

# **Overview of Family Business Relevant Issues**

## **Country Fiche Austria**

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This study has been elaborated with reasonable care. The authors and the project co-ordinator do not, however, accept responsibility for printing errors and/or other imperfections and potential (consequential) damage resulting thereof.

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## 1 Introduction

The issue of family businesses is intensively discussed in Austria as they are considered to constitute the backbone of the economic development. Nevertheless, there is a lack of an overall definition of the term “family business”. SMEs and family businesses are widely understood synonymously in public and policy discussion in spite of the fact that they exist in every size class.

Family businesses differ from non-family businesses in terms of ownership, management and company internal collaboration, and are, furthermore, characterised by the interaction of family and company sphere that in most cases is very interrelated. Family businesses differ from non-family businesses.

Authorities discuss a lot about the importance of the family business sector for the country, especially since the family internal succession seems to be uncertain for a considerable number of family businesses. Socio-demographic changes, a continuous change of family values and the rise of one-person households create background conditions in which the future of Austria’s family businesses in terms of a sustainable business conduction within a family is uncertain. Experts predict that in the near future the number of Austria’s family businesses will be declining or at least a major break in traditional family intern succession will be observable. Too many young people in business families are not interested in continuing the business tradition. Even if a lot of discussion takes place, more awareness to that problem or future challenge for Austria’s family businesses should be raised. Ongoing business support and encouragement for the family business sector is needed in Austria.



## 2 Understanding of “family businesses” in the national context

Although family businesses can be considered to constitute a traditional subject of public, policy and academic discussion, no universal definition of the term “family business” can be found in Austria. While the general public seems to have a “general feeling” what family businesses are and respective discussions do not bother with dealing with clarifying the object of discussion, also public authorities hardly ever propose a definition of this business sector (even when designing and offering support programmes) and often equate it to the SME sector. In contrast to that the academic community applies a wide field of heterogeneous definitions, depending on the background of the authors and the purpose of the study. In many cases reference is made to international literature of the issue.

Generally, family business can be understood as economic-sociological entities that are characterised by an interrelationship between family and enterprise in economic, management and sociological frameworks (ref. *Neubauer*, 1995, P. 172).

The authors *Frasl/Rieger* (2007, P. 30) also define family businesses regarding to the interrelationship between the family sphere and the company sphere. They determine family businesses as companies where the ownership is in hands of a dominating family system. In most cases, the family system, which has been developed in total correlation with the company system, bares the company risk and is entirely responsible for action. In view of this, family businesses unify family-based owner functions as well as management functions of the underlying company.

Thereupon, *Czernich/Guggenberger/Schwarz* (2005, P. 7) determine a list of characteristics a family business has to show:

- The people involved in the business have to be members of the direct family line;
- those members have to be able to run the company, and
- the company is run in order to serve a certain economic purpose for the family.

Furthermore, it is stated by *Czernich/Guggenberger/Schwarz* (2005, P. 7) that the family has to control the business in terms of being able to influence the development and the strategic goals of the company. Consequently, the family has to hold an absolute majority of votes inside the company and at least one family member has to be actively involved in the operative business management of the company. The family also has to bear the ownership of the enterprise in terms of being the sole beneficial of the company profit while at the same time being subject to the entrepreneurial risk of failure.

A similar definition is applied in the family business survey of the Austrian Gallup Institute requiring the family members to own at least 15 % of the company and having major influence on the management. Furthermore, the family has to represent or build the board of directors and the executive board of the underlying company.<sup>1</sup> The same definition is used by the financial institute “Investkredit” which partly sees itself as a specialised bank for the sector of family businesses.

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<sup>1</sup> ref. <http://www.wirtschaftsblatt.at/home/service/familienbetriebe/245597/index.do>, 17.04.2008



Also *Kalss/Oelkers* (2007, P. 21) state that family business typologies are linked to factors like family, company, ownership, control or management. According to that they determine the following three types of family business:

- Sole proprietors

One family member is owner of the company and manages the business. There is little discrepancy between profit orientation and family cultures and traditions, but sole proprietorships are faced with a limited access to finance.

- Stock family businesses

The ownership is characterised by a group of individual families which are, furthermore, represented by a number of family members. Those families follow individual interest. Resulting from that, interest conflicts are of great concern, but the enterprises are less vulnerable to bad decisions.

- Family businesses with external management

This model refers to large family owned companies which have existed for a couple of generations and are represented by a heterogeneous group of shareholders – family members only sporadically take part in the management of the company. Conflicts may occur as shareholders are interested in profit and efficiency whereas family members rather stick to family traditions and the company's culture (ref. *Kalss/Oelkers*, 2007, P. 22-24).

An ongoing topic for discussion is whether the definition of family businesses is a matter of size. Although many family businesses are small, family businesses may also dispose of international influence.

To conclude, the interesting fact that also the Austrian law deals with family businesses – however with hardly ever providing an operative definition of this target group – is to be mentioned. One exemption constitutes the regulation for Shop Opening Hours of 1991, BGBl.No.50/1992, (Öffnungszeitengesetz 1991, BGBl.Nr. 50/1992) in which retail family businesses are referred to as enterprises in which merely the business-woman or the businessman her- or himself, and two more family members (husband or wife of the business owner, other people who are relatives to the business owner in a direct family line) are entitled to work. This regulation, however, has been deregulated in the year 2003. Presently, only one of the nine federal states (Burgenland) has individually included the above definition in its regional legislation.

From the legal basis it also becomes obvious that family businesses in Austria are traditionally connected to the agricultural sector. Several agricultural regulations refer to family businesses whereby in many cases the income to sustain the operating family constitutes an important criteria: "An agricultural family business is an autonomous agricultural business which provides on a regular basis or in combination with a related business an adequate and sustainable income for the operating farming family." (Agricultural residential regulation in the region of Vorarlberg (Bäuerliches Siedlungsgesetz LGBl.Nr. 37/1970, 20/1977))



In contrast to that, the Austrian Code of Corporate Governance which was published in 2002 could rather be assessed to neglect the existence and relevance of family businesses as it specifically requires that members of the management board and members of the board of directors must not be close family members (direct offsprings, wife/husband/partner, uncle/aunt, brother/sister, niece/nephew) (ref. *Österreichischer Arbeitskreis für Corporate Governance*, 2007, P. 41).

Next to this general code, a distinct Code of Corporate Governance for family businesses has been elaborated in 2002, giving, however, no determination on what is to be understood by a family business.



### 3 Importance of family businesses for the national economy

In Austria, there do not exist any official statistics tracking family businesses' extent and economic contribution. Rather, available data stems from individual research, resulting in the fact that due to diverging definitions and methodological approaches the individual results may differ from each other and are hardly comparable. Nevertheless, they give some indications on the dimension of family businesses' economic importance. According to that, more than 80 % of all Austrian companies are family businesses and employ 75 % of all employees. These figures pinpoint the immense importance of family businesses for Austria's economy (ref. *Czernich/Guggenberger/Schwarz*, 2005, P. 4-5)

Similar results are also shown by the authors *Frasl/Rieger* (2007, P. 20) mentioning that 80 % of all Austrian enterprises and more than 70 % of all employments can be attributed to the family business sector.

Austria's family business sector is characterised by a dominance of SMEs. Nevertheless, there also exist several successful Austrian holdings acting worldwide that are in the hands of families (e.g. Porsche Holding GmbH, the Bauholding Strabag AG and Spar Österreichische Warenhandels AG (ref. *Czernich/Guggenberger/Schwarz*, 2005, P. 6)).

It is worth noticing that size classes of family businesses and the importance of determined size classes stay relatively constant over the course of time (ref. *Czernich/Guggenberger/Schwarz*, 2005, P. 5). Nevertheless, there is a change predicted by experts. Due to socio-demographic change and a decreasing interest in family internal business successions a decline in the total number of family businesses in Austria has to be expected. An important number of family businesses with long family traditions faces the risk of having to withdraw from the market in the near future.



## 4 Characteristics of family businesses

Probably the most important characteristic of family businesses refers to the close interaction between family and business sphere. Both areas show different rules and conditions. The interaction of both provides the basis for both, competitive advantages and potential for conflicts.

**Table 1** Conditions and rules in families and companies

Family	Company
<ul style="list-style-type: none"> <li>• Inside the family emotional connections are prevailing</li> <li>• Love, loyalty and welfare are central topics in interpersonal relationships</li> <li>• Within a family acceptance is earned, based on the person, but the members only encourage based on the family requirements</li> <li>• Family affiliation is not a choice, the life decides</li> </ul>	<ul style="list-style-type: none"> <li>• Business is bound to the rules of the market</li> <li>• The turnover, the profit, costs and productivity are the dominating parameters in business. On the company level, priority is given to them, not to emotions</li> <li>• Acceptance and encouragement are based on achievement and effort</li> <li>• The affiliation to the company/ business is free of choice, beginning, duration, end are free to determine. There is no lifelong right for affiliation, like in the family.</li> </ul>

Source: Mötzeneder, 2007, P. 3

Family businesses encourage strong personal and social appreciation. This is an important factor for personal alliances and loyalty between the employees and the company. Family structures constitute strong identification among the members, based on inter-family solidarity. In contrast, publicly owned company possibly show weaker systems of social values. For those company structures it is a conceivable strategy to invest capital, time and effort in order to strengthen the loyalty among employees and members. For a distinction of family businesses from anonymous incorporated companies the determining question is: To what extent do the owners influence the company or what control do they have?

- Incorporations are characterised by a number of shareholders who are not involved with the management. The management takes over control without passing it on to the shareholders.
- The owner of a family business controls the company. On the one side, the owner is the major beneficiary in case of success, but on the other side he/she entirely bears the company risk.

While in public companies venturous investment decisions could possibly be less hazardous for the individual shareholder, members of family businesses often put more at risk – even their private property. As a matter of fact, the owner of a family business must be more willing to take risks than shareholders of public companies.



Family businesses are characterised by well developed and maintained customer associations (ref. *Hennerkes/Berlin*, 2007, P. 28). Communication and the transfer of values are strengths of well performing family business structures. One possible key to success is that members talk, actions and decisions should be explained, questions have to be encouraged, feedback and input have to be given. Although family businesses are exposed to economic and technological changes, the company cultures generally are advantageous for dealing with radical changes. As communication and family culture are seen as success factors for family businesses (ref. *Hötzeneder*, 2007, P. 3), some further favourable characteristics are:

- Responsibility in risk taking,
- Orientation on the company performance,
- Human indigenusness and
- Proximity to social structures (ref. *Frasl*, 2007, P. 1).

Family businesses are influenced by four fields of “impact”:

- The personality of the owner, i.e. the personal character of the owner of the company with all positive and negative effects (the health, the physical condition, the joy for the work, the personal style of work)
- The family structure, i.e. the family system with different role models of the members. That may result in conflicts, if within the company diverging roles are taken over. Central efforts are, therefore, to build trust, avoid conflicts, and solve conflicts.
- The private property, i.e. everything that is in private ownership of the family. It has to be secured and should be detached from the company’s performance.
- The company, i.e. everything that is in the environment of the company (e.g. capital, assets, profit etc). Liquidity has to be secured, the efficiency has to be raised and the financing has to be stabilised.

