



**SORAINEN**



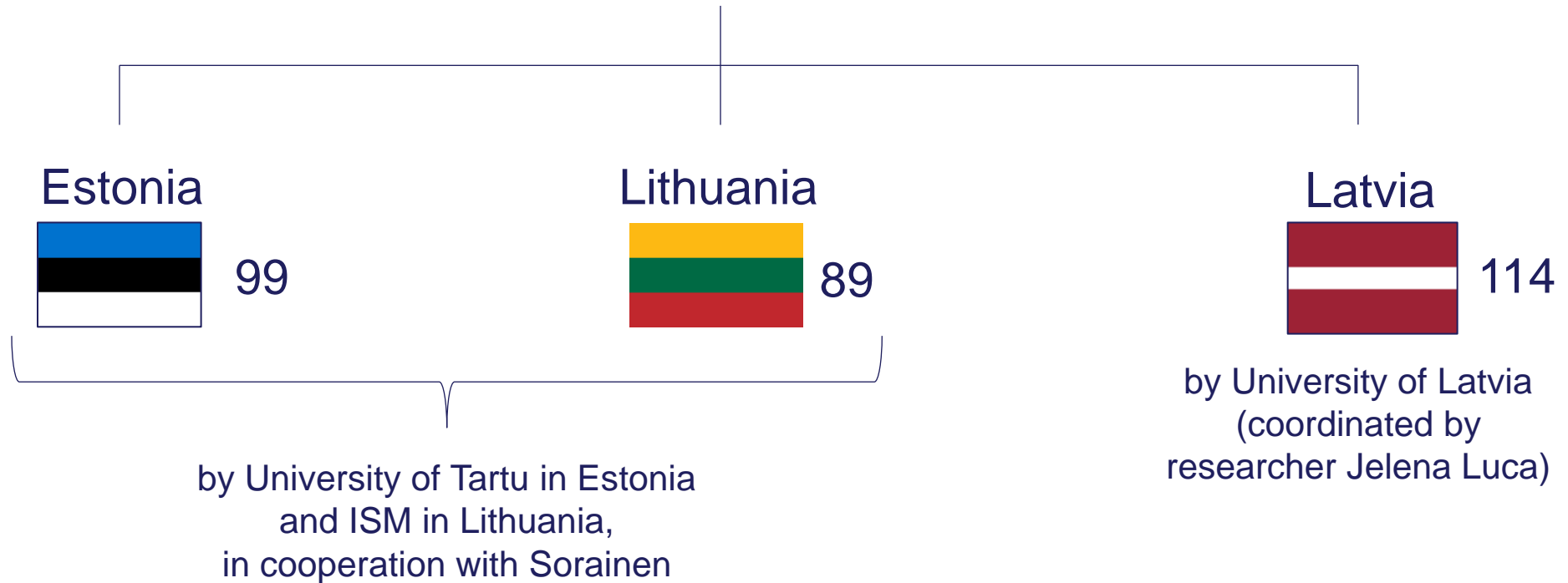
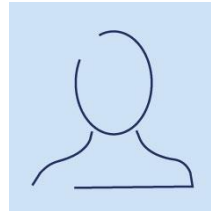
How to make your  
family business  
successful through  
generations?  
Insights from the first  
pan-Baltic survey

Jurgita Karvelė  
Estonia, Latvia, Lithuania

01.10.2024

# First survey of family businesses in Baltic States

Over 300 family businesses were surveyed



# Governance

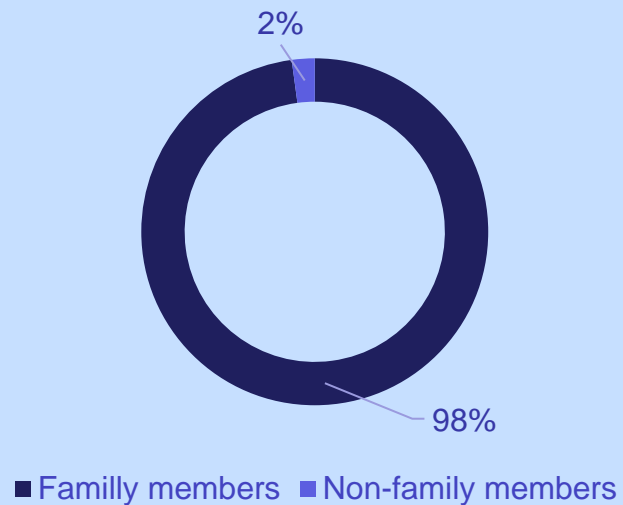
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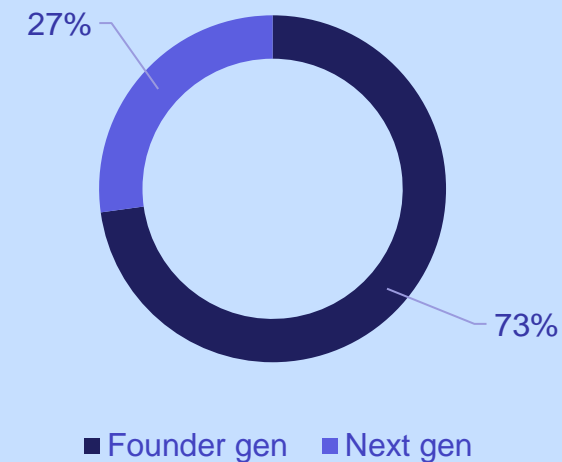
# Portrait of respondents

Estonia

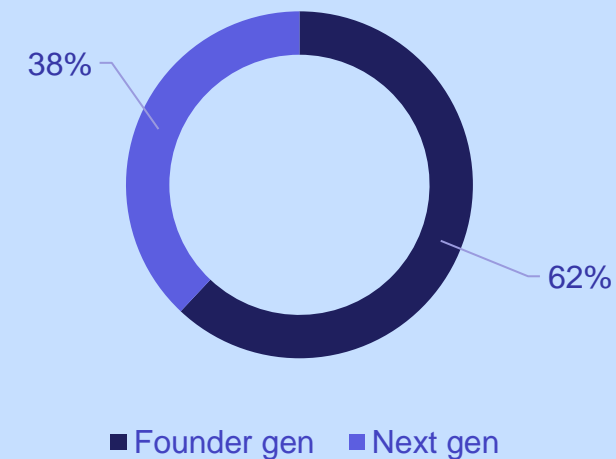
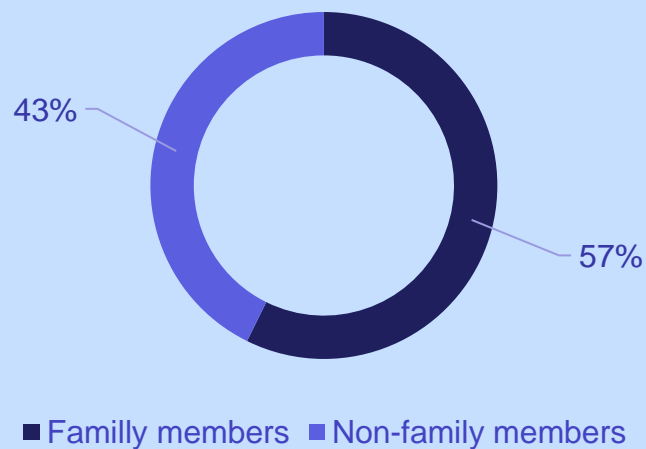
Family member/  
Non-family member



