

A Call for Smarter Integration: What Family Businesses Expect from the EU



of business leaders from family businesses headquartered in Germany agree that “family businesses are under-recognised as drivers of EU competitiveness”.

This rises to 77% of business leaders from non-family businesses headquartered in Germany.

Top threats to competitiveness

Family businesses headquartered in Germany are most concerned about skilled labour shortages, while non-family firms point to tariffs and trade barriers as their top concern. Both cite external competition and regulatory unpredictability as key risks to competitiveness.

	Family business leaders	Non-family business leaders
#1	Shortage of skilled workers	Tariffs and trade barriers
#2	Tariffs and trade barriers	Shortage of skilled workers
#3	Rising/volatile energy prices	Competition from outside the EU
#4	Competition from outside the EU	Pressure from changing or unpredictable regulations
#5	Pressure from changing or unpredictable regulations	Unpredictable trade conditions

74% of family businesses headquartered in Germany agree that economic and geopolitical instability makes it harder to stay competitive. This is less than non-family counterparts (82%) suggesting family businesses are better able to withstand external pressures.

Summary of key findings amongst German family business leaders

1. Family businesses headquartered in Germany particularly strongly agree that they are under-recognised for their contribution to the EU’s competitiveness.
2. Labour shortages and the challenges posed by tariff and trade complications top the list of concerns for German family businesses and non-family businesses.
3. German family businesses remain very loyal to investing in their own market and in other EU markets.
4. Administrative complexity in current EU frameworks is holding businesses back. Cutting bureaucracy would ease the strain and allow them to operate more efficiently.
5. Advancing a more integrated Single Market and expanding trade agreements should be key priorities, alongside improving access to funding, particularly for family businesses.

What will make businesses more competitive?

Making frameworks easier, simpler and faster to use is a priority reform for family businesses headquartered in Spain. For non-family businesses, reducing administrative burden is most imperative for improving competitiveness.

Percentage of business leaders who say the following will make their company more competitive		
	Family business leaders	Non-family business leaders
Reducing administrative burdens on our company	69%	67%
Creating faster or more transparent approval processes for permits, subsidies or certifications	67%	64%
Expanding access to public procurement opportunities	63%	67%
Introducing a single digital portal to handle regulatory submissions, or business administration	62%	58%
Simplifying sustainability reporting frameworks to make them more practical for the company I work for	59%	66%
Offering tailored advisory services to help navigate compliance requirements	59%	59%
Adjusting regulatory thresholds to reflect the characteristics of the company I work for	58%	68%
Release new regulation only with a trial phase/sunset clause	51%	58%

Total sample size Germany n=600; family business leaders n=527; non-family business leaders n=73.

The data are taken from the study “**A Call for Smarter Integration: What Family Businesses Expect from the EU**” prepared by Edelman Data & Intelligence (DXI) for the Foundation for Family Businesses.

The non-profit Foundation for Family Businesses is the most important sponsor of academic research around family businesses. It is a primary point of contact for politicians and the media in matters related to economic policy, legislation and taxation.

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To the study:



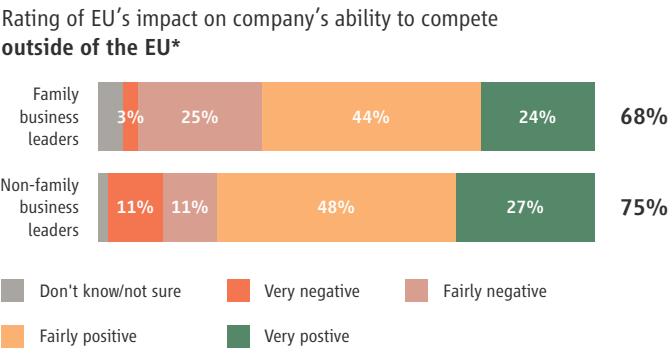
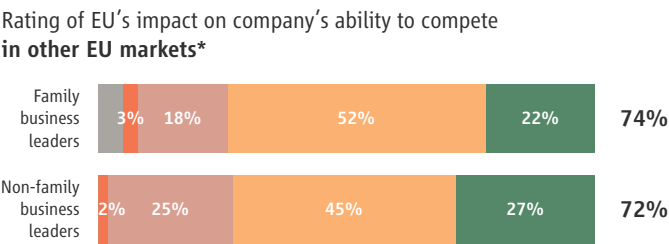
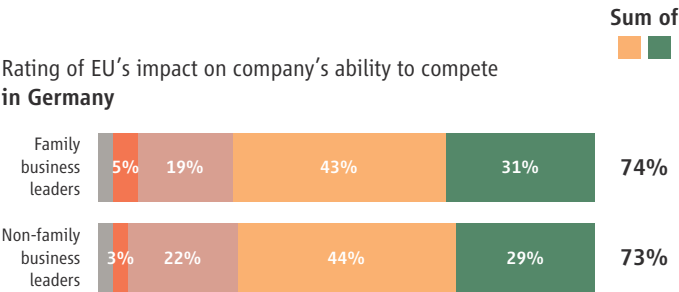
Usage of EU policies