Although, 92 % of actors (owners, employees) in family businesses in Austria are satisfied with their business and realise their advantageous situation, barriers for the family business sector can be identified (ref. *Homan/Pleininger*, 2004, P. 1):

- The costs for labour which also include costs for fringe benefits are seen as major troubles for young, family owned businesses.
- Labour laws or legal relationships are also seen as considerably complicated by affected members. About 25 % consider labour law regulations as a brake for family businesses’ development.
- Especially the larger companies (more than 200 employees) see a lack in qualifications among their employees as problematic.
- 1/10 of the family businesses consider the limited access to capital markets, especially the lack of venture capital, as a big problem for smaller family businesses. Resulting from that, the demand for capital and liquidity too often remains unsatisfied.
- Capital investors do not see family businesses as suitable partners for investments – risk and chance for yield are seen by investors as being too contiguous.
- Experts say that family businesses in Austria are too much focused on bank financing and, thereby, on criteria like equity ratio, equity-assets ratio and bank-



independency. The overall conservative attitude of family businesses against expansive acquisitions and risky strategies is seen by experts of being too dominant.

A differentiation between family businesses and non-family businesses can be based on the business objectives followed. One major aim or goal which is considered to be characteristic for family businesses is that traditional values, cultures and long-term sustainable management practices are prevailing. Older generations often stick to traditions and procedures whereas younger family members are more open towards innovation and changes. Herein many conflicts and the lack of successful business transfers could have their origins. Based on an interference of family interest with company interest, the emotional sphere of the family is seen to be very dominant. In view of this, family businesses often face problems in transferring the management from the previous generation to the next. The following reasons are mentioned by *Hötzeneder* (2007, P. 3):

- The management sticks to old fashioned success strategies and tries to affiliate to the “old days”
- The company acts with too much rigid product loyalty
- Chances for co-operation are not realised and the company is not adjusted to altering market conditions
- Risk indication is not enough elaborated and the reaction to signals is not fast enough

Company succession and especially the family internal succession are identified as a challenge for family businesses. It is likely that economic, legal or fiscal policies are replaced by family internal regulations or interpersonal feelings. In Austria, in 20 % of the family internal successions a negative effect on the family situation has been realised (ref. *Mandl/Voithofer*, 2005, P. 316-327). In the period between 1996 and 2001 a decrease in family internal successions was observed – being, however, still the most important form of business transfer. While in the year 1996 about 75 % of all successions were family internal, this rate dropped to 66 % in the year 2001. Within the group of family internal succession the dominating form is the donation (37 % in 1996 and 41 % in 2001), followed by inheritance (18 % in 1996 and 15 % in 2001).

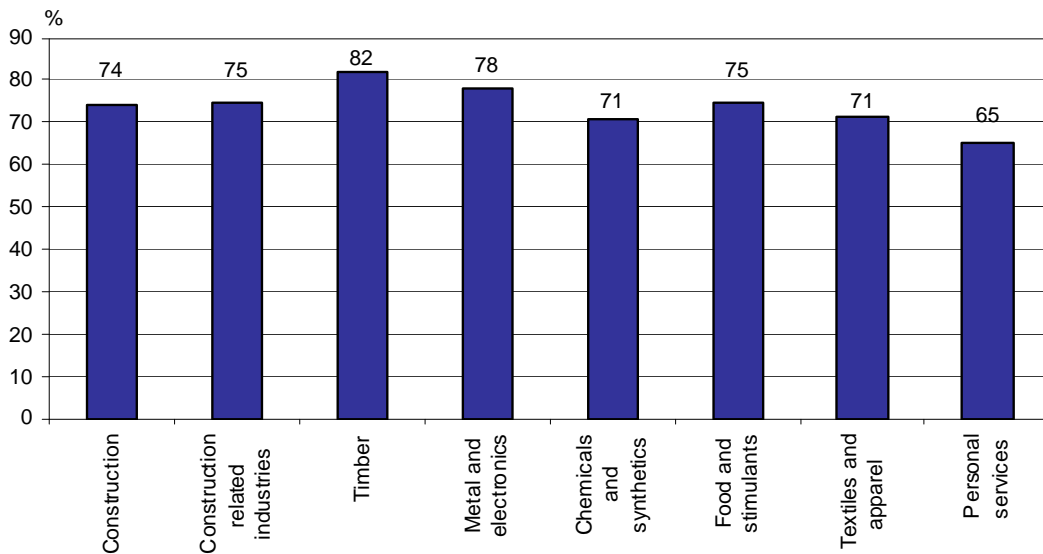
Regardless of the high relevance of succession planning, in the year 2001 only 18 % of family internal successions were based on written succession plans. Apart from that, experts determine that the number of “implicit” succession plans is much higher.

Not only in Austria, but as an overall trend in the European family business sector a lack of conflict resolution instruments can be observed. Instruments for conflict solving can dramatically raise the performance but they only exist in half of the family owned companies in Germany and Austria (ref. *PriceWaterhouseCoopers*, 2008, P. 23).

A survey conducted by the Austrian Institute for SME Research in the 3<sup>rd</sup> quarter of the year 2007 among the sector of craft and trade pinpoints that 75 % of all craft and trade enterprises are completely owned by families. Thereby, comparatively little differences can be found among individual industries. The timber industry shows the highest concentration of enterprises fully owned by families (81 %), while personal services show the lowest rate with 65 %. Regarding size classes it can be observed that enterprises with 20 or more employees are slightly more seldom fully owned by families (about 73 %) than smaller companies.



**Graph 1** Percentage of businesses in craft and trade that are completely owned by families in 2007



Source: Austrian Institute for SME Research, Economic Performance Database

As can be learned from chapter 2, an important characteristic of family businesses is the active participation of family members in the management of the business. In 75 % of all companies in crafts and trade the management of the company consists of one person. Thereby a positive relation between company size class and the number of managers can be observed: While in 84 % of the craft and trade businesses with up to 10 employees the management is conducted by a single person, the respective values amount to 69 % for companies with 10 to 20 employees and to 52 % for larger enterprises.

Consequently, in 25 % of the crafts and trade businesses the management consists of more than one person. In 77 % of these enterprises the management is conducted by 2 persons, in 16 % by 3 persons and in the remaining 7 % by 4 or more persons. In 80 % of those companies the complete management team consists of family members.



With regard to gender dimensions in the Austrian economy it can be shown that women who constitute about 1/3 of all enterprises prevalingly (95 %) run their business in the form of sole proprietorships. Although 69 % of female run businesses are start-ups, the family internal succession has significance, too. 15 % of all companies managed by women are continued in the family tradition (ref. *Heckl*, 2005, P. 33ff). Women who grow up in entrepreneurial families are more inclined to self-employment than women whose families do not run companies. 35 % of women start their business in order to better arrange their private life with employment (ref. *Heckl*, 2005, P. 42) – a motive that is hardly ever mentioned by male founders.

A rising number of family businesses in Austria are run by persons with migration background. Interestingly, the supportive family (especially in cases of sole proprietorships) has a more important role for migrants than for Austrians. Apart from the professional support by the family, migrants furthermore obtain financial funds to run the business from family members as they often have limited access to capital in Austria (ref. *Schmid*, 2006, P. 80). Furthermore, the family plays an important role as workforce in ethnic companies. Especially Turkish businesses in Austria show strong tendencies towards family business structures. Experts, however, state that although the family coherence in migration families is rather strong those family businesses face similar difficulties as domestic family businesses do in separating the private sphere from the business sphere (ref. *Schmid*, 2006, P. 82).

However, not only for migrant entrepreneurs and females the family has an important influence on the company. Research on one-person enterprises, for example, shows that 58 % of one-person enterprises (OPEs) contact their family and friends at least once a week for advice or information in connection with their business (ref. *Mandl et al*, 2008, P. 59ff). Further 22 % do so monthly and only 14 % more seldom than quarterly. As a result, the personal environment is assessed to considerably contribute to the enterprise success by 47 % of the entrepreneurs – thereby constituting the most important reference group (compared to business partners, consultants of chambers of commerce). About 11 % of OPEs consider a lack of family support as a source of difficulties for the development of their business and 74 % of them want family members to become business partners or to join the company.



## 5 Institutional actors and their strategies, policies and initiatives

	Explanation
<b>institutional features</b>	
name of the actor	<b>FBN – The Family Business Network – Austria; Das österreichische Netzwerk für Familienunternehmen</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input checked="" type="checkbox"/> Network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Schwarzstraße 17, 5020 Salzburg
contact person	Sylvia Haller, Manager
telephone	+43 664 2216 454
web-page	<a href="http://www.fbn-austria.at/">http://www.fbn-austria.at/</a>
e-mail	s.haller@sbg.at sylvia.haller@spaengler.at
<b>content based features</b>	
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input checked="" type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input checked="" type="checkbox"/> marketing <input checked="" type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: award
objective	<p>A clear objective of FBN Austria is the exchange of motivations and experience among the members of the network. FBN Austria aims at encouraging experience, enhancing the exchange of ideas and getting members in contact. It intends to foster awareness of economic knowledge among family business members.</p> <p>FBN Austria contributes to the following aspects:</p> <ul style="list-style-type: none"> <li>• Education of the next generation</li> <li>• Relationships between parents and children</li> <li>• Rights of women in family businesses</li> <li>• Relationships of brothers, sisters and cousins</li> <li>• Rights and obligations of children in law</li> <li>• Relationships among family members</li> </ul>



	Explanation
<b>content based features</b>	
initiation	FBN Austria was initiated in the year 2006
contents/description of the initiative/measure	<p>FBN Austria tries to implement its family business Know How in existing lobbies like the chamber of commerce or the industrialist's association. It wants to promote and strengthen family businesses all over Austria. Some selected contents of FBN's work in Austria are:</p> <ul style="list-style-type: none"> <li>• Promotion of an exchange of experience</li> <li>• Events for the provision and discussion of knowledge</li> <li>• Encouragement of relationships among members</li> <li>• Maintenance of PR</li> <li>• Lobby or interest group against politics</li> </ul> <p>FBN Austria performs a great contribution in order to provide Austria's family businesses with high class, theoretical knowledge and to promote the exchange of experience among its members. Thereby, the members get the opportunity to profit from experience from FBN members from all over the world.</p>
<b>user based features</b>	
eligibility criteria/target group	Members of the FBN Austria or participants of events must be family members of an Austrian family business. That means persons who want to become members must be related to the underlying family in the direct family line. In cases where certain parts of the management are executed by non-family members, those are not entitled to take part in FBN events.
Promotion tools/information strategy	In the Wirtschaftsblatt promotion and advertising for FBN is effected. It publishes reports and articles about the work of FBN and organises a yearly convention on family businesses. Members and those who want to become members of FBN Austria are invited every year to conferences, seminars and conventions. Furthermore, FBN profits a lot of word of mouth recommendations.
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input checked="" type="checkbox"/> others, namely: membership fee
costs for participants/members	FBN Austria is financed by membership fees which amount to € 1,000.- per year



	Explanation
<b>performance based features</b>	
evolution	<p>FBN Austria has about 50 members. Advantages for the members of FBN Austria are:</p> <ul style="list-style-type: none"> <li>• Communication: especially international and cross-boarder</li> <li>• Events: especially within Austria, but also internationally</li> <li>• Meetings: international and top class</li> <li>• Seminars and workshops</li> <li>• FBN worldwide summit</li> <li>• Study- and educational programmes</li> <li>• Exchange programmes for the succession generation</li> <li>• Public Relation for a positive image of family businesses</li> <li>• Lobbying or interest group: face to face with politics</li> </ul>



	Explanation
<b>institutional features</b>	
name of the actor	<b>Wirtschaftsblatt Verlag AG</b> <b>„Wirtschaftsblatt“ Publishing plc.</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input checked="" type="checkbox"/> others, namely: daily newspaper
address	Geiselbergstrasse 15, 1110 Wien
contact person	Mr. Hans Pleininger
telephone	+43 (1) 919 19 – 331
web-page	www.wirtschaftsblatt.at
e-mail	hans.pleininger@wirtschaftsblatt.at
<b>content based features</b>	
name of the strategy/initiative/regulation	Österreichischer Kongress für Familienunternehmen Austrian Convention for Family Businesses
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input checked="" type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input checked="" type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: award
objective	The Austrian Convention for Family Businesses was implemented to raise public awareness about the importance of the family business sector for the Austrian economy. Every year, the best performing company run by a family is awarded. Experts emphasise that the convention grew to an important platform for actors in the family business sector.
initiation	The first convention took place in 2003.
contents/description of the initiative/measure	The focus of this convention is to learn from others and to effect a successful exchange of know how and information. The convention also has a clear service character as it gives recommendations which procedures are important in doing business and which factors should be taken serious – therefore, learning from others and from the best is clear focus.