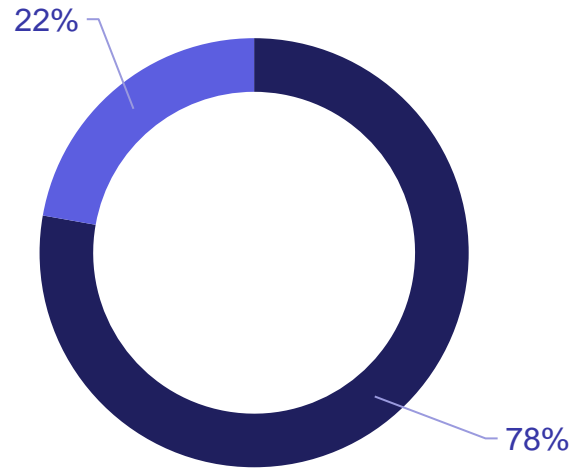
Founder generation/  
Next generation



Lithuania

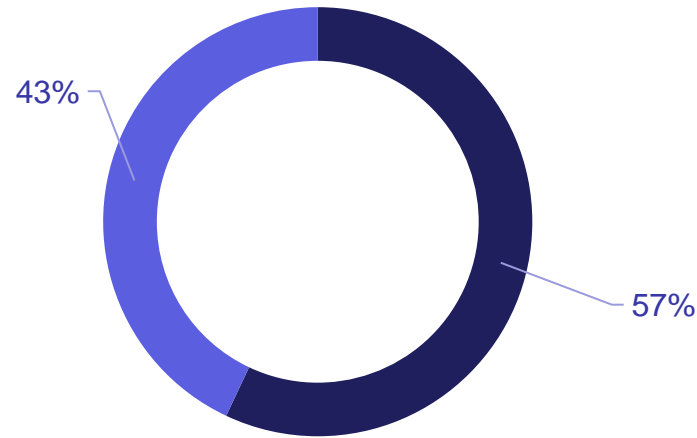


# Does a family member influence strategic decision-making in your company?



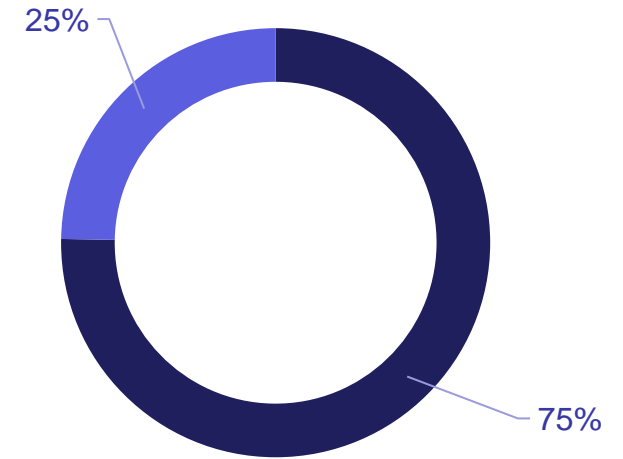
■ Yes ■ No

Estonia



■ Yes ■ No

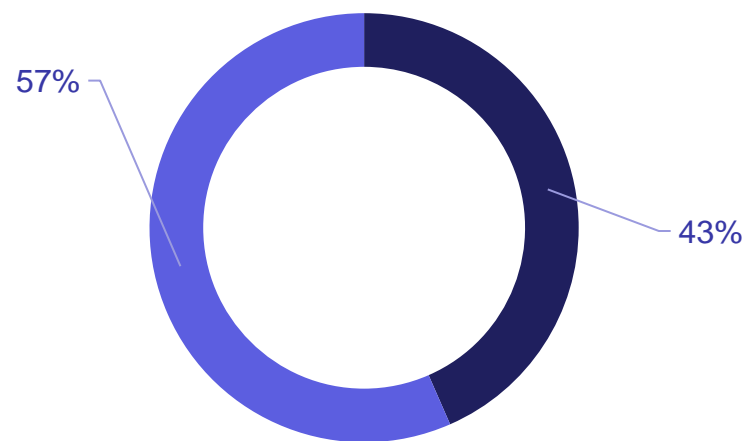
Latvia



■ Yes ■ No

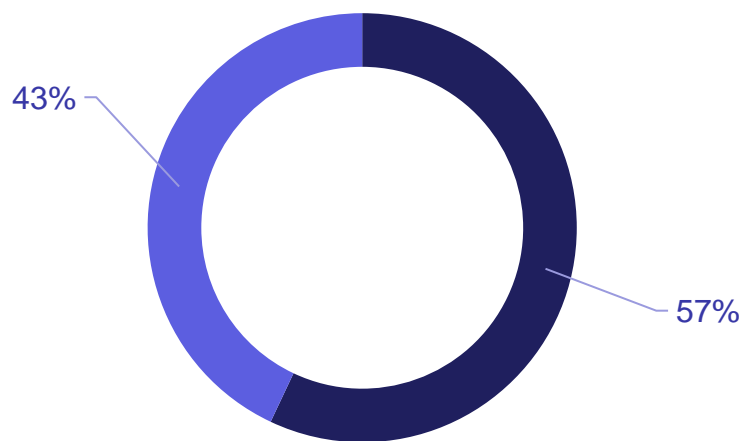
Lithuania

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



