understand how financial information is used and how management decisions are made, but nearly 20 percent indicated that all family member did not.



*Question: Do all family members understand how financial information is used and How management decisions are made?*

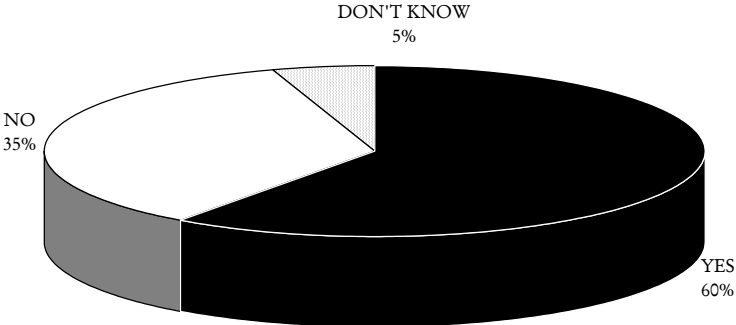
The majority of respondents indicated that all members of their family are working together in management in order to resolve differences successfully.



*Question: Do all members of your family working together in management successfully resolve differences?*

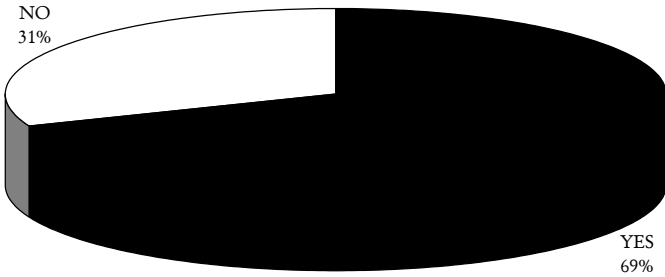


One-third of the respondents reported that family members in management are not compensated based mainly on objective measures of competence and performance.



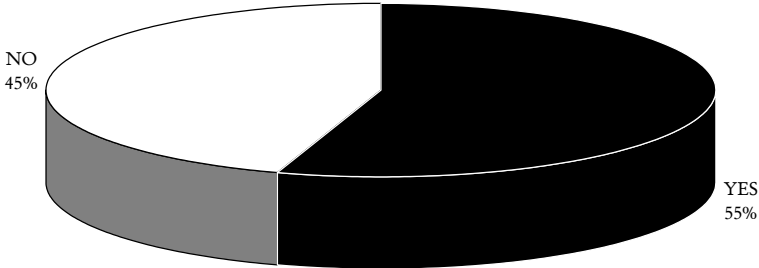
*Question: Are family members in management compensated based on objective measures of competence and performance?*

The present owners, e.g. shareholders, are responsible for the management of the business, according to 69 percent of the respondents.



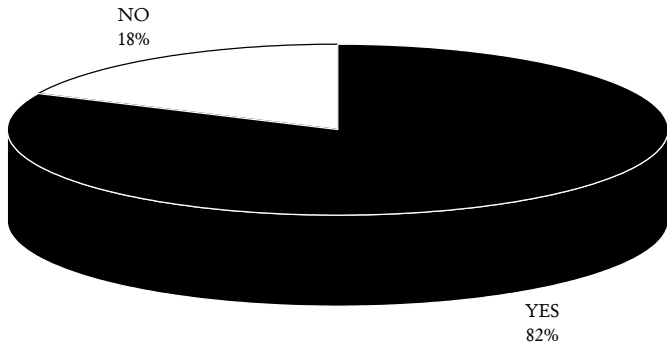
*Question: Are the present owners, e.g. shareholders, responsible for the management of the business?*

More than one generation of the family was reported to be working in 55 percent of the businesses.



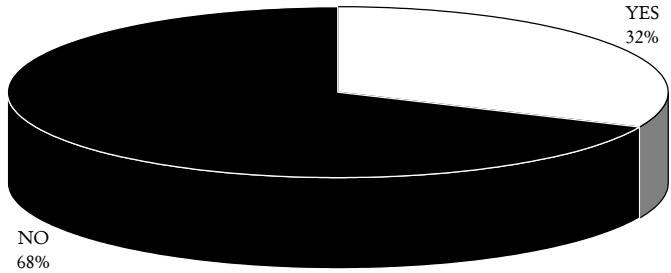
*Question: Is there currently more than one generation working in the business?*

Respondents from nearly one in five of the firms reported that they do not operate with a business plan in place.