	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	Members take part in discussions, hold speeches and give information. In addition to that, every year the best performing company is awarded as the family business of the year.
<b>user based features</b>	
eligibility criteria/target group	<p>Companies have to pay the membership fee and fulfil the criteria to be considered as family businesses.</p> <ul style="list-style-type: none"> <li>• The people involved in the business have to be members of the direct family line</li> <li>• Those members have to be able to run the company</li> <li>• The company is run in order to serve a certain economic purpose for the family</li> </ul> <p>The convention is also interesting for the sector of consulting and for representatives from financing and banking. Participants get in contact with consultants, investors and banks for the purpose of information and networking. Professionals in the field of family businesses (finance, consulting, accounting aso.) become the chance to get in contact with possible future clients.</p>
Promotion tools/information strategy	<p>On the website of the <i>Wirtschaftsblatt</i> an official invitation to the convention can be found. In the printed version of the paper the convention is promoted too.</p> <p>Furthermore, the <i>Wirtschaftsblatt</i> constantly publishes information and news to interested participants. Therefore, the effects of a successful networking create the base for a flow of information and advice.</p>
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input checked="" type="checkbox"/> others, namely: attendance fee
costs for participants/members	<p>Fee for the convention is € 150.- for each attendant. As the Austrian journal <i>Wirtschaftsblatt</i> is the major sponsor of the convention, for subscribers of the <i>Wirtschaftsblatt</i> the convention is free.</p>
<b>performance based features</b>	
evolution	<p>The international awareness of this convention is high and internationally well known companies and institutions can be found among the participants. Members can profit from an ongoing exchange of knowledge and are granted access to best practice examples close at hand. The <i>Wirtschaftsblatt</i> clearly defines the convention of being quality oriented instead of following a quantity orientation. Nevertheless, it can be stated that the numbers of participants are rising. The convention sees more than 150 visitors every year.</p>



	Explanation
<b>institutional features</b>	
name of the actor	Das Österreichische Gallup Institut - Dr. Karmasin Marktforschung Ges.m.b.H The Austrian Gallup Institut - Dr. Karmasin Market Research
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input checked="" type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Anastasius Grün-Gasse 32, 1180 Wien
contact person	Dr. Sophie Karmasin
telephone	+43 1 4704724
web-page	www.gallup.at
e-mail	office@gallup.at
<b>content based features</b>	
name of the strategy/initiative/regulation	Market Research Study: Austria's Family Businesses 2007
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input checked="" type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: research
objective	The main objective of the study is to provide valuable information and decision making support to politicians, banks, insurance companies, family business- and communication consultants or auditors.
initiation	The study of Austria's Family Businesses is published every year. The first issue of the study was in the year 2002.



	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	<p>The study gives information about and insights in the following aspects:</p> <ul style="list-style-type: none"> <li>• Political orientation of Austria's family businesses</li> <li>• The evaluation of Austria's politicians by family business members</li> <li>• What family businesses expect from politicians</li> <li>• Hazards and barriers for Austria's family businesses</li> <li>• Family business succession</li> <li>• The attitude of family businesses about the European Union</li> <li>• A valuation of the most important means of finance for Austria's family businesses</li> </ul>
<b>user based features</b>	
eligibility criteria/target group	<p>The main target group of the survey was Austria's family business sector. Crucial for this classification was: Members have to be owners of the company of which at least 15 % are owned by the family and where the family has major influence on the management. Furthermore, the family has to represent or build the board of directors and the executive board of the underlying company.</p>
Promotion tools/information strategy	<p>The study is published on the website of the <i>Wirtschaftsblatt</i> which is a well known and popular economic journal in Austria. Directly on the website interested persons can order and pay for the study 2007 and for the studies 2002 – 2006.</p>
source of funding	<p><input type="checkbox"/> EU-funds  <input type="checkbox"/> national funds (governments)  <input type="checkbox"/> membership fees  <input checked="" type="checkbox"/> others, namely: A fee has to be paid to order the study</p>
costs for participants/members	<p>The study 2007 can be ordered for the cost of € 360.- (VAT not included)  In addition, the studies of the years 2002 – 2006 can be obtained for the prize of € 120.- each (VAT not included).</p>
<b>performance based features</b>	
evolution	<p>The study promotes the co-operation of family businesses with national politicians. It raises public awareness about the importance of family businesses for Austria's economy. As banks and financial institutions are targeted by the study as well it can have positive effects of the financial situations of family businesses. Family businesses can profit from favourable financial conditions.</p>



	Explanation
<b>institutional features</b>	
name of the actor	<b>Konfliktkultur - Kulturkonflikt Patera &amp; Gamm OEG</b> <b>Conflict Culture - Culture Conflict Patera &amp; Gramm</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input checked="" type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Salmansdorferstraße 16/7, 1190 Wien
contact person	Dipl.Ing. Mag. Dr. Mario Patera
telephone	+43-1-440 51 21
web-page	www.konfliktkultur.com
e-mail	office@konfliktkultur.com
<b>content based features</b>	
name of the strategy/initiative/regulation	Market Research Study: "Economic Mediation" – a strategy for conflict solving. The key topic of a family businesses corporate social responsibility
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input checked="" type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: research
objective	A subtitle of the study is: Costs of conflict and consequential costs of conflict. The study evaluates the direct and indirect costs of conflict in family business structures. With models and case studies, the costs of conflicts are calculated and strategies are developed in order to reduce them.
initiation	The study was initiated by the company conflict culture – culture conflict Patera & Gramm and will be the basis for conflict solving in family businesses. Family businesses carry much potential for conflict as they contain an overlap of the private (family) sphere and the business sphere. The study identifies the sources of conflict and provides valuable solutions. The study was conducted in the year 2004.



	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	The study by <i>Gamm</i> and <i>Patera</i> shows different means of mediation in family owned companies and indicates special means of implementation in manifold conflict situations. Examples for conflicts: Regulations of succession, conflicts between shareholders, conflicts inside the family system, conflicts of interest between family traditions and economic performance.
<b>user based features</b>	
eligibility criteria/target group	Interested family businesses can contact the institute under office@konfliktkultur.com and can order a calculation of the costs of conflicts in their company. Interested companies have to be family owned and have to contact the institute.
Promotion tools/information strategy	On the website www.konfliktkultur.com lots of information of the work can be found. In the newspaper "Der Standard" 22./23./24. March 2008 there was an article about the work of the Institute where special focus was given to the study of "Mediation in family businesses". The study will be published as a chapter named "Economic Mediation in Family Businesses" by <i>Mr. Mario Patera</i> and <i>Mrs. Ulrike Gramm</i> . In: <i>the Handbook of Family Business</i> by <i>Frasl</i> and <i>Rieger</i> , in the year 2007. The study "economic mediation" will be published in July 2008. The study will be finished in collaboration with an Austrian bank, which assists in promoting the rights information to its clients, businesses and companies.
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input checked="" type="checkbox"/> others, namely: Cost of participating
costs for participants/members	The cost of a calculation of the costs of conflict amounts to €5,000.-.
<b>performance based features</b>	
evolution	Conflicts, if realized early enough contain major resources for performance. This certainly is true for family businesses as for non-family businesses. Therefore, the study of the institute and the efforts in coaching family businesses (calculation of costs) helps a lot in finding solutions or hidden potentials. Pilot project is the so called "Kreditmediation" (Loan/Credit Mediation) by the <i>Volksbank Graz-Bruck, Austria</i> , which was initiated in the year 2005. This project aims at providing <i>meditative know how</i> in order to prevent the escalation of conflict. Open communication leads to an evaluation of conflicts and the costs of them can be reduced.



	Explanation
<b>institutional features</b>	
name of the actor	<b>Wirtschaftsmediation Oberösterreich</b> <b>Economic Mediation Upper Austria</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Wirtschaftskammer Linz, Hesseplatz 3, 4020 Linz
contact person	Mr. Mag. Manfred Bachner
telephone	(+43) 676 / 9351752
web-page	<a href="http://www.ooe-wirtschaftsmediation.cc/">http://www.ooe-wirtschaftsmediation.cc/</a>
e-mail	<a href="mailto:office@ooe-wirtschaftsmediation.cc">office@ooe-wirtschaftsmediation.cc</a>
<b>content based features</b>	
name of the strategy/initiative/regulation	Economic Mediation in Family Businesses
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input checked="" type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input checked="" type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	Economic mediation has the purpose of clarifying differences and conflicts in business. Both strategies are possible: Mediation for difficulties that already exist or conflicts which are conceivable for the near future.
initiation	The economic mediation in Upper Austria started doing business in the year 2006
contents/description of the initiative/measure	<p>Economic Mediation in family businesses specialises in conflicts which occur due to succession among future generations. Mediators act as individual and independent agents between conflict parties. Conflicts can occur:</p> <ul style="list-style-type: none"> <li>• Among members of teams or departments</li> <li>• In the framework of re-structuring measures</li> <li>• Inside customer-supplier-relations</li> <li>• Between management and employers</li> <li>• Due to business transfer, succession or fusion</li> <li>• In case of liability and complaints/warranty</li> </ul>