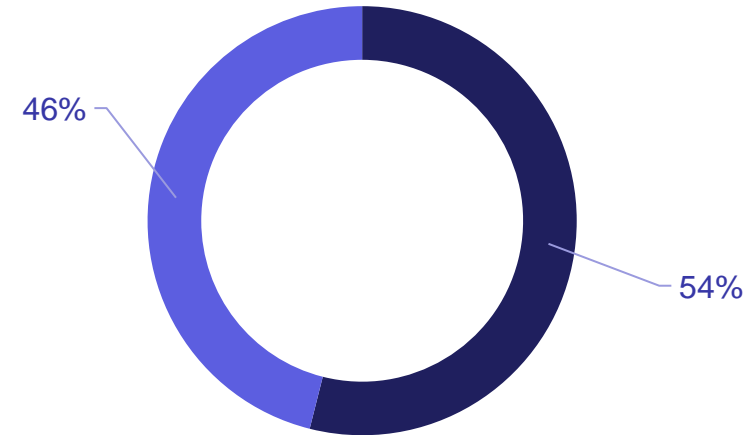
■ Yes ■ No

Estonia



■ Yes ■ No

Latvia

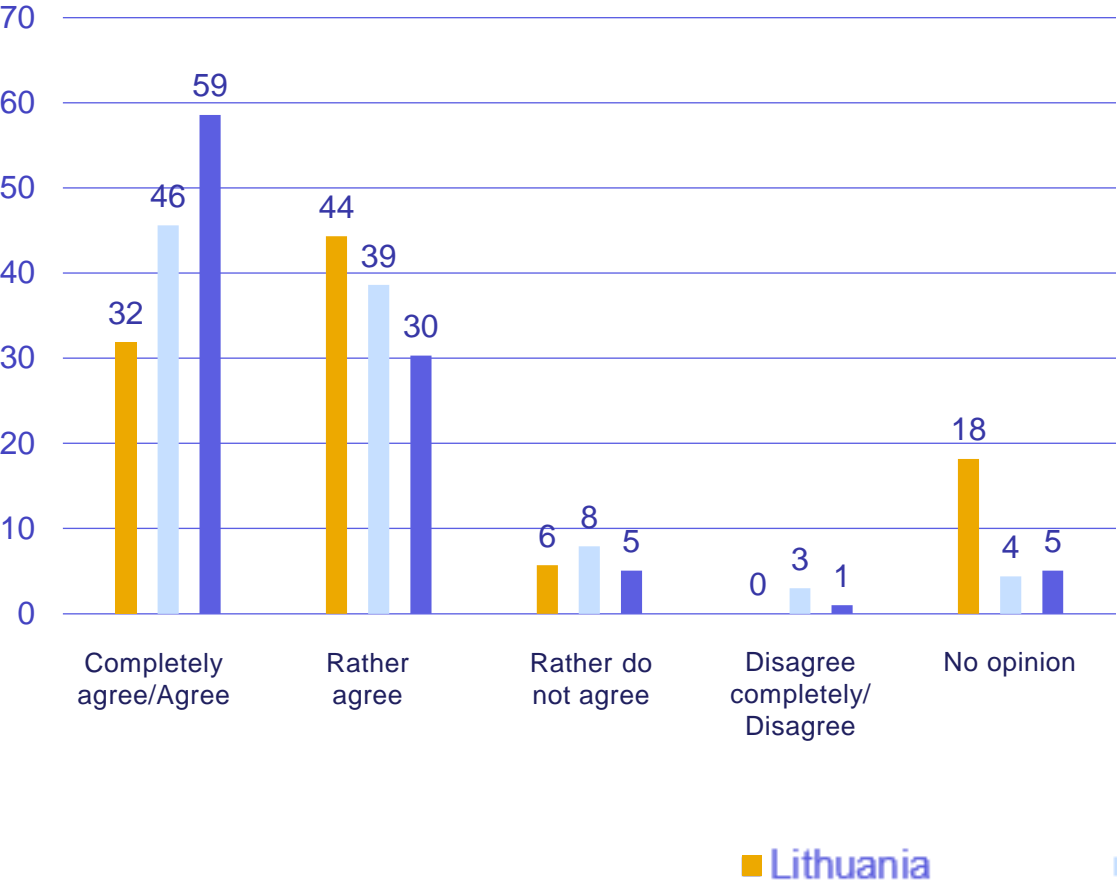


■ Yes ■ No

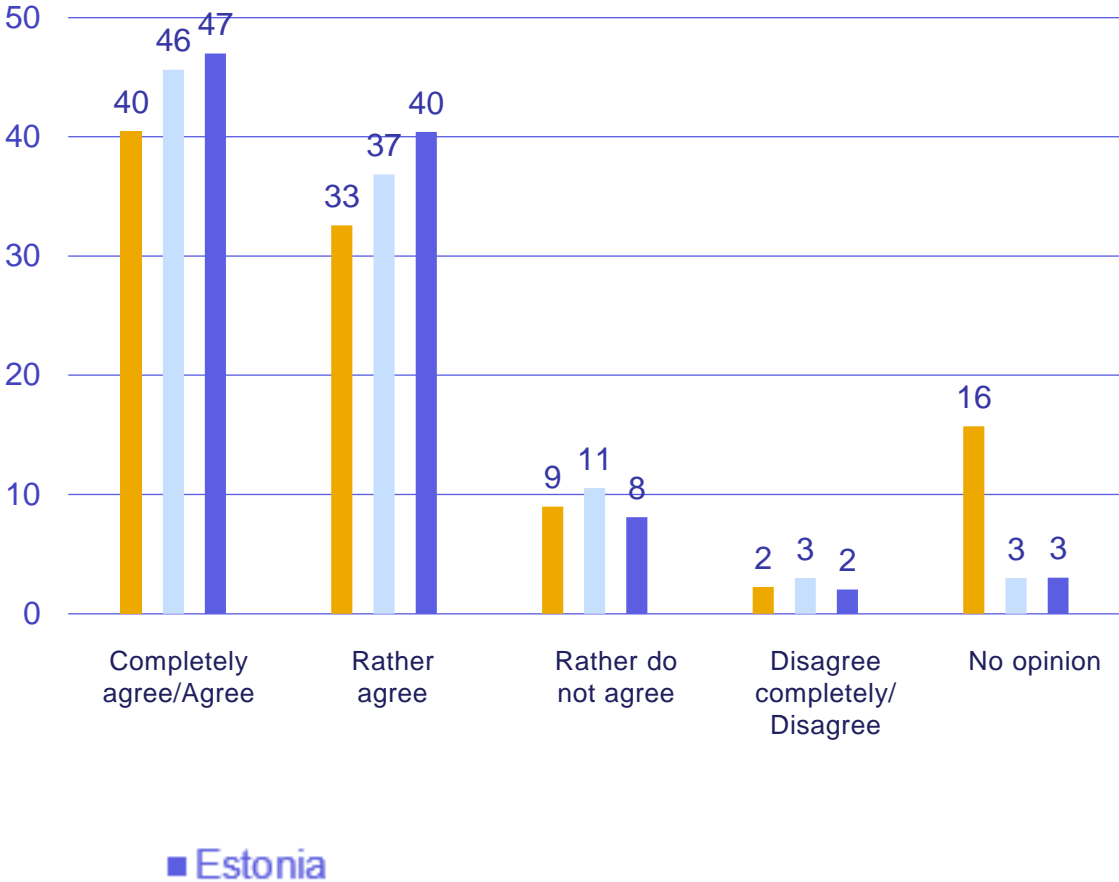
Lithuania

# How resilient the family businesses are?

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

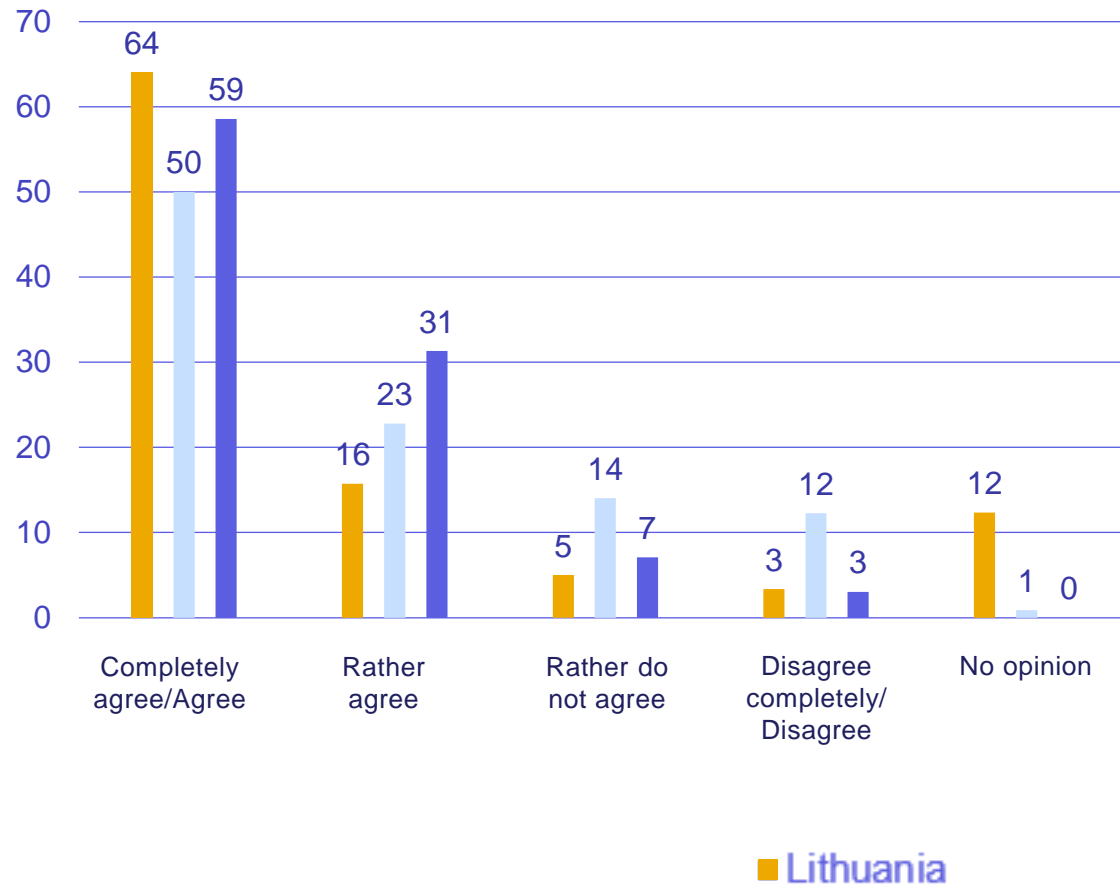


To what extent do you agree that your company can easily handle the challenges? (%)