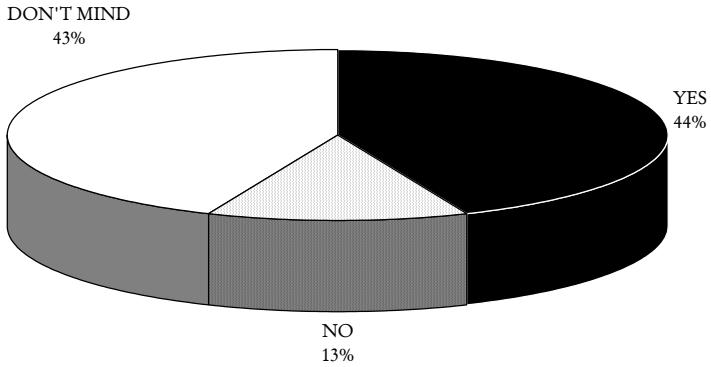
*Question: Is there a business plan in place?*

Only one-third of the companies reported that there is a family agreement in place dealing with family issues, in addition to the Articles of Association.



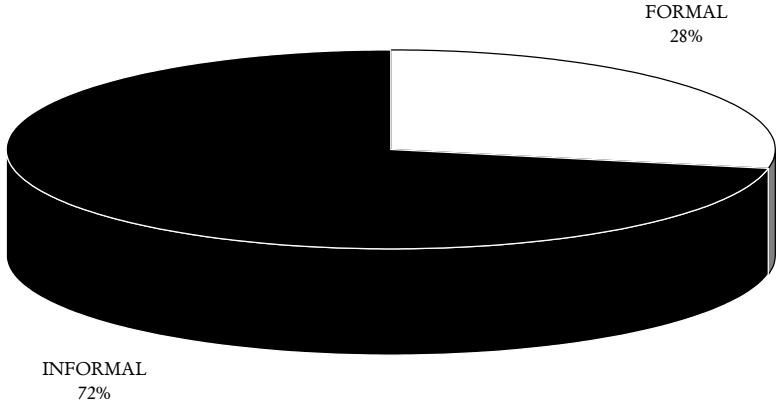
*Question: Is there a family agreement, e.g. family constitutions in place dealing with family issues, in addition to the Articles of Association?*

Only 44 percent of the respondents clearly want the company to be identified as family business by persons outside the company and 13 percent explicitly do not want it to be identified as such.



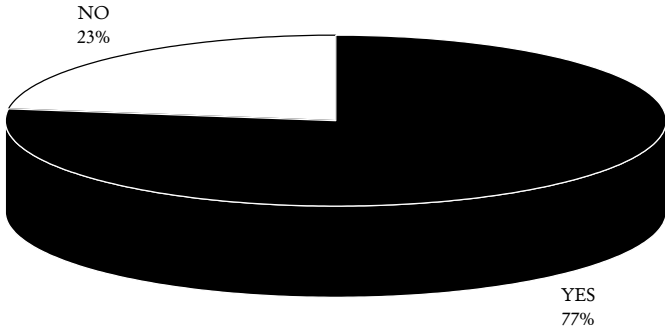
*Question: Do you want the company to be identified as Family Business by persons outside the company?*

Nearly three-fourths of the companies reported that informal arenas are more effective and efficient arenas for important decisions than formal arenas.



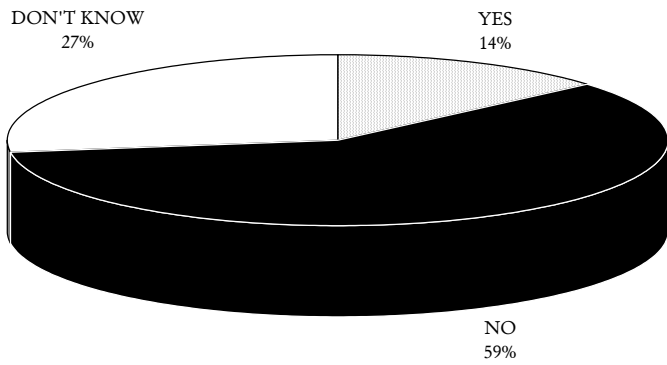
*Question: Which is more efficient and effective arena [formal or informal for important business decisions?*

More than three-fourths of the respondents reported that current business issues/conflicts are resolved to their satisfaction.