	Explanation
<b>user based features</b>	
eligibility criteria/target group	Economic mediation can be helpful in every business sector and regardless of the ownership structure. For the economic mediators in Upper Austria a clear target group cannot be determined. Conflicts occur in every company size class. The support of mediators is often needed in large businesses where the number of parties is huge, but at the same time small family businesses are also exposed to fight, as private interests can interfere with company goals. Economic interests of the company often interfere with family values and traditions. Therefore, family structures are a dominant target group for economic mediation, but not the only one.
Promotion tools/information strategy	The economic mediation is promoted on its website <a href="http://www.ooe-wirtschaftsmediation.cc/">http://www.ooe-wirtschaftsmediation.cc/</a>
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input checked="" type="checkbox"/> others, namely: Fees for the work or support of an economic mediator
costs for participants/members	The costs for mediation cannot be determined clearly, they vary from case to case. Costs highly depend on the size of the company, the number of actors/parties involved and certainly on the time that is consumed by the mediation. The costs range between € 1,200.- per day to € 2,000.- per day. The longer the process and the more complex the case, the costs rise simultaneously.
<b>performance based features</b>	
evolution	<p>After two years of providing mediation services in Upper Austria, a huge number of mediation projects has been completed. Experts from the mediation team cannot determine exactly how many mediation cases have been executed or how many companies received support. Nevertheless, economic mediation has favourable advantages, which definitely count for family businesses as for different business types:</p> <ul style="list-style-type: none"> <li>• It is an extrajudicial process, which means no costs for justice and fast support</li> <li>• Mediation aims at results which are suitable and advantageous for all parties</li> <li>• It replaces confrontation by co-operation and supports succession of valuable economic relations</li> <li>• It grants full control and access during the process of mediation</li> <li>• The process is highly confidential and the business should not be confronted with a loss of image</li> </ul>



	Explanation
<b>institutional features</b>	
name of the actor	<b>IFUB – Institut für Familien und Betriebe Institute for families and business</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input checked="" type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Tinterstrasse 32/1/5, 1140 Wien
contact person	Dr. Mag. Manuela Maria Mätzener
telephone	+43 676 95 84 116
web-page	www.ifub.at
e-mail	manuela.maetzener@ifub.at
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input checked="" type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	IFUB is a network of consultants and companies all over Austria and focuses on the process of business succession. The major objective of IFUB is to sensitise business women/men and all involved parties for the importance of successions, and to raise awareness of the human conflicts within companies. Although, the work cannot be reduced to certain businesses, the work of IFUB is especially important for family businesses
initiation	11.05.2007 was the initiation day for IFUB
contents/description of the initiative/measure	IFUB is specialised in the topic of family intern succession, therefore, it sets up a network of experts and consultants. IFUB escorts the clients through every step in the process of strategy finding and offers additional training, education and private consulting. Special attention is paid to the mixture of roles a successor can be taking: being part of the family structure and being reliable for the company success. The work of IFUB is not short-term, but the major concern is to attend companies during the process of succession and to set up a network of experts.



	Explanation
<b>user based features</b>	
eligibility criteria/target group	<p>The major target groups of IFUB are:</p> <ul style="list-style-type: none"> <li>• Companies in the process of succession (planning), which are IFUBs clients</li> <li>• Business Consultants who provide support to companies and who use IFUB as mediators between them and clients</li> </ul> <p>Although, companies in all size classes use the work of IFUB a big group are family businesses. In addition to family businesses' problems in the process of succession, IFUB sees its role as well in the processes of fusion, acquisition and expansion. These are less relevant for family businesses but are often affected by larger groups of companies. Therefore, the role of IFUB is definitely not limited to the structure of family businesses.</p>
Promotion tools/information strategy	<p>On its website IFUB raises awareness for the topic and publishes official dates for seminars, courses and conferences. There is also a seminar calendar with courses of similar institutes which offer support in the same field.</p> <p>IFUB engages in e-marketing which is effected via its website. According to an expert, the older generation among the clients of IFUB prefers printed means of marketing which means IFUB also publishes papers, studies and articles. Therefore, IFUB engages press officers.</p>
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input checked="" type="checkbox"/> others, namely: Seminar fees
costs for participants/members	<p>The fees for consulting or seminars range from € 200.- to € 300.- depending on the topic, the duration and whether it is a group seminar or special treatment.</p>
<b>performance based features</b>	
evolution	<p>IFUB is fairly young. Although, it cannot be expressed in figures how much work has been done over the first year of operation, IFUB followed its objectives. As the demand for IFUB's work is rising, the second year (2008) won't be less successful. IFUB works hard to build a top-class committee of experts and to create a perfect network for the rising importance of company succession.</p> <p>In Austria nearly 50,000 companies with more than 400,000 employees will have to consider succession over the next couple of years.</p> <p>For the old generation the hurdles of passing on the business to the young are often huge. Through the work of IFUB, it can be easier for the old generation to let go and to estimate that the family tradition has a future. Even if this future will follow different perspectives. Through good contacts in the business IFUB supports the successors by maintaining contracts with suppliers and customers. With the help of professional consulting the new generation should be able to find the right way – with help of the old generations and employees. At the bottom line, with the support of IFUB the consent between improvement and old successful traditions can be developed easier.</p>



	Explanation
<b>institutional features</b>	
name of the actor	<b>IFUB – Institut für Familien und Betriebe Institute for families and business</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input checked="" type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Tinterstrasse 32/1/5, 1140 Wien
contact person	Dr. Mag. Manuela Maria Mätzener
telephone	+43 676 95 84 116
web-page	www.ifub.at
e-mail	manuela.maetzener@ifub.at
<b>content based features</b>	
name of the strategy/initiative/regulation	IFUB – Spezialseminar "Generationen" IFUB – Special seminar "Generations"
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input checked="" type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input checked="" type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	The seminar presents coaching measures for and "transferees" "those who transfer" a family business according to a succession plan.
initiation	The seminar takes place on the 4. and 5. of April 2008 in the city of Linz/Upper Austria
contents/description of the initiative/measure	The seminar sets the following focus: <ul style="list-style-type: none"> <li>• The identity of the company and special requirements for family businesses</li> <li>• The phenomenon of "changes" dealing with the fear of changes (older generation)</li> <li>• Contracting, Power, Liabilities, emotional bonds and the question – who runs the company</li> <li>• The topic of Enthronement</li> <li>• Questions, discussions and role games among "generations"</li> </ul>



	Explanation
<b>user based features</b>	
eligibility criteria/target group	Companies considering business succession and plan on transferring the company inside the family to the next generation are the target group for the seminar.
Promotion tools/information strategy	Press-information have been published on the IFUB website.
costs for participants/members	Costs of the seminar: € 300.- (inc. VAT) for corporate participants = (excl. VAT)
<b>performance based features</b>	
evolution	As mentioned by the seminar leader: Dr. Manuela Mätzener, the advice by this seminar can be extremely helpful for family businesses which want to create their family intern succession in time and with a high rate of professionalism. Special attention is paid to tensions and conflicts within families that are likely to occur in the process of company succession.



	Explanation
<b>institutional features</b>	
name of the actor	<b>Nachfolgebörse der Österreichischen Wirtschaftskammer (WKO)</b> <b>Succession Exchange (Network) of the Austrian Chamber of Commerce</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) - please provide information how these are organised (public, private, NGOs, NPOs etc.) <input type="checkbox"/> others, namely:
address	Wiedner Hauptstraße 63, A-1045 Wien
contact person	Mag. Silvia Fleischhacker
telephone	05 90 900-4518
web-page	www.nachfolgeboerse.at
e-mail	Nachfolgebörse@wko.at
<b>content based features</b>	
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input checked="" type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	The succession exchange network in Austria aims of setting up a network of family business with the intention of succession and the right experts, who provide expertise and knowledge. Apart from the provision of knowledge, the most important factor identified by the network is that personal meetings are held. Personal meetings and talks are the most effective measure in the flow of information and, therefore, are offered by the succession exchange network.
initiation	Initiation date was the 01.03.2003



	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	<p>The widespread service contains:</p> <ul style="list-style-type: none"> <li>• Succession check – is the business “fit” to be transferred?</li> <li>• Succession instead of start up – service contains advantages of succession</li> <li>• Guideline for the succession of a business – information of all important aspects</li> <li>• Succession bonus – payment of up to €8,400.- as a bonus for successors (special requirements)</li> <li>• Checklist for Successors and the person who transfers</li> <li>• Support in determination of the selling price of the business – and an assessment of the company and the assets</li> </ul>
<b>user based features</b>	
eligibility criteria/target group	The target groups are businesses located in Austria which have plans of future succession.
Promotion tools/information strategy	Publication on the website of the Chamber of Commerce. <a href="http://www.gruenderservice.at">www.gruenderservice.at</a> , <a href="http://www.nachfolgebonus.at">www.nachfolgebonus.at</a> , publication on the website of the young economy, <a href="http://www.jungewirtschaft.at">www.jungewirtschaft.at</a>
costs for participants/members	The service by the Austrian Chamber of Commerce is free.
<b>performance based features</b>	
evolution	On the website of the Chamber of Commerce there are currently 246 active inquiries and 1,092 active offers. 951,640 Visits on the website <a href="http://www.nachfolgeboerse.at">www.nachfolgeboerse.at</a> have been registered since the ignition date 01.03.2003. Interested business members in Austria can use the services and can profit from substantial expert know how, consulting and support. Apart from support and consulting, every interested person can use the services autonomously (Succession check, Guidelines, calculators, price determinations aso.)



	Explanation
<b>institutional features</b>	
name of the actor	REA – Regionalentwicklung Ausserfern Regional Development “Ausserfern”
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers’ organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Kohlplatz 7, 6600 Pflach
contact person	Mag. Günter Salchner
telephone	(+43) (0) 5672-62387
web-page	www.allesausserfern.at
e-mail	rea@allesausserfern.at
<b>content based features</b>	
name of the strategy/initiative/regulation	Course/seminar for qualifications of Family businesses in Tourism in the Lech-valley, Tirol
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input checked="" type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	Goal of the seminars was a transfer of economic knowledge to small and medium companies in tourism. The objective was to provide better economic knowledge in the rental of rooms or apartments.
initiation	The seminar was in the Lechtal in Tirol in the winter season 2006. REA in the meantime organised similar seminars in different destinations. The seminars are executed only one time in every destination.
contents/description of the initiative/measure	The purpose was to raise the quality in the accommodations business in the region of Lechtal. Contents were especially: <ul style="list-style-type: none"> <li>• Initial customer contact</li> <li>• How to treat customers</li> <li>• Calculation of prizes</li> </ul> In addition, the participants made visitations of accommodation facilities and assessed the performance of them.



	Explanation
<b>user based features</b>	
eligibility criteria/target group	The seminar was held especially for small and medium sized companies in tourism. Businesses operation in room- and apartment rental profited from the transfer of knowledge. The main target group were "private" businesses in the accommodation business, especially in the small and medium size class. No hotels were included.
Promotion tools/information strategy	REA proposed the seminar to the tourism network of the Lechtal. In the Lechtal the family businesses in accommodation were contacted and the seminar was published.
source of funding	<input type="checkbox"/> EU-funds <input checked="" type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input checked="" type="checkbox"/> others, namely: one part of the costs had to be carried by the participating companies. No details about the costs can be stated.
<b>performance based features</b>	
evolution	About 15 businesses in the accommodation sector took part in the seminar. The event was important for small businesses, because they often do not have the right knowledge of modern forms of customer relations. The seminar assisted the participants in the usage of the internet as the modern means of customer relation. Up to now a huge number of companies in the area of the Lech valley are not aware of new and modern methods of marketing and customer relations and. Therefore, many of them do not use the internet regularly.