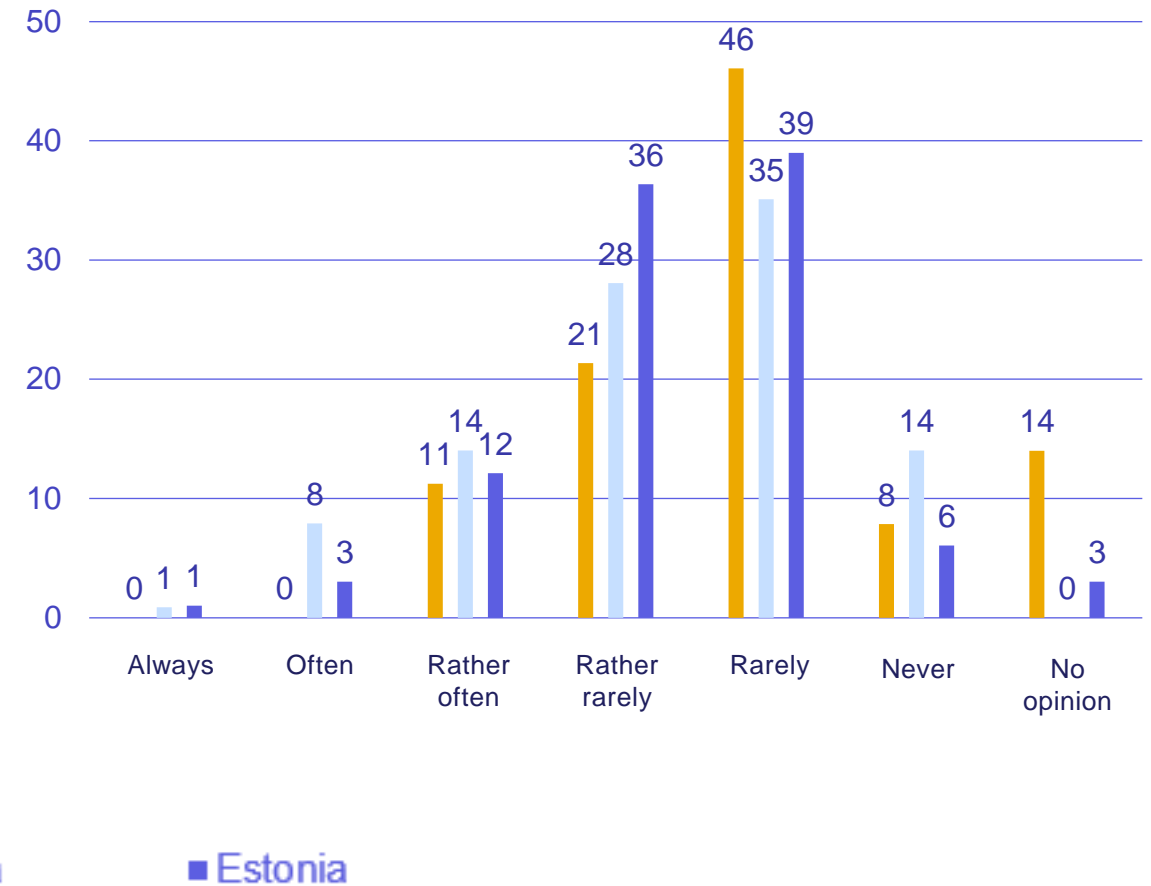


# Are there any correlation between emotions & education?

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

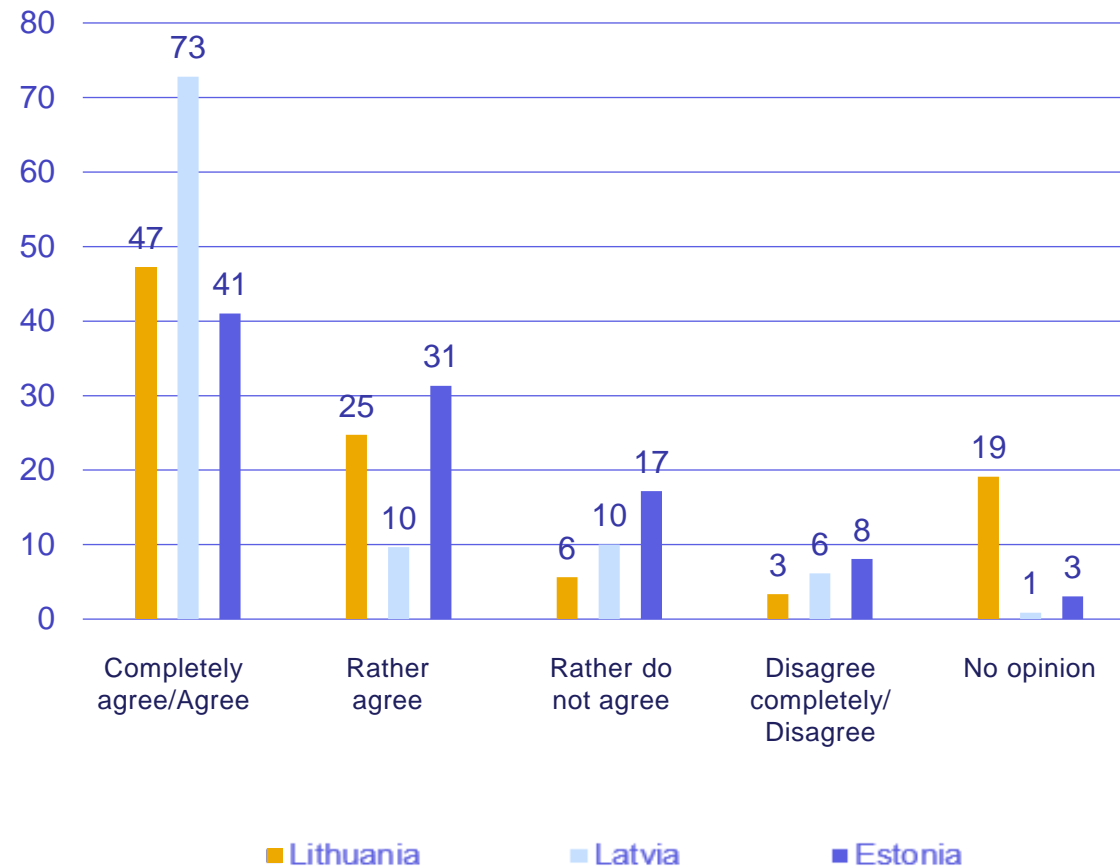


How often do managers in your company make decisions based on emotions? (%)