While current usage of EU initiatives/frameworks is more limited amongst family businesses, interest in using these in the future indicates an upward trend, particularly for accessing the EU Single Market, securing innovation funding and leveraging trade agreements. This highlights the critical importance of delivering frameworks more effectively but with less complexity in the coming years.

	Percentage of business leaders who currently use this		Percentage of business leaders who do not currently use this but plan to use this	
	Family business leaders	Non-family business leaders	Family business leaders	Non-family business leaders
Support for compliance with EU sustainability or reporting standards	27%	30%	27%	23%
National or regional government support linked to EU funding	25%	42%	26%	11%
EU-funded support or grant schemes	24%	29%	28%	21%
Business advisory services or training funded by EU or national programs	24%	32%	26%	22%
Trade agreements between the EU and non-EU countries	22%	33%	29%	19%
EU innovation funding	22%	33%	32%	18%
Access to the EU Single Market	21%	38%	40%	22%
Participation in EU-supported clusters of business networks	21%	33%	28%	19%

Impact of EU policies

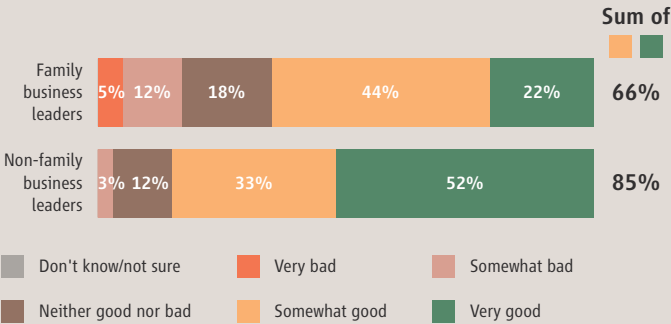
Both types of businesses perceive the EU as a positive influence on their competitiveness in Germany and other EU markets. However, family businesses are more likely to feel that more work needs to be done by the EU to help them compete beyond its borders, as they rate the EU less positively than non-family businesses on delivering frameworks that are fit for purpose and future-ready.



*Sample is based on businesses that operate internationally only. See “Demographic Supplement” for a note on the base size.

Single Market loyalty

Both family and non-family businesses feel Germany is a good place for their company to invest, though family businesses are less positive in their view.



Beyond Germany, businesses show loyalty to the EU with high interest in its markets. Other large economies like the USA, China, the UK and Switzerland also appear attractive.

Next 12 months		
	Family business leaders	Non-family business leaders
#1	NET*: EU countries (38%)	NET*: EU countries (29%)
#2	USA (15%)	USA (23%)
#3	China (10%)	China (16%)
#4	Switzerland (9%)	UK (7%)
#5	UK (3%)	Australia (4%)
Next 5 years		
	Family business leaders	Non-family business leaders
#1	NET*: EU countries (37%)	NET*: EU countries (29%)
#2	USA (15%)	China (21%)
#3	China (8%)	USA (19%)
#4	Switzerland (8%)	Switzerland (5%)
#5	UK (4%)	UK (5%)