	Explanation
<b>institutional features</b>	
name of the actor	<b>KMU FORSCHUNG AUSTRIA</b> <b>Austrian Institute for SME Research</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input checked="" type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Gusshausstrasse 8, 1040 Wien
contact person	Mag. Peter Voithofer
telephone	(+43) (0) 1 5059761
web-page	www.kmuforschung.ac.at
e-mail	office@kmuforschung.ac.at
<b>content based features</b>	
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: research institute
objective	The Austrian Institute for SME Research is an independent, private, non-profit association. The main task is social and economic research focussing on small and medium-sized enterprises (SMEs). It aims to provide information and data to facilitate decision-making for businesses and their advisors, for institutions responsible for economic policy-making and business development as well as for universities, higher education institutions and other research institutions.
initiation	The Austrian Institute for SME Research was founded in the year 1952.



	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	<p>The research activities cover a huge variety of topics in a number of industries. Research activities cover the following:</p> <ul style="list-style-type: none"> <li>• Employment and labour market</li> <li>• Industry and structural analysis</li> <li>• Entrepreneurship</li> <li>• Evaluation</li> <li>• Innovation and technology</li> <li>• Internationalisation and integration</li> <li>• Databases</li> </ul> <p>The Austrian Institute for SME Research has research expertise in the sector of family businesses and forms an expert group of the European Commission. Furthermore, the institute has conducted research studies in the field of company succession and foundation and can refer to expertise in entrepreneurial research among sub-groups. These sub-groups are groups of businesses which are especially relevant for the sector of family businesses. Examples are micro enterprises in the fields of ethnic entrepreneurship and female entrepreneurship.</p> <p>Some of the studies by the Austrian Institute for SME Research are named below:</p> <ul style="list-style-type: none"> <li>• Business transfers and successions in Austria - Situation and development 2008</li> <li>• Supporting models of research, technique and technology intensive enterprise start-ups of women in international comparison</li> <li>• Female entrepreneurs in Austria – actual situation and chances for development</li> </ul>
<b>user based features</b>	
eligibility criteria/target group	<p>The main target groups of the Austrian Institute for SME Research are:</p> <ul style="list-style-type: none"> <li>• Enterprises and their advisors (management and tax consultants, trustees, credit institutions, etc.)</li> <li>• Institutions responsible for economic policy and business promotion (governments, ministries, interest groups, etc.)</li> <li>• University and non-university institutions</li> </ul>
Promotion tools/information strategy	<p>The Institute is introduced and promoted on its website: <a href="http://www.kmuforschung.ac.at">www.kmuforschung.ac.at</a>. On the website the studies and research projects are published.</p>
source of funding	<ul style="list-style-type: none"> <li><input type="checkbox"/> EU-funds</li> <li><input checked="" type="checkbox"/> national funds (governments)</li> <li><input type="checkbox"/> membership fees</li> <li><input checked="" type="checkbox"/> others, namely: the institute is partly funded by governmental institutions. The major part of its funds comes from daily business and remittance work</li> </ul>
costs for participants/members	<p>The costs for studies vary in prices based on the topic, the duration of the project and the institute members involved.</p>



	Explanation
performance based features	
evolution	<p>During the last years, competence in other SME-dominated economic sectors has been enhanced. Research results and databases are now not only available on the craft and trade sector, but also on the sectors of tourism, transport, manufacturing and business services. Since 2003 the official name of the institute has been “Austrian Institute for SME Research” (KMU FORSCHUNG AUSTRIA), and it is the largest Austrian research institute in the field of applied SME-oriented economic and social research.</p> <p>The institute has a long list of national and international project partners. The institute completed more than 140 studies in the period between 2004 and 2008 in the fields of</p> <ul style="list-style-type: none"> <li>• employment and labour market</li> <li>• entrepreneurship</li> <li>• industrial and structural analysed</li> <li>• evaluation</li> <li>• innovation and technology</li> <li>• internationalisation and integration</li> </ul> <p>By conducting studies in the fields of business succession, foundation, ethnic entrepreneurship and female entrepreneurship, its work for the sector of family business grew in importance. In the Austrian economy a growing number of family businesses with background of migration are emerging, for which family specific issues and the cohesion of family members are highly relevant. The work and research by the Austrian Institute for SME Research plays an important role for family business research in Austria.</p>



	Explanation
<b>institutional features</b>	
name of the actor	<b>IFF Input für Familienunternehmen</b> <b>IFF Input for Family Businesses</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Industriezeile 36/5, 4020 Linz
contact person	Mrs. Dr. Ernestine Lumper Wiesinger
telephone	(+43) (0) 732 77 25 00
web-page	www.iff.or.at
e-mail	office@iff.or.at
<b>content based features</b>	
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	<p>The business of IFF is to organise presentations, meetings, speeches and group discussions. The objective is to provide input to family businesses in order to create a flow of information and to contribute to sustainability and to future orientation of Austria's family businesses. IFF tries to sensitise family businesses for a couple of requirements and measures.</p> <ul style="list-style-type: none"> <li>• a strong future orientation for the sector of family businesses</li> <li>• the creation of fall-out plans and the planning of succession</li> <li>• a sustainable orientation of the businesses with clearly stated goals</li> <li>• a clear identity within processes of change</li> </ul>
initiation	The department was founded in the year 2004



	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	<p>The seminar, presentation, or speech activities of IFF happens on three major pillars:</p> <ul style="list-style-type: none"> <li>• IFF Forum: Is the IFF platform for an exchange of information. IFF organises on a regular bases information events with contributions of experts who try to comment of family businesses' specific topics in critical ways</li> <li>• IFF Lunch &amp; Learn: basically the same strategy as in the IFF forum, but according to lunch-time meetings</li> <li>• IFF Power Train: very intensive seminars for more knowledge. IFF organises seminars with experts in the field of family businesses. Special attention is paid to questions concerning taxation, economy law, overall law, strategy and communication</li> </ul> <p>The team of IFF consists of a couple of business experts who are confident with crucial questions in the field of family businesses. IFF team members primarily come from companies which are specialised in taxes, communication, marketing and PR, consulting and law. The members of the IFF team are not primarily engaged in IFF, they are experts within the following companies:</p> <ul style="list-style-type: none"> <li>• Lumper-Wiesinger Gegensteuern GmbH: specialising in auditing and tax consultancy</li> <li>• Schuller &amp; Partner Kommunikationsberatungs GmbH: a specialist for corporate communication</li> <li>• Weissmann &amp; Cie. GmbH &amp; Co. KG: a group of experts in consulting and training, specialising in the sector of family businesses</li> <li>• Zeinhofer-Scherhauser Rechtsanwalts GmbH: a group of lawyers specialising in all relevant issues of the business life</li> </ul>
<b>user based features</b>	
eligibility criteria/target group	<p>IFF was developed in order to promote the "dialogue" between Austria's entrepreneurs who form the target groups. As can be derived from the objective and the content, the major target groups of the seminars, meetings and speeches, are family business owners, or those who want to continue a family business in the near future.</p>
Promotion tools/information strategy	<p>On the website of IFF its members, topics and publications are published. Related to the press appearance of IFF, a couple of newspaper articles from the Wirtschaftsblatt and the Upper Austrian news (OÖ Nachrichten) are published too.</p>
source of funding	<ul style="list-style-type: none"> <li><input type="checkbox"/> EU-funds</li> <li><input checked="" type="checkbox"/> national funds (governments)</li> <li><input type="checkbox"/> membership fees</li> <li><input checked="" type="checkbox"/> others, namely: Shareholders' contribution by its five partner companies. IFF is furthermore directly funded by the Schöller bank. Apart from that, IFF is financed by participations fees of seminar members.</li> </ul>



	Explanation
<b>user based features</b>	
costs for participants/members	The three different seminar organisations have different costs for interested people. Lunch & Learn is a seminar format which costs € 75.- per person. The IFF Forum amounts to € 55.- per person. The IFF power train is a full time seminar which amounts to € 590.- per person and per seminar day.
<b>performance based features</b>	
evolution	<p>The group sizes of IFF events are considerable small which has positive affects on the event quality. For the Lunch and Learn format it can be stated that about 15 participants take part per event. According to an overall estimation of an expert, about 100 participants every year profit form the help, support and consulting of IFF. People who intend to set up a business or people considering a company succession are those groups of people who profit the most of the work and solutions provided by the IFF events.</p> <p>IFF was initiated by experts from the fields of taxation, economics, strategy and communication who pool their knowledge and contacts in order to establish a platform for dialogue between experts and companies. The flow of information, experience of experts, and assistance with crucial decisions and procedures are definite advantages for participants. For family businesses specifically a flow of experience, knowledge and support for the process of succession is affected by IFF. Thereby, special attention is paid to family governance. Experts see the role of IFF especially in matters of taxation and the development of strategies for the future development of family businesses. Family businesses often join IFF seminars with specific questions in mind, but what they gain is much more: comprehensive and integrated strategy consulting.</p>



	Explanation
<b>institutional features</b>	
name of the actor	<b>BFU Bäuerliche Familienunternehmen</b> <b>BFU Family Businesses in Farming</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Schauflergasse 6, 1014 Wien
contact person	Mrs. Dr. Eveline Neubauer
telephone	(+43) (0) 53441 / 8567
web-page	www.bfu.at
e-mail	e.neubauer@lk-oe.at
<b>content based features</b>	
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input checked="" type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	<p>BFU has the clear objective to merge members of agricultural family businesses with experts and trainers in seminars and workshops and to allow a transfer of knowledge. The educational seminar topics of BFU contain the transfer of knowledge in the following aspects.</p> <ul style="list-style-type: none"> <li>• Concepts for farms and agricultural businesses</li> <li>• Clarity of the basic direction, the business should take</li> <li>• Ideas and concepts of the future developments</li> <li>• Planning of following steps</li> </ul> <p>Thereby, an exchange of knowledge, experience and expertise is affected and by working within groups networks can be set up.</p>
initiation	BFU was initiated by the LFI, the educational division of the chamber of agricultures, in collaboration with the Andreas Hermes academy.