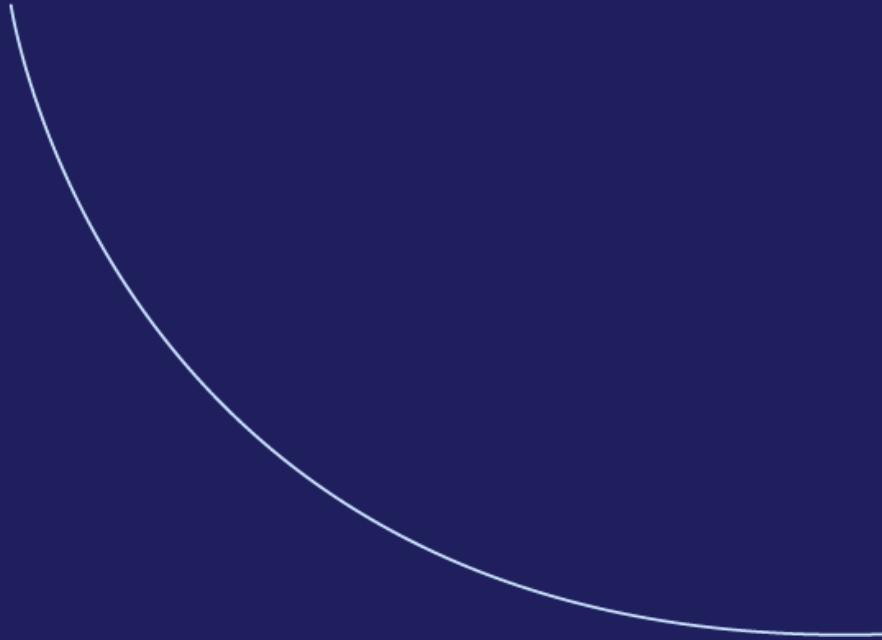




# To what extent do you agree that family values play a role in your company? (%)



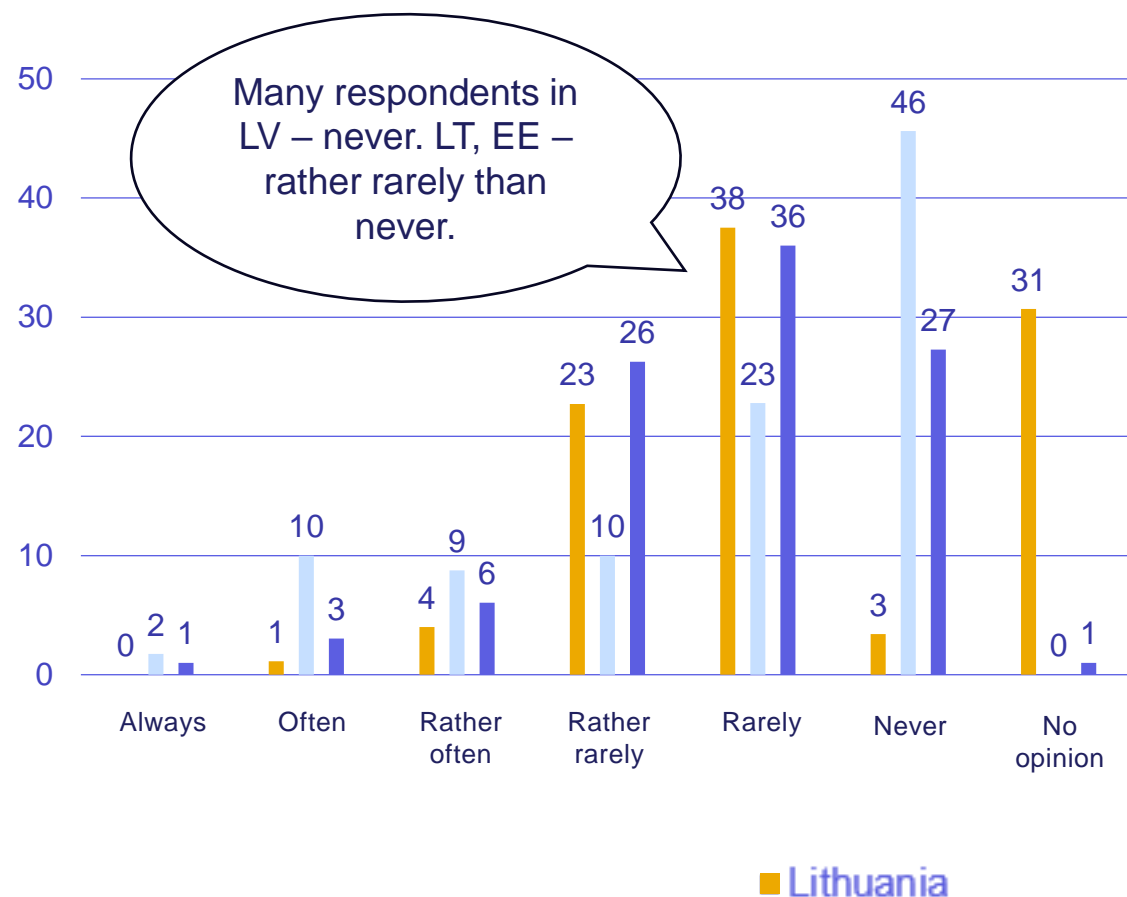
## Traditions common in all countries\*



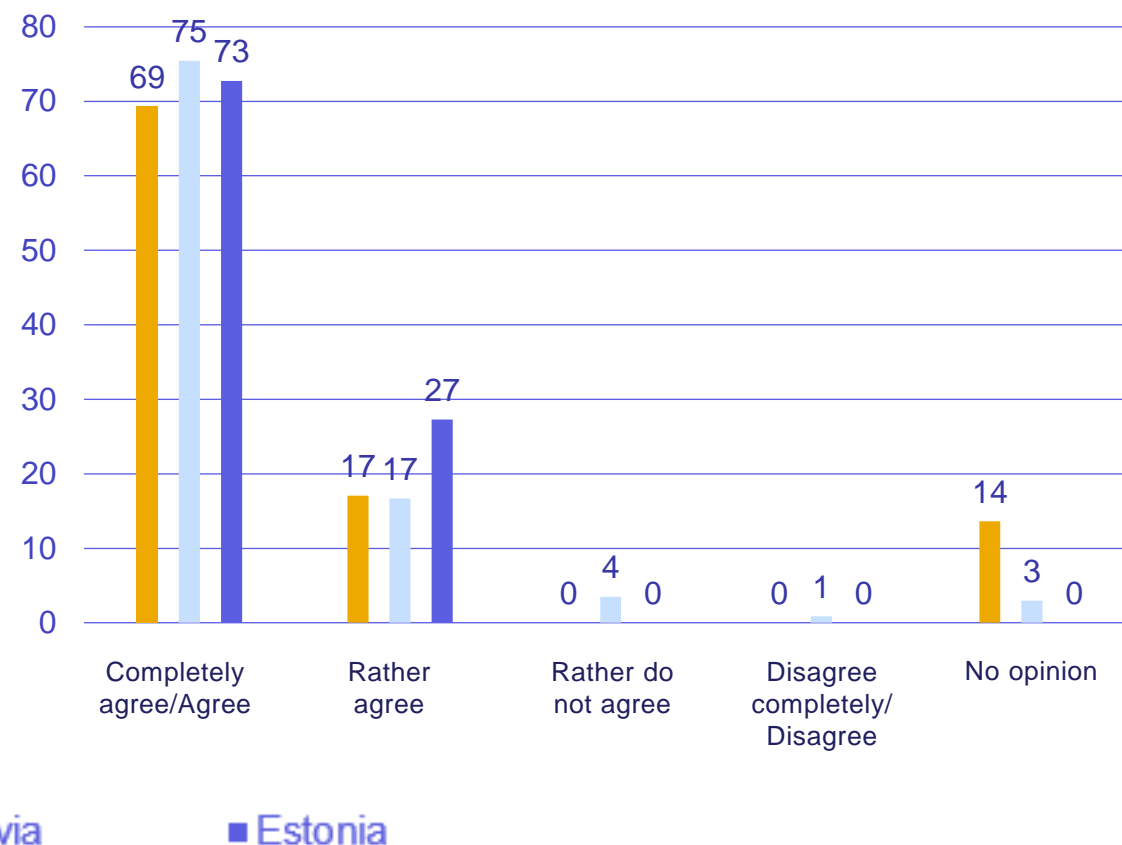
- *Family involvement* in business activities and traditions is a strong cultural focus. All three countries emphasise family participation in decision-making processes as well as company events and gatherings.