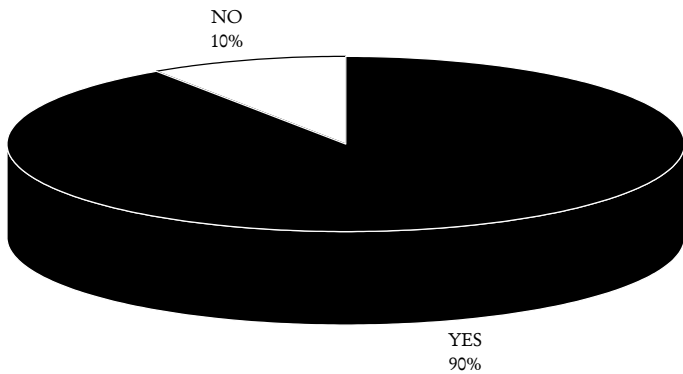
*Question: Are all current business issues/conflicts resolved to your satisfaction?*

More than half of the respondents reported that non-family executives are not concerned about career opportunities, but 14 percent reported that non-family executives were concerned about career opportunities within the firm.



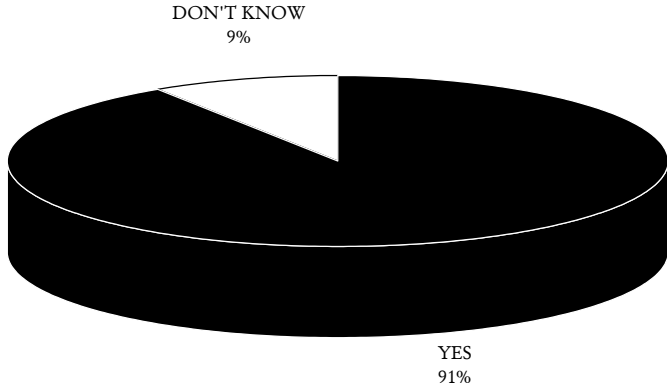
*Question: Are non-family executives concerned about career opportunities?*

Non-family employees were reported to be eligible to become leaders of the family's business in 90 percent of the cases.



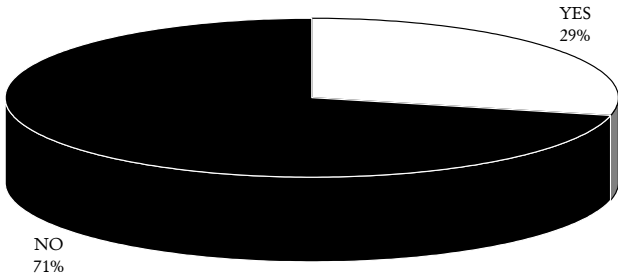
*Question: Are non-family employees (who have the potential) eligible to be leaders of the family's business?*

Ninety-one percent of the respondents reported that their family-owned media firm is reinvesting in R&D, infrastructure, and technology to maintain competitive advantage.



*Question: Is the business making appropriate investment in R&D, infrastructure, and technology to maintain competitive advantage in the future?*

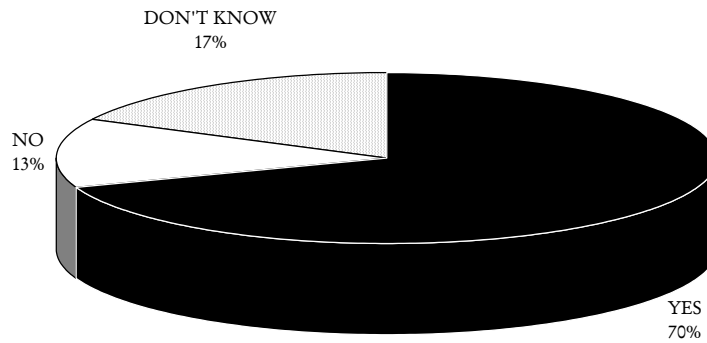
There are predefined positions (management, operational positions, etc.) that only family members are succeeding to, according to 29 percent of the respondents.



*Question: Are there predefined positions that only family members are succeeding to (like management, operational positions, etc.)?*

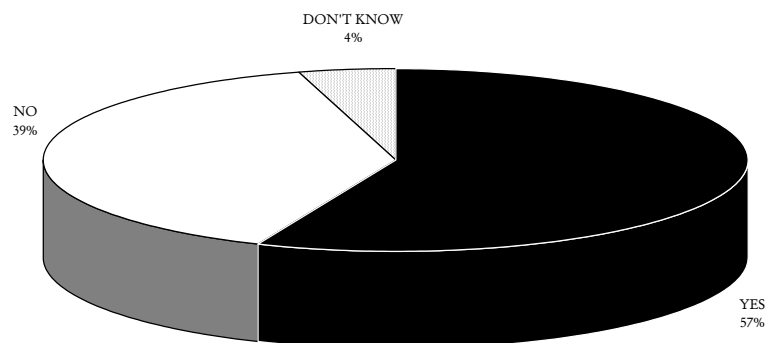
## 2.5 Succession Plans

Respondents indicated that 70 percent of the current owners intend to pass on the business to the next generation.