	Explanation
<b>content based features</b>	
<p>contents/description of the initiative/measure</p>	<p>The contents of the training programmes of BFU is set up in four pillars:</p> <ol style="list-style-type: none"> <li>1. "The human being is in the centre": The first part deals with self consciousness about the fact that personal talents and skills form the centre of every family business. The participants evaluate their strengths, talents and hidden potentials and shall realise which skills have to be trained on the way to success.</li> <li>2. "Analyses of the business base": This second part shall assist participants in analysing the economic base of their company. Income, consumption, commitment of work and time and the competitiveness are the central aspects of this analysis. The participants take a look towards the future and try to develop hidden potentials of their company.</li> <li>3. "Personal strengths and visions": "The visions are formed and wait to become reality". This statement in the third part deals with dreams, wishes and strengths and takes them as a motor for the future. Participants have to deal with their values and learn about themselves in the view of others. They learn how to incorporate and enhance their strengths towards their personal dream of a lifetime.</li> <li>4. "Development of a business strategy": The fourth part is based on the realisation of the evaluated wishes and dreams. Participants learn how to decide between ways of realisation and how to constructively react on hints and challenges on the way towards realisation. The use of their strengths and the skill of decision become the most important parts of their individual business concepts.</li> </ol>
<b>user based features</b>	
<p>eligibility criteria/target group</p>	<p>The main target groups are farmers and people operating in agriculture who intent to develop skills and agricultural business. The BFU clearly states that the seminar programmes are especially designed for women, men and families in agricultural businesses. BFU identifies the following characteristics of their target group:</p> <ul style="list-style-type: none"> <li>• People who have to make difficult decisions (succession of farms)</li> <li>• People who want to strengthen their role in business</li> <li>• People who are looking for new sources of income</li> <li>• People who want to raise their quality of life</li> <li>• People who want to enlarge their advance</li> <li>• People who want to be concerned with management duties</li> </ul> <p>Apart from business women and men in agriculture, other groups like consultants, trainers and researchers profit from the seminars by the BFU and can be found among the participants.</p>



	Explanation
<b>user based features</b>	
Promotion tools/information strategy	<p>On the website of the BFU, all details about the work are published and promoted. Furthermore, a huge variety of newspaper articles and press releases about the work of the BFU can be found on <a href="http://www.bfu.at">www.bfu.at</a></p> <p>On the website a so called BFU-check can be downloaded <a href="http://www.bfu.at/mmedia/03.10.2006/1159878579.ppt">http://www.bfu.at/mmedia/03.10.2006/1159878579.ppt</a>. This is a questionnaire with determines if the BFU programme is suitable for interested persons, or if they are ready for BFU.</p>
source of funding	<ul style="list-style-type: none"> <li>✓ EU-funds</li> <li>✓ national funds (governments)</li> <li><input type="checkbox"/> membership fees</li> <li>✓ others, namely: BFU is promoted and funded by the European Union which also initiated the seminars. Also it is funded by the Federal Ministry for Agriculture, Forestry, Environment and Water Management in Austria.</li> </ul>
costs for participants/members	The participation costs of a BFU seminar amount to €200.- per person. € 200.- are 20 % of the entire costs for a 8 day seminar. The remaining 80 % are funded.
<b>performance based features</b>	
evolution	<p>The BFU has reached much public awareness recently. The topic of family businesses in the sector of agriculture is important and there are many agricultural family businesses which need support and education. Over the years the BFU seminar programme has reached a total number of participants of more than 5,600. Referring to a study about the economic awareness of agricultural businesses in Austria, the results are advantageous for the FBU. The study shows that a high number of agricultural businesses with much economic success are participants or graduates of BFU programmes.</p> <p>One of the greatest advantages for the participants is the collaboration with experts in groups:</p> <ul style="list-style-type: none"> <li>• Meeting of interesting and important people (networking)</li> <li>• Exchange of experiences</li> <li>• Exchange of ideas</li> </ul> <p>Some other aspects which make the seminars of BFU extremely helpful and advantageous for participants are:</p> <ul style="list-style-type: none"> <li>• The trainers are experienced consultants and successful personalities</li> <li>• The seminars are diversified and interesting</li> <li>• Seminar documents facilitate the central themes and better results can be reached step by step</li> </ul> <p>Especially for seminar participants who regularly have to work in agriculture, events are organised according to participants' requirements:</p> <ul style="list-style-type: none"> <li>• Seminar timetables orientate on farm work and on core times in agricultural businesses (morning, evening)</li> <li>• The course mentored in order to create perfect basic conditions</li> <li>• Costs and time of travel for participants are reduced by special seminars in rural regions where most farming businesses can be found</li> </ul>



	Explanation
<b>institutional features</b>	
name of the actor	<b>Investkredit Bank AG – die neue Bank für Unternehmen</b> <b>Investkredit Bank plc. – the new bank for businesses</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input checked="" type="checkbox"/> others, namely: bank, investment institute
address	Renngasse 10, 1013 Wien
contact person	Mrs. Mag. Hannah Rieger
telephone	(+43) (01) 53 135 - 112
web-page	www.investkredit.at
e-mail	rieger@investkredit.at
<b>content based features</b>	
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input checked="" type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: financial instruments for family businesses
objective	The Investkredit identified that banks play an important role for the future development of family businesses, especially in view of the challenges they have to face currently and in the near future. Therefore, the business of the Investkredit is to create international usable financial instruments which perfectly meet the needs of medium-sized family businesses. Furthermore, the Investkredit has cooperated for years with the Wirtschaftsblatt and created a platform for family businesses.
initiation	The specific family business activities by the Investkredit started in accordance with the family business campaigns of the Wirtschaftsblatt. Although, no specific initiation date can be determined, the Investkredit started more than ten years ago, which means it approximately started in the year 1997.



	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	<p>“Medium-sized bonds” and “asset securitisations of receivables” are innovative financial measures which especially suite medium-sized family businesses, as they enable access to capital markets. Based on their pooling of portfolios medium-sized bonds can be affected with an emission volume of € 5 Mio. This volume is far lower than usual size classes of company bonds and, therefore, they fit the requirements of family businesses.</p> <p>The securitisation of receivables is especially suitable for family businesses with a high share of receivables. It enables family businesses to enter capital markets without an extern company rating, which usually happens in case of international bond emissions. Furthermore, there is no obligation for a publication of the company to the investors, which is normal on the capital market.</p> <p>Both measures by the Investkredit take into account the requirements for discretion of family businesses. Thereby, they especially accommodate the high needs of security and confidentiality, which family businesses are known for.</p>
<b>user based features</b>	
eligibility criteria/target group	<p>The declared target group of the new bank for businesses are family businesses. Therefore, the Investkredit uses a certain definition of family businesses and sees them as “private or publicly quoted businesses which are at least by 15 % in hands of a family. The family has a considerable influence on the management of the company and on the appointment of the board of directors and the supervisory board.”</p>
Promotion tools/information strategy	<p>The activities of the Investkredit as the new bank for family businesses was published in the business report of the year 2005. In view of the collaboration with the Wirtschaftsblatt the Investkredit furthermore reaches a high level of public awareness. For marketing and PR purposes the Investkredit set up a media co-operation with the Wirtschaftsblatt. Over the years, many expert interviews in the field of family businesses have been executed and published in the Wirtschaftsblatt for marketing reasons. Since 2006, every year the best performing family business of Austria is awarded (<a href="http://www.wirtschaftsblatt.at/familien/">www.wirtschaftsblatt.at/familien/</a>). As one part of the created platform for family business, a number of experts from the Investkredit give advantageous tips and tricks in financial questions.</p>
source of funding	<ul style="list-style-type: none"> <li><input type="checkbox"/> EU-funds</li> <li><input type="checkbox"/> national funds (governments)</li> <li><input type="checkbox"/> membership fees</li> <li><input checked="" type="checkbox"/> others, namely: the investkredit does not get funded. As a bank its business is investment activity which is especially suited for family businesses. Based on its daily business, the Investkredit earns investment profit</li> </ul>



	Explanation
<b>user based features</b>	
costs for participants/members	As the Investkredit's business is capital investment no specific costs can be determined. The costs for the target groups vary according to the terms of the investment project and in accordance of the financial framework. In addition, the Investkredit offers consulting activity in the field of family businesses, but no specific costs for consulting can be evaluated.
<b>performance based features</b>	
evolution	<p>The Investkredit as a bank offers its financial expertise especially to family businesses. Over the years, the Investkredit developed consulting knowledge in the field of economic mediation which, in combination with the financial expertise, is extremely relevant. The fact that the Investkredit expanded its activity from purely financial service to strategy consulting enhances the service quality and enlarges the expertise for a larger group of customers. Based on the special wants and needs of family businesses the work of the Investkredit as an investment institution is perfectly suitable. Especially in cases where family businesses consider entering capital markets financial concepts are highly relevant in order to meet the special requirements of family businesses. Experts from the Investkredit literally speak the "language" of family businesses and are interested in long term partnerships with family businesses.</p> <p>In view of the Wirtschaftsblatt award awareness raising measures are promoted and grow in importance. Since the year of initiation (of the award) in 2006 a number of 45 businesses have been awarded. By the yearly family business convention and the Wirtschaftsblatt-conferences the engagement for and the awareness of family businesses in Austria have steadily grown.</p>



	Explanation
<b>institutional features</b>	
name of the actor	<b>Institut für Unternehmensgründung und Unternehmensentwicklung an der Johannes Kepler Universität in Linz</b> <b>Department of Business Foundation and Business Development at the Johannes Kepler University in Linz</b>
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input checked="" type="checkbox"/> support service provider (information, advice, education) <input checked="" type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Freistädterstraße 315/1, 4040 Linz
contact person	Mr. Univ.-Prof. Dr. Norbert Kailer
telephone	(+43) (0) 732 2468 1721
web-page	<a href="http://www.iug.uni-linz.ac.at/default1.asp?PageID=157">http://www.iug.uni-linz.ac.at/default1.asp?PageID=157</a>
e-mail	norbert.kailer@jku.at
<b>content based features</b>	
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input checked="" type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	The objective of the department is the development of entrepreneurship and personalities in business. The department intends to promote an enhancement and encouragement of entrepreneurship in SMEs in Upper Austria.
initiation	The department was initiated in the year 2000. In the university year 2000/2001 it started its university operations.



	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	<p>The topic of family businesses and succession in family businesses form the core fields of research within the department of business foundation. A high number of research projects with relevance for the sector of family businesses have been conducted over the years.</p> <p>Research projects with special relevance for family businesses are for example:</p> <ul style="list-style-type: none"> <li>• Promotion or encouragement of small Family businesses in the process of Foundation, development and succession, year 2003</li> <li>• Support of family businesses: problem spheres, demand for and aspects of an increase in the efficiency of promotion measurements, year 2003</li> <li>• Consulting potentials for the assurance and organisation of company succession in family businesses – analyses of the family businesses’ situation in Upper Austria, year 2005</li> <li>• Consulting and training in the process of business foundation and succession – with a specific respect to family businesses, year 2002</li> </ul>
<b>user based features</b>	
eligibility criteria/target group	<p>The main target groups of the department are:</p> <ul style="list-style-type: none"> <li>• Entrepreneurs and people who want to found or set up a business</li> <li>• Other institutions engaging in business support and consulting, like business consultants, banks, venture capitalists, incubators or financial service providers</li> </ul>
source of funding	<ul style="list-style-type: none"> <li><input type="checkbox"/> EU-funds</li> <li><input checked="" type="checkbox"/> national funds (governments)</li> <li><input type="checkbox"/> membership fees</li> <li><input checked="" type="checkbox"/> others, namely: The university programme is financed by tuition fees. Furthermore, department is funded by financial institutions, the Austrian Federal Economic Chamber, the Federal County of Upper Austria and the City of Linz</li> </ul>
costs for participants/members	<p>The studies and the research results are free for users. Studies and publications can be downloaded from the department’s website.</p>
<b>performance based features</b>	
evolution	<p>Univ.-Prof. Dr. Norbert Kailer started as the head of department of November 1<sup>st</sup> in the year 2003. At the beginning a number 60 students were studying under the mentoring of two department employees. In the meantime the number of students grew to 400 and the number of department employees grew to the number of 5.</p>



	Explanation
<b>content based features</b>	
name of the strategy/initiative/regulation	<b>Bgld. Ladenöffnungszeitenverordnung 1997, Fundstelle LGBl.Nr. 18/2004; § 4 Sonderregelung für Familienbetriebe.</b> <b>Regulation for Shop Opening Hours in the region of Burgenland; § 4 Special Regulation for Family Businesses</b>
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input checked="" type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	The main objective for the implementation of that regulation was to allow family owned retail stores in the region of Burgenland to extend their shop opening hours. This should help to provide family businesses better opportunities to compete with large incorporated supermarkets. Furthermore, it has the objective to guarantee an adequate retail supply of consumer goods and groceries in the region of Burgenland.
initiation	The original regulation is from 1997
contents/description of the initiative/measure	The regulation indicates: In family owned retail stores the shops are allowed to be opened from Monday to Friday from 5:00 AM until 8:00 PM, on Saturdays from 5:00 AM until 6:00 PM. Furthermore they are entitled to open on one working day of their choice during the week, except Saturday, between 5:00 AM and 9:00 PM. The overall shop opening time must not exceed 72 hours. Next to that, for family owned retail shops dealing with <i>bakery goods, flowers, sweets or fruits</i> the overall shop opening time may amount to 80 hours.
<b>user based features</b>	
eligibility criteria/target group	The regulation defines "family business" as " <i>a retail store in which merely the business woman or the business man her- or himself and up to two more family members are working. Thereby, family members can be the husband or the wife of the business owner, or other persons who are relatives of the business owner, parents or children of the business owner, or related by marriage.</i> "
Promotion tools/information strategy	Publication in the law gazette of the federal state.
<b>performance based features</b>	
evolution	Families who run retail shops obtain more advantageous and competitive positions compared to large incorporated supermarkets. For citizens the advantage is to satisfy every day needs with short ways during unusual hours.