- *Celebrations* are a central part of family traditions in all three countries (birthdays,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

# Trust and disagreement

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



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

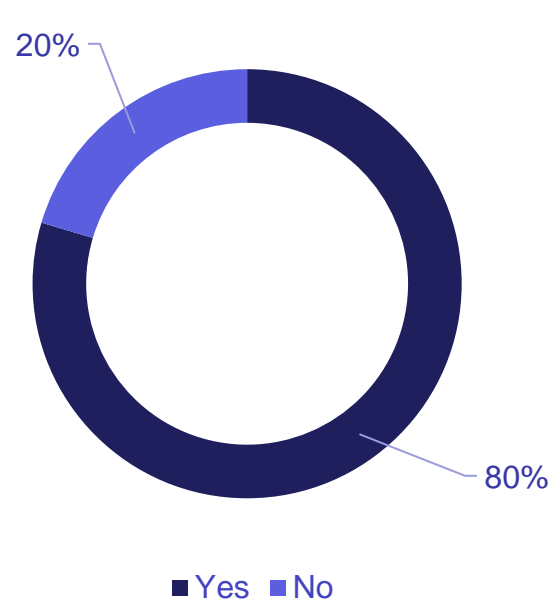


# Succession

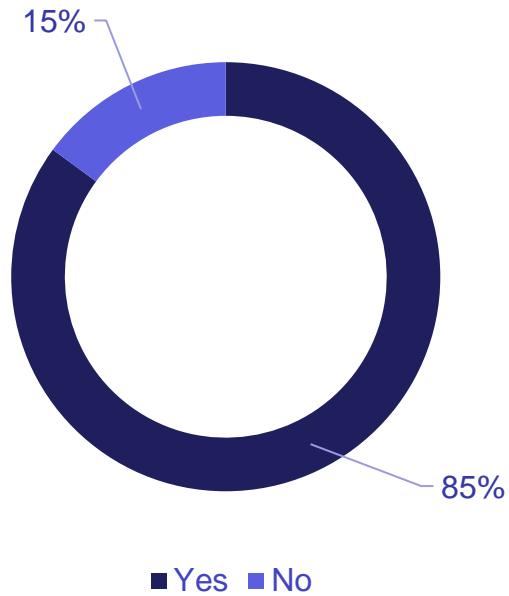
SORAINEN



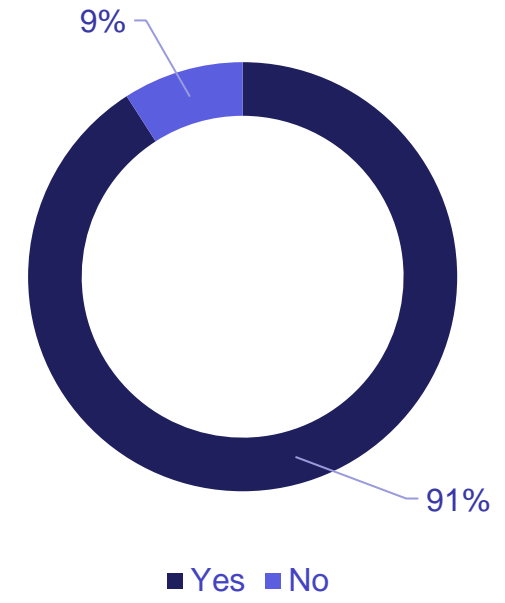
If you are a family member, do you want to pass your business down to the next generation (in your family)?