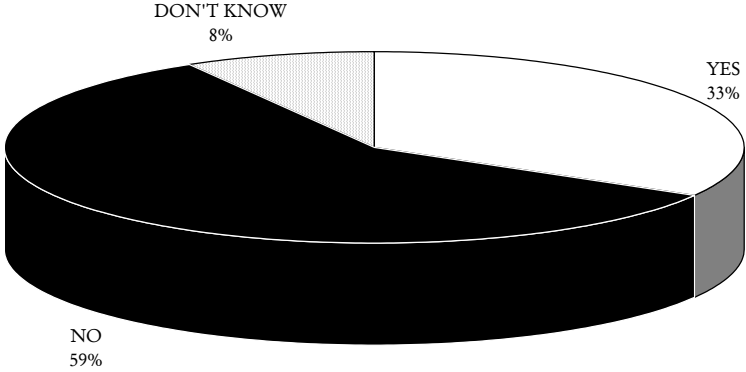
*Question: Is the current owner's intention that the business should pass to the next generation?*

More than one-third of the current owners have not made retirement provisions for their business, according to respondents.



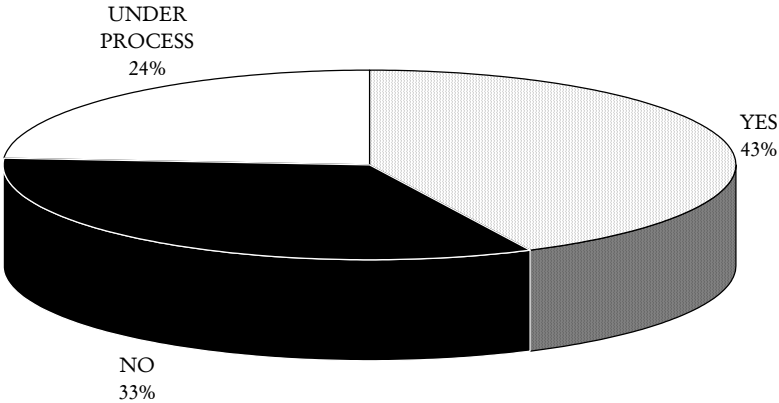
*Question: Have the current owners made retirement provisions?*

The future ownership of the business is drawn up in a will prepared by the current owners in only one-third of the cases, according to respondents.



*Question: Have the owners of the business drawn up a will, which gives a clear picture as to future ownership?*

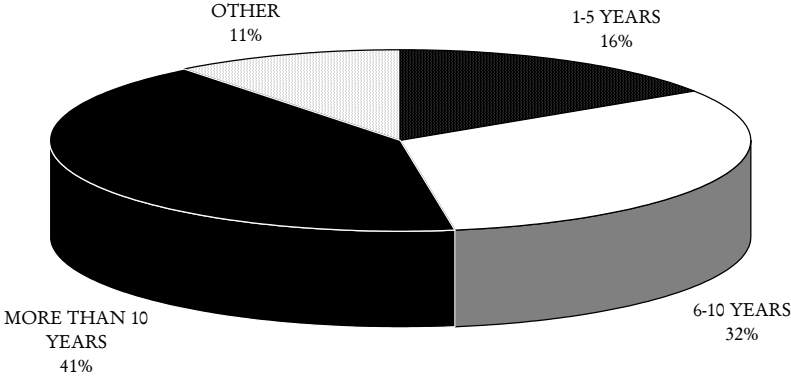
One-third of the families have not talked about who will eventually own the family business and how the transfer will take place, but 24 percent of the families are currently undertaking this process, according to respondents.