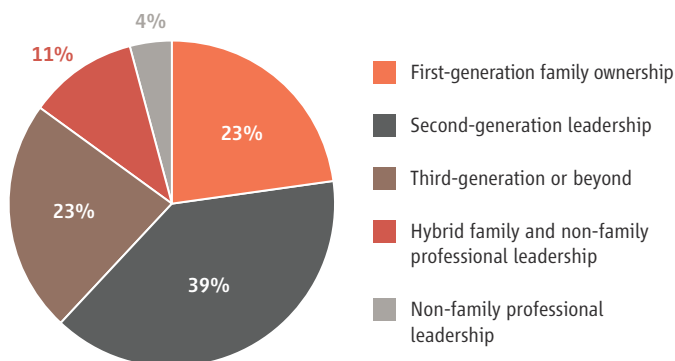
*EU countries NET= total percentage who choose one of the 27 EU markets, with the exception of the market they are headquartered in.

Demographic Supplement – Profile of German Family Businesses

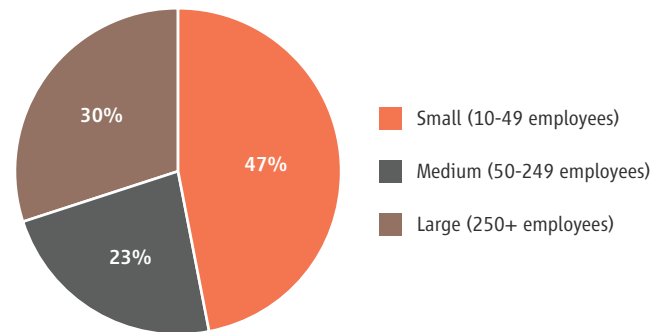
Family involvement

	Percentage of German family businesses which confirmed family involvement in ...
Family members of current/previous CEO/owner currently active in executive management	77%
The company has a supervisory or advisory board	72%
Family members of the current or previous CEO/owner are active on the supervisory or advisory board	71%
There is a designated successor for executive management from the current or previous CEO/owners family	71%
There is a designated successor for the supervisory or advisory board from the current or previous CEO/owners family	63%

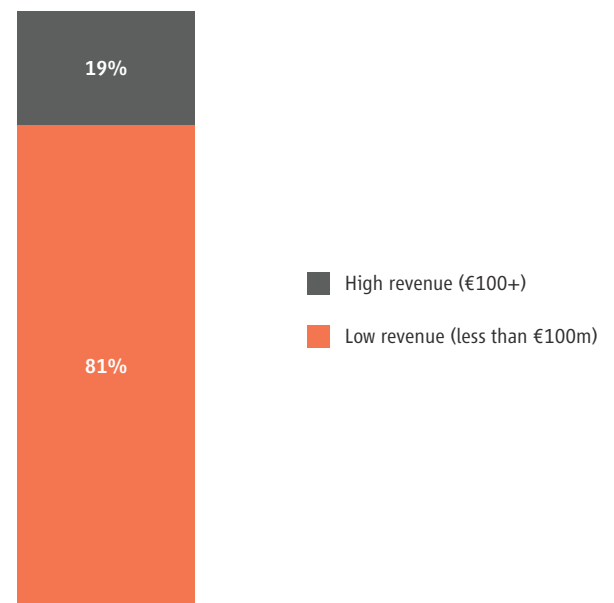
Generational structure



Business size



Revenue in most recent financial year (annual)



Sectors of industry

	Percentage of German family businesses in this survey
Information and Communication Technology	16%
Business and Professional Services	13%
Manufacturing	12%
Transport and Logistics	12%
Retail	11%
Trade and Hospitality	9%
Construction	8%
Energy and Utilities	6%
Health	6%
Education	5%
Other services	2%

Bases for all data included in this fact file are as follows, unless otherwise stated. German base sizes: Total German business leaders: n=600, family businesses headquartered in Germany: n=527, non-family businesses headquartered in Germany: n=73.

*Total German business leaders whose business operates internationally: n=280, family businesses headquartered in Germany who operate internationally: n=236, non-family businesses headquartered in Germany who operate internationally: n=44.