Estonia

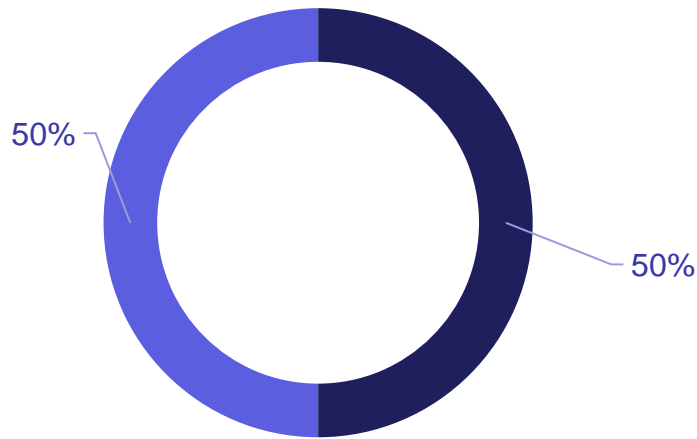


Latvia



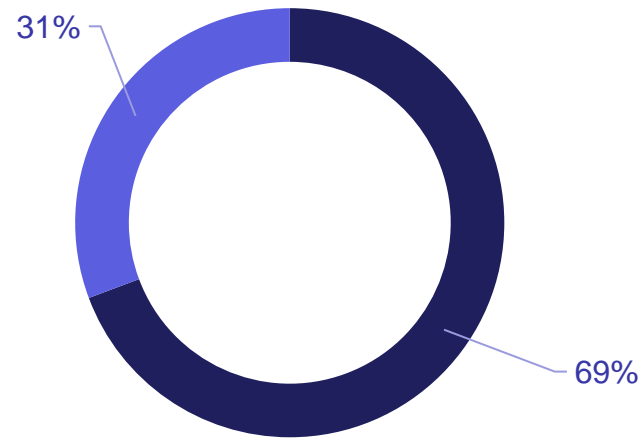
Lithuania

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



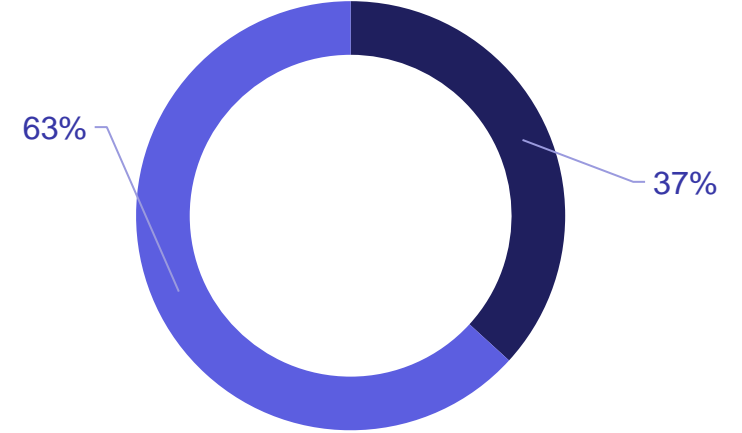
■ Yes ■ No

Estonia



■ Yes ■ No

Latvia

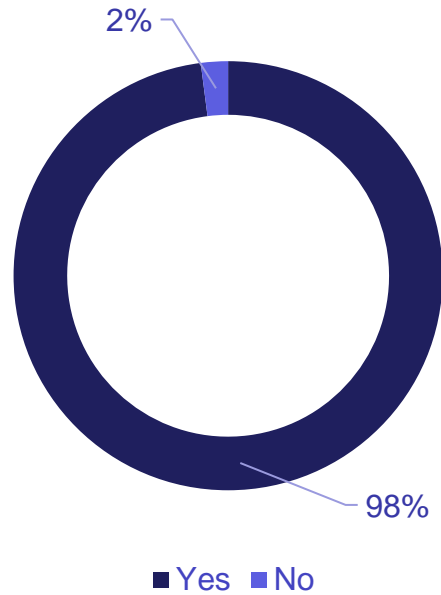


■ Yes ■ No

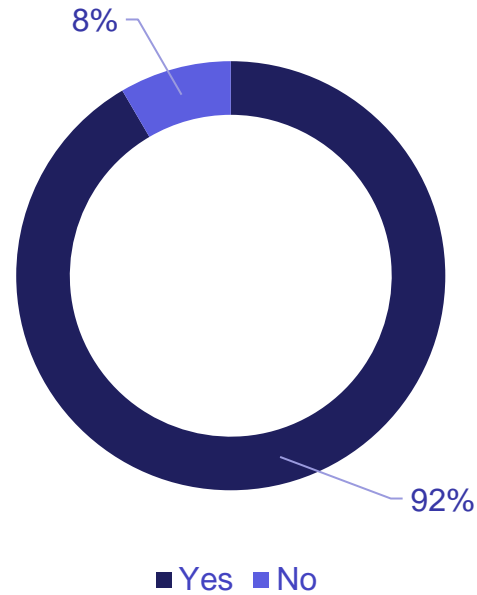
Lithuania

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

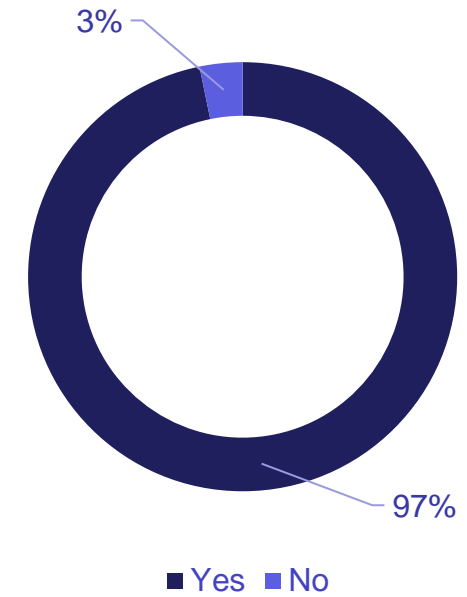
For those, who answered “YES” about having a successor: is it a family member?



Estonia

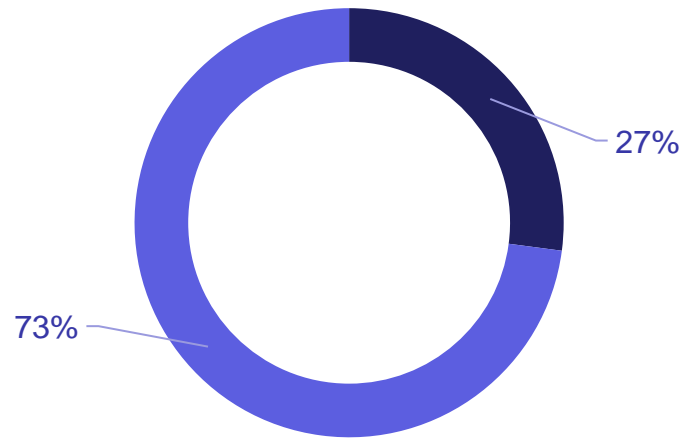


Latvia

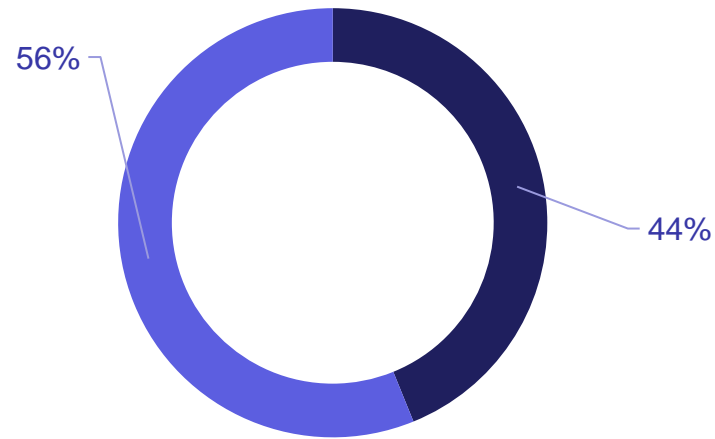


Lithuania

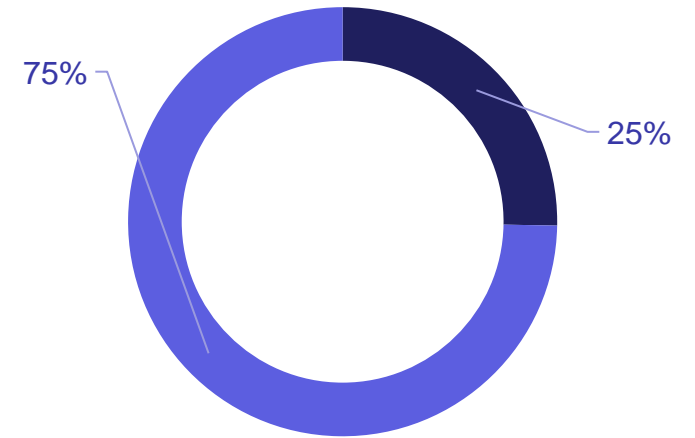
# Do you have a formal or informal succession plan?