*Question: Has your family clearly and openly talked about who will eventually own your family's business and how that transfer will take place?*

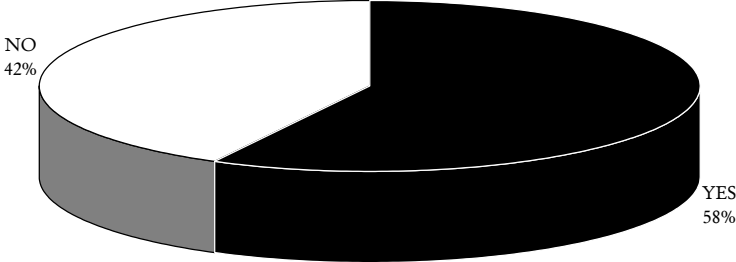


Nearly 50 percent of the respondents indicated that the owners will retire and pass control of the firms to others in less than 10 years.



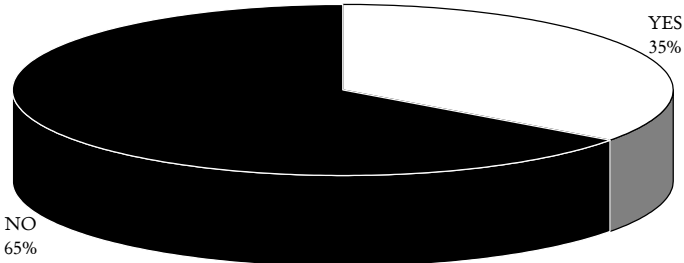
*Question: When do the present owners intend to retire and pass over their control?*

In the majority of the firms, members of the successor generation have indicated their wish to be involved in the business, according to respondents.



*Question: Has the successor generation indicated their wish to be involved in the business?*

No successor has been identified in 65 percent of the family-owned media firms.



*Question: Has the successor been identified?*

### 3. CHALLENGES AND ISSUES REPORTED

Respondents were asked to indicate the most important challenges and issues currently faced by their companies. The companies reported a number of operating and family-related issues.

#### Operating Issues

- Lack of capital for expansion
- Tough competition
- Little growth
- Maintain a profitable business in a declining market
- Planning and vision
- Being too introverted. Afraid of outsiders
- Have resources (money and competences) enough to develop the business in pace with the time
- Hold high quality, gain money, and keep up the circulation of the newspaper
- Frame agreements, employers fee, stamps/distribution, competition with other media, globalization
- Access to finance
- Handle competition with quality and profit
- Product development—See to it that our papers have the same or higher level than our competitors
- Adjust to political and commercial reality

#### Family Issues

- To make a succession plan
- The company in 4 generations has far outgrown the family. Professional management is necessary to develop the company and increase the returns to owners. Family is no longer involved in management except at a minor level (MD of small special subsidiary)
- Secure oneself for the future according to the market development, without losing existing law and identity

Respondents were asked what one thing related to family ownership they would change in their companies. Some of their answers were:

- I would elect some real outsider to the board
- Concentrate the ownership more. However this will happen in a natural way.
- Regret that company may soon no longer “have a face.” Foundations are too much “institutional owners” for media businesses. Family is too small to provide a face in the next generation as business goes more global. Family management is difficult to maintain. Risk of not getting the very best manager possible or being able to change the management if it does not perform. Family business tradition in professional management allows for a longer term vision and options which are beneficial.
- Should have started in the business 1-2 years earlier

- Make my siblings more interested in investing more money in the company. I think it has a great future, but they think it is ok at the level it is right now.
- Wish no change. Third generation could spend more time in operations. However we know they are interested and competent
- Sell
- The problem with the tax when you change generations
- Offer correct legal succession conditions

## 4. GENERAL SUGGESTIONS FOR FAMILY-OWNED COMPANIES

Through the survey we attempted to determine management issues and responses that could be helpful for owning families to consider in their respective companies. Depending on the company size, family involvement, and which generation owns and runs the business, the following could be considered accordingly.

- Consider a governance board and a clear policy about who could better serve on it (e.g. shareholders, family members, outsiders)
- Consider advisors who would freely challenge the leadership's strategies
- Ensure that active or passive owners have knowledge about their rights and obligations
- Consider mediators, such as board members, for resolving potential family differences.
- Have organized times when family members can get together to discuss and resolve differences of opinion about the business and/ or potential conflicts with each other
- Define the role of the in-laws in ownership rights, leadership potential, etc. Are they equal family members or not?
- Consider whether it is important to keep the business in the family or not
- Create a management board
- Have a business plan in place
- Make a family agreement, e.g. family constitution, that deals with family issues apart from the Articles of Association
- Consider the career development of non-family executives
- Consider and/or reconsider predefined management or operational positions that only family members are succeeding to
- Current owners should make retirement provisions
- Include the future ownership of the business in the will of the owners
- Talk with the family about who will own the business in the future and how the transfer will take place

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