	Explanation
<b>content based features</b>	
name of the strategy/initiative/regulation	<b>Bauern-Sozialversicherungsgesetz, BGBl.Nr. 559/1978 zuletzt geändert durch BGBl. I Nr. 67/2001;</b> <b><i>Pflichtversicherung in der Krankenversicherung und in der Pensionsversicherung</i></b> <b>Farmer Social Insurance-Regulation, BGBl.No. 559/1978 latest modification through BGBl. I No. 67/2001;</b> <b><i>Compulsory contribution to the health insurance and to the retirement pension insurance</i></b>
type	<input type="checkbox"/> fiscal regulation/tax law <input checked="" type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	The regulation promotes family structures in the industry of agriculture and/or forestry. Family members who work and help in the family owned agriculture and/or forestry business benefit from this regulation which, therefore, acts as an insurance incentive. By compulsory insurance regulations company succession inside the family can be encouraged.
initiation	First constitution in the year 1978; latest modification in the year 2001
contents/description of the initiative/measure	<p>The federal law in Austria constitutes a compulsory insurance in the above mentioned insurance groups for the following groups of individual persons:</p> <ul style="list-style-type: none"> <li>• Persons who run a business specialised in agriculture and/or forestry (according to the regulations of the so called <i>Landarbeitsgesetz 1984, BGBl. Nr. 287</i>) for their own account or persons whose agriculture and/or forestry business is run for their own account by somebody else</li> <li>• The children, grandchildren, stepchildren or the children in law of a person named above, if their main profession is to work in the agriculture and/or forestry business of the above mentioned person</li> <li>• Parents, parents in law, or grandparents who have transferred the company to their children, children in law or grandparents, if their profession is to work in the agriculture and/or forestry business</li> </ul> <p>According to those regulations, the compulsory insurance is suited for family business structures in the industry of agriculture and/or forestry. According to the status agriculture and forestry have in the Austrian family business sector, the coverage of this regulation is huge.</p>



	Explanation
<b>user based features</b>	
eligibility criteria/target group	Family members (as defined above) working in agricultural/forestry companies owned and run by a relative.
Promotion tools/information strategy	Law gazette of the Federal Republic of Austria
evolution	Legal regulations with the social insurance regulation have been incorporated in order to foster and support agricultural family businesses. These are justified by the fact these family businesses build the basis for providing the supply with food and convenience goods in Austria. In view of this supply it is obvious that the sector of agriculture has immense importance for the economy of Austria. Furthermore, agriculture is a sector in which many family businesses are acting.



	Explanation
<b>content based features</b>	
name of the strategy/initiative/regulation	<b>Gesellschaftsrecht: Stiftung gemäß dem Privatstiftungsgesetz (PSG 1993)</b> <b>Corporate Law: Regulations concerning a <i>Foundation</i> or <i>Trust</i> according to the Privatstiftungsgesetz (PSG 1993)</b>
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input checked="" type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	Foundations or trusts have the objective to insure the family business funds for the family offspring. For the trust, sustainability, security and profit of the funds are the major interests. In case of a missing business succession the company does not have to be sold or closed but the funds will be transferred into a suitable foundation or trust. As a special regulation in Austria foundations or trusts are not allowed to realise profit.
initiation	The foundation- or trust law was initiated in the year 1993
contents/description of the initiative/measure	<p>Family business funds are transferred in a foundation or a trust which is an incorporated body. The trust has the intention to secure the monetary future of the family members which means it manages the family funds. The foundation or trust has to have a management board with at least three members but must not consist of family members. If a profit is made by the trust and this profit is distributed, a fixed rate of capital return tax has to be deducted. Tax advantages of a trust could be for example:</p> <ul style="list-style-type: none"> <li>• Transfer of equity into a “charitable-“ or non-profit trust is free of donation tax</li> <li>• Inheritance of a trust is free of inheritance tax</li> <li>• Donations to a trust are calculated as “special issues” (and thereby face lower taxes)</li> <li>• Capital gain from the trust is free of corporate tax</li> </ul>
<b>user based features</b>	
eligibility criteria/target group	A family business has to transfer its funds and capital in a <i>foundation or trust</i> , for monetary future security reasons.
Promotion tools/information strategy	Regulations about the foundations or trusts are stipulated in the Austrian Corporate Law (Gesellschaftsrecht), and there is the Private Trust Law (Privatstiftungsgesetz PSG, 1993).



	Explanation
<b>performance based features</b>	
evolution	<p>Trusts are set up in order to safeguard the future of certain family members or other persons. The beneficiaries of a trust get benefits, monetary or non-monetary. Non-monetary benefits could be a right of abode or the possession of real estate for example. Advantages of trust are for example, preliminary freedom of the trust's purpose or unlimited influence of the founder. More advantages can be found in the following list:</p> <ul style="list-style-type: none"><li>• Tax advantages</li><li>• Security of assets and equity</li><li>• Enhancement of the wealth of the community</li><li>• Effective solutions in succession questions</li><li>• Protection of the work of a lifetime</li><li>• A trust can act as a promotion and PR instrument</li><li>• Financial supply is secured</li></ul>



	Explanation
<b>content based features</b>	
<b>name of the strategy/initiative/ regulation</b>	<b>Eherecht: <i>Mitwirkung im Erwerb</i>; § 90 (2) ABGB.</b> <b>Law of marriage: <i>Participation or co-operation in the business of the wife or the husband, respectively</i>; § 90 (2) ABGB</b>
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input checked="" type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	The marriage law was set up in order to clarify the duties, obligations and privileges of wife and husband. In case of a marriage and the ownership of a business, the roles of the partners are clearly stipulated in § 90 (ABGB). In large and traditional family business structures especially during the last centuries this regulation was very important to safeguard the continuity of businesses
initiation	The last amendment of the Participation and Co-operation law was effected in 1975
contents/description of the initiative/measure	According to § 90 (2) (ABGB): a wife or a husband is obliged to participate or co-operate in the business of her or his spouse, <ul style="list-style-type: none"> <li>• if the job is reasonable and can be done with <i>normal</i> skills</li> <li>• No other regulation is settled between the partners</li> </ul> The reasonability is determined by a number of factors: <ul style="list-style-type: none"> <li>• in how far the wife or husband is occupied by her or his own job</li> <li>• the effort put in housekeeping and child care</li> <li>• the health of the wife or husband</li> <li>• the capability to handle the job in question</li> </ul>
<b>user based features</b>	
eligibility criteria/target group	The target group are the partners of a marriage in cases where one partner is the owner or founder of a business, and there is a need for assistance in the business environment. The law stipulates rules and obligations one partner has to take in case of a marriage. The regulation is fairly old and still is based on family-intern role models which need no longer perfectly fit modern family structures.



	Explanation
<b>user based features</b>	
Promotion tools/information strategy	The regulation § 90 (2) and the following are stated in the Austrian civil law BGBl.Nr. 140/1997
<b>performance based features</b>	
evolution	<p>The Austrian Council of Ministers wanted to discharge the regulation for participation and co-operation for wife and husband in a business. As the law has existed unchanged since 1975, this request was based on the fact that the regulation does not correspond to the modern forms of partnership. <i>“An obligation for participation in a wife’s or a husband’s business does not meet the social reality”</i>, and, therefore, it should be deleted from the civil law.</p> <p>This argument was not accepted by the Minister of Agriculture and Forestry. The administration argued that the participation of family members in agricultural family businesses is of high relevance and that an extinction of the regulation would go hand in hand with major burdens for entire family structures in the agriculture and/or forestry business.</p> <p>Therefore, the regulation was not eliminated but modifications have been incorporated. They state that the participation and co-operation can be excluded contractually or can be effected voluntarily.</p>



	Explanation
<b>content based features</b>	
<b>name of the strategy/initiative/ regulation</b>	<b>Ehegesetz: <i>Beendigung der Ehe</i>; § 81 (1) Ehegesetz Law of marriage: <i>End of marriage</i>; § 81 (1) Marriage law</b>
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input checked="" type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking
<b>content based features</b>	
objective	This section of the marriage law stipulates the division of jointly owned equity, funds, savings or commodities among the partners in case of divorce or annulment of the marriage. This regulation is very important for partnerships or marriages in which the partners accumulate collective funds or commodities. In case of divorce or annulment where the partners cannot reach an agreement, collective valuables have to be separated by contract or law. Important for family businesses, thereby, is the exception of the law in § 82 (1): Based on that, a business or a company does not fall into this regulation
initiation	The last amendment was effected in 1975
contents/description of the initiative/measure	<p>According to § 81 (1) marriage law: In case of divorce or annulment of the marriage the jointly owned equity, funds, savings or commodities are divided among wife and husband. Debts which are connected to matrimonial commodities or savings have to be divided as well.</p> <ul style="list-style-type: none"> <li>• Matrimonial commodities are <i>mobile</i> and <i>immobile</i> objects which were used by both, the wife and the husband while they lived in matrimonial partnership. Also included are <i>apartments</i> and <i>furniture</i>.</li> <li>• Matrimonial savings are financial investments which were accumulated while the partners lived in matrimonial partnership and which are usually supposed to be commercialised.</li> </ul> <p>Based on § 82 (1) the following exceptions exist, which are especially important for family businesses:</p> <ul style="list-style-type: none"> <li>• Goods or commodities which were brought in the marriage by one individual partner, were inherited by her/him, or were given to her/him as a present</li> <li>• Goods or commodities which serve one individual partner personally or are crucial for doing her/his job</li> <li>• Good or commodities which are part of a business, or business shares</li> </ul>



	Explanation
<b>user based features</b>	
eligibility criteria/target group	The target group are married couples
Promotion tools/information strategy	The regulation § 81 (1) and the following are stated in the Austrian civil law BGBI.Nr. 140/1997
<b>performance based features</b>	
evolution	In case of divorce or the end of marriages, matrimonial commodities or savings do often build the base for differences and quarrels. Especially if the emotional environment is mixed with the professional environment like in a family business. In those cases family businesses, its assets, funds or capital can be the basis for conflicts and disputes. In contrast to the private equity, company funds and capital are usually higher and conflicts are fought over immense amounts of money. Therefore, this regulation is especially suitable for family businesses.