Estonia



Latvia

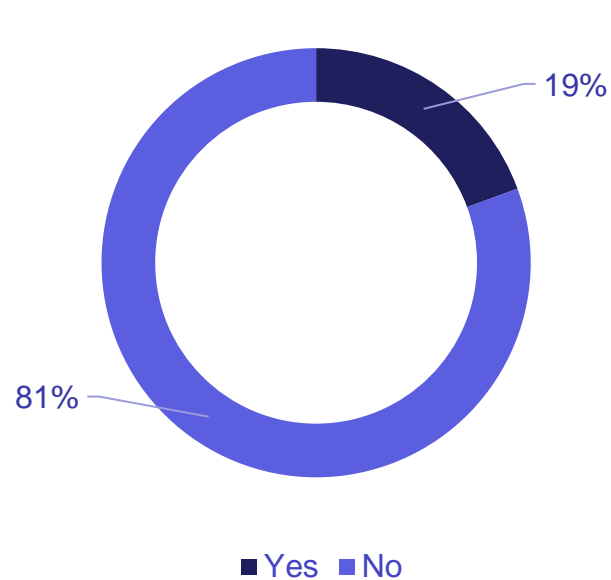


Lithuania

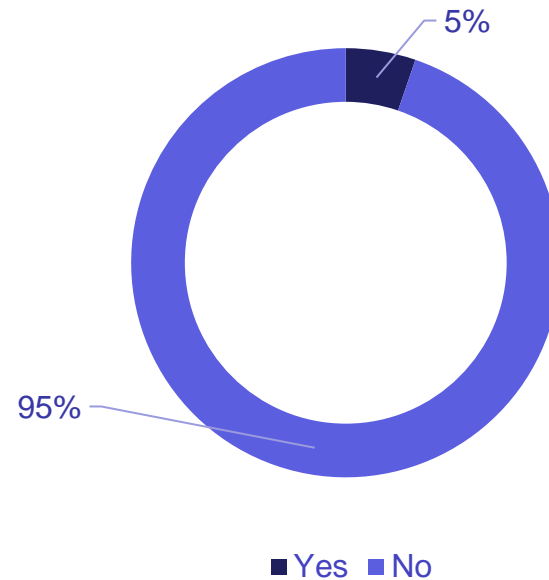
Although majority  
respondents have  
successor in mind, no  
succession plan yet



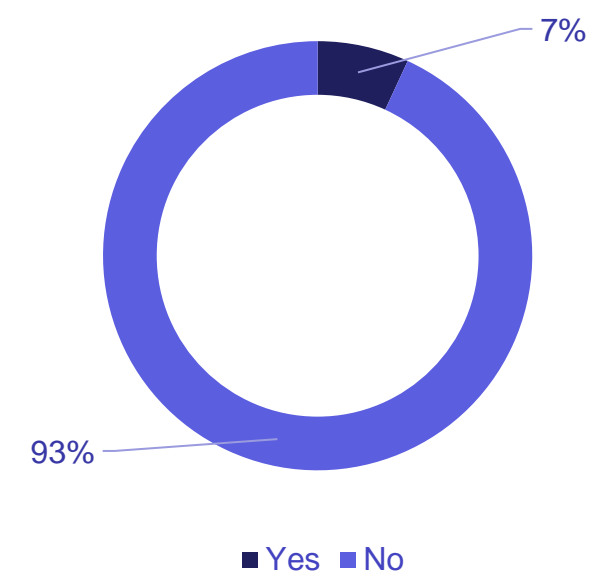
# Does your firm have a family business constitution?



Estonia



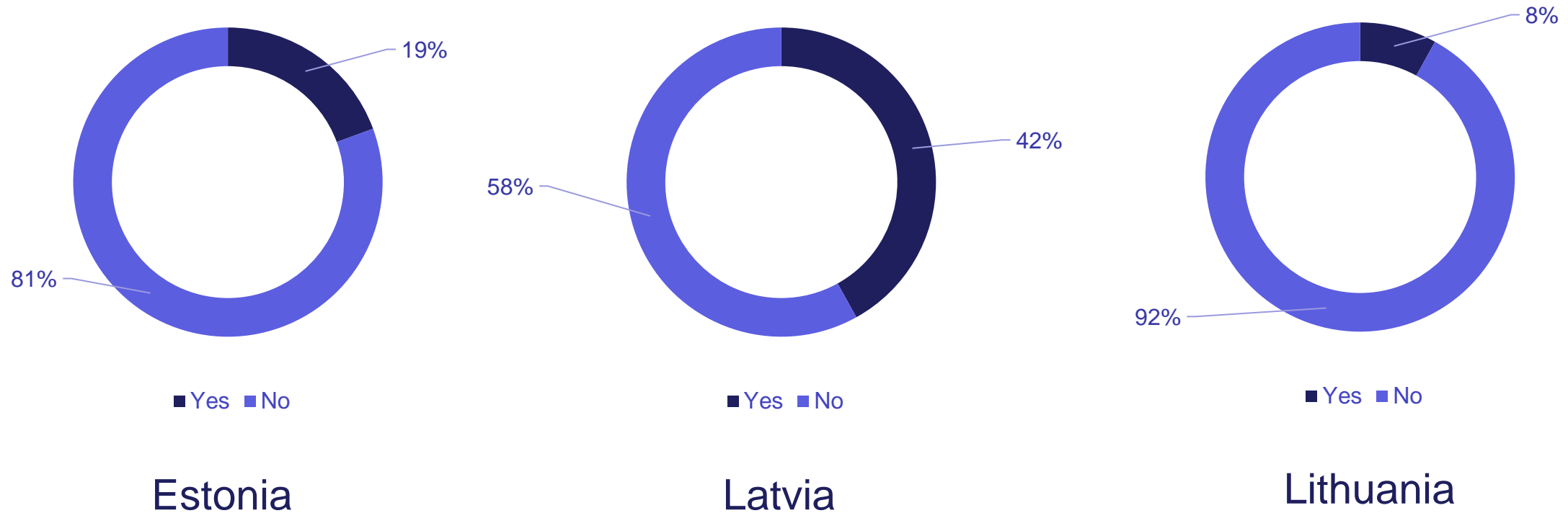
Latvia



Lithuania