	Explanation
<b>name of the strategy/initiative/regulation</b>	<b>Österreichische Gewerbeordnung 1994, BGBl.Nr. 194/1994 – Fortbetriebsrecht</b> <b>Austrian Trade/commerce Regulation Act 1994, BGBl.No. 194/1994 - Act for Continuation or Succession of a Business</b>
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input checked="" type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	This law regulates the continuation or succession of a business on basis of “Business Licence” (authorisation) of another person – in this context, a family member.
initiation	The law was implemented was initiated in the year 1994, but altered in the year 2002 based on BGBl.No. 111/2002
contents/description of the initiative/measure	<p>The regulation stipulates the right of continuing the business of a third person on basis of her/his business license without having to dispose of a business licence oneself in the following cases. Entitled are:</p> <ul style="list-style-type: none"> <li>• The legal estate in case of death of the owner of the business license</li> <li>• The husband/wife of the businesswoman/men who possesses the business based on the legal succession</li> <li>• The children or step children until they complete the age of 24</li> </ul>
<b>user based features</b>	
eligibility criteria/target group	The target group of this regulation are family members who decide to continue a family business. The act or regulation is connected to a valid “business license” (authorisation).
Promotion tools/information strategy	The regulation is based on the federal law of the trade, commerce and industry regulation act
<b>performance based features</b>	
evolution	<p>If the owner of the license dies, the act regulates that the legal successors (family members) are entitled to inherit the business and the company does not have to be sold.</p> <p>Therefore, it is legally regulated that businesses can remain in family lines and traditional businesses that have existed over generations are not disrupted. Successors profit from that regulation as they can inherit the “business licenses”. This can mean a relaxation compared to the usual process of obtaining business licenses.</p>



	Explanation
<b>content based features</b>	
<b>name of the strategy/initiative/regulation</b>	<b>§ 1 Z. 1 und 2 iVm § 15a Erbschafts- und Schenkungssteuergesetz 1955 idF BGBl. I Nr. 85/2008</b>
type	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> fiscal regulation/tax law</li> <li><input type="checkbox"/> labour law/social security law</li> <li><input type="checkbox"/> company law</li> <li><input type="checkbox"/> awareness raising measures</li> <li><input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar</li> <li><input type="checkbox"/> education/training measures</li> <li><input type="checkbox"/> information/advice</li> <li><input type="checkbox"/> business transfer support instruments</li> <li><input type="checkbox"/> financial support</li> <li><input type="checkbox"/> marketing</li> <li><input type="checkbox"/> networking</li> <li><input type="checkbox"/> others, namely:</li> </ul>
objective	<p>In the year 2008, the Erbschafts- und Schenkungssteuergesetz (Law regulating heritages and donations) has been amended. Before the amendment, the law regulated in paragraph 15a tax exemptions for the transfer of businesses to a successor. The law was based on two cases</p> <ul style="list-style-type: none"> <li>• - heritage of a company in case of death</li> <li>• - donation of the company among living people</li> </ul> <p>If a family business was inherited to a family member certain tax allowances have been available. Since 31<sup>st</sup> July 2008, transfer of business in way of heritage or donation is not liable to heritage and gift tax.</p>
initiation	<p>The original law was initiated in 1955. An amendment was enacted 1989; and special regulations towards tax allowances have been effected on 1<sup>st</sup> January 2000 (Austrian Tax Reform). The tax has been abolished in July 2008.</p>
contents/description of the initiative/measure	<p>Until July 2008, the law contained the following regulations: In case of death, and resulting from that, inheritance of the company, the transfer is free of taxes up to a tax allowance of € 365,000.-. The same regulation is valid for donations among living people of the company, if:</p> <ul style="list-style-type: none"> <li>• The successor is a natural person</li> <li>• The donator has completed the age of 55 and</li> <li>• The donator is, based on physical or psychological handicap, not able to run the company or fulfil her/his duties inside the business.</li> </ul> <p>Since 31<sup>st</sup> July 2008, transfer of business in way of heritage or donation is not liable to heritage and gift tax.</p>
<b>user based features</b>	
eligibility criteria/target group	<p>The regulation is intended for cases when a business has to be transferred to a new management or board in order to keep it on the market because of death or accident of the former owner. The members of the new management or the business successors form the target group of the law.</p>



	Explanation
<b>content based features</b>	
<b>name of the strategy/initiative/regulation</b>	<b>Reduced taxation of retained earnings according to § 11a Einkommensteuergesetz (Income Tax Act) idF BGBl. I Nr. 24/2007</b>
type	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> fiscal regulation/tax law</li> <li><input type="checkbox"/> labour law/social security law</li> <li><input type="checkbox"/> company law</li> <li><input type="checkbox"/> awareness raising measures</li> <li><input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar</li> <li><input type="checkbox"/> education/training measures</li> <li><input type="checkbox"/> information/advice</li> <li><input type="checkbox"/> business transfer support instruments</li> <li><input type="checkbox"/> financial support</li> <li><input type="checkbox"/> marketing</li> <li><input type="checkbox"/> networking</li> <li><input type="checkbox"/> others, namely:</li> </ul>
objective	Entrepreneurs drawing up balance sheets and farmers are entitled to apply a reduced tax rate on the increase of the company's equity that happened within the business year up to an amount of € 100,000.-.The aim of this regulation is the provision of incentives to increase equity.
initiation	The regulation has been enacted within the framework of the "Budgetbegleitgesetz 2003", replacing another regulation regarding the interest on paid-in-capital (§ 11 Income Tax Act), that failed to achieve the desired results.
contents/description of the initiative/measure	Since 2004, entrepreneurs drawing up balance sheets and farmers have the opportunity to apply the half average income tax rate on earnings that have not been withdrawn up to the amount of € 100,000.- per year. This preferential treatment applies only to sole proprietors and associates of partnerships. The earnings have to be determined through accounting. Entrepreneurs using cash basis accounting only have the opportunity to use a special allowance for invested earnings (10 % of reinvested earnings are treated preferentially in income tax). The retained earnings have to manifest themselves in an increased equity. In case the earnings are higher than the increase of equity or the maximum amount of € 100,000.-, the exceeding amount is liable to the normal tax rate. There is a subsequent taxation of the earnings, if within 7 years the equity is reduced as a result of withdrawals and the withdrawals exceed the earnings. In years of losses only the decrease of equity caused by withdrawals is liable to subsequent taxation and not the loss itself.
<b>user based features</b>	
eligibility criteria/target group	This preferential treatment applies only to sole proprietors and associates of partnerships.
<b>user based features</b>	
Promotion tools/information strategy	The regulation is based on the federal law of the trade, commerce and industry regulation act



	Explanation
<b>performance based features</b>	
evolution	§ 11 Income Tax Act regarding the interest on paid-in-capital failed to achieve sufficient increase of equity as the application proved to be too complicated. There was the need for a user-friendlier regulation.



	Explanation
<b>content based features</b>	
<b>name of the strategy/initiative/regulation</b>	<b>Österreichischer Governance Kodex für Familienunternehmen</b> <b>Austrian Governance Code for Family Businesses</b>
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input checked="" type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	<p>Initiated by the Spängler Family Office, the INTES (Germany) and the Wirtschaftsblatt, the code determines special recommendations for family businesses. Corporate Governance is important for family businesses, as they should get more involved with the capital market. Based on Basel II, the traditional banking sector becomes more unpopular and different means of financing should be taken into account. For acting on capital markets, corporate governance is especially crucial and, therefore, the code provides valuable recommendations and regards.</p>
<b>content based features</b>	
initiation	The code was initiated in September 2002
contents/description of the initiative/measure	<p>The code contains several topics with special relevance for the performance of family businesses. Relevant chapters with recommendations for management issues are:</p> <ul style="list-style-type: none"> <li>• responsible management</li> <li>• transparent company structures</li> <li>• qualified management and management succession               <ul style="list-style-type: none"> <li>○ Number of managers, distribution of duties</li> <li>○ Election of managers</li> <li>○ Management succession</li> <li>○ Obligations and duties of the management</li> </ul> </li> <li>• Assurance of a qualified management supervision               <ul style="list-style-type: none"> <li>○ Configuration of the supervisory institution</li> <li>○ Obligations of the supervisory institution</li> <li>○ Rights and duties</li> </ul> </li> <li>• Participation rights of the shareholders               <ul style="list-style-type: none"> <li>○ Legal status of the owners</li> <li>○ Individual participation rights</li> <li>○ Decision making</li> </ul> </li> <li>• Accounting and allocation of profit               <ul style="list-style-type: none"> <li>○ Accounting</li> <li>○ Allocation of profit</li> </ul> </li> </ul>



	In addition to that, the code contains certain elements for acting in accordance with good family governance. Not only in the business environment, but also within the family a “family strategy” should be developed. Treatment of family members, conflict solving or activities for a stronger family coherence, to name just a few.
<b>user based features</b>	
eligibility criteria/target group	The target group are family businesses which are not especially determined or defined in the code of corporate governance. An attempt to define the target group is that the code is suitable for companies which are not publicly quoted. Publicly quoted corporations find recommendations in the “original” code of corporate governance which does not especially gear at family businesses.
Promotion tools/information strategy	In September 2002, the code was introduced to the public and immediately raised lively discussions and efforts towards responsible management and guiding structures in family businesses.
<b>performance based features</b>	
evolution	Good corporate governance will be of major relevance for family businesses in the future. The requirements of capital markets need an orientation among family businesses on corporate governance. Companies who are able to upgrade the governance structures clearly raise the chances of international and future-oriented markets.



## 6 Future issues

Family businesses and especially SMEs are increasingly suffering from a limited access to capital markets. Due to traditional role models, family internal funding and the dominance of the banking sector, alternative capital acquisitions have not yet reached a satisfactory status among family businesses. Young business people, if interested in the business of the older generations, have to find solutions for entering capital markets and have to invest in investor-relations and networks.

For small family businesses which decide to go international, it can be a tough procedure to find the right markets. Emerging markets which often are quite unstable are a good medium for multinationals or large family businesses with international experience. For smaller businesses the risks of financial problems and the risk of dispossession are quite threatening in foreign countries and unstable markets.<sup>2</sup> Non-family businesses which probably are less traditionally anchored in the national economy may find it easier to go international and to adjust to foreign cultures and values. If family businesses want to widen their operating range or plan to go international the management has to break with traditional structures and with long-established strategies. Being part of the globalisation, managerial flexibility, openness for expansions and international mind sets are crucial in order to be successful.

According to Austrian experts in the field of family businesses the share of SMEs in the family business sector will be declining in the near future. Resulting from socio-demographic and demographic changes, the young generation of business people is less interested in traditional family businesses. The young generation nowadays is less dependent on continuing the family businesses. Due to globalisation, world wide communication and IT-industries that have not existed a few decades ago young people can implement their business ideas instead of continuing the traditional family business industries of their forefathers. Resulting from that, the family business sector in Austria will face major succession problems in the near future.

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<sup>2</sup> ref. <http://diepresse.com/home/wirtschaft/economist/73524/print.do>, 21.03.2008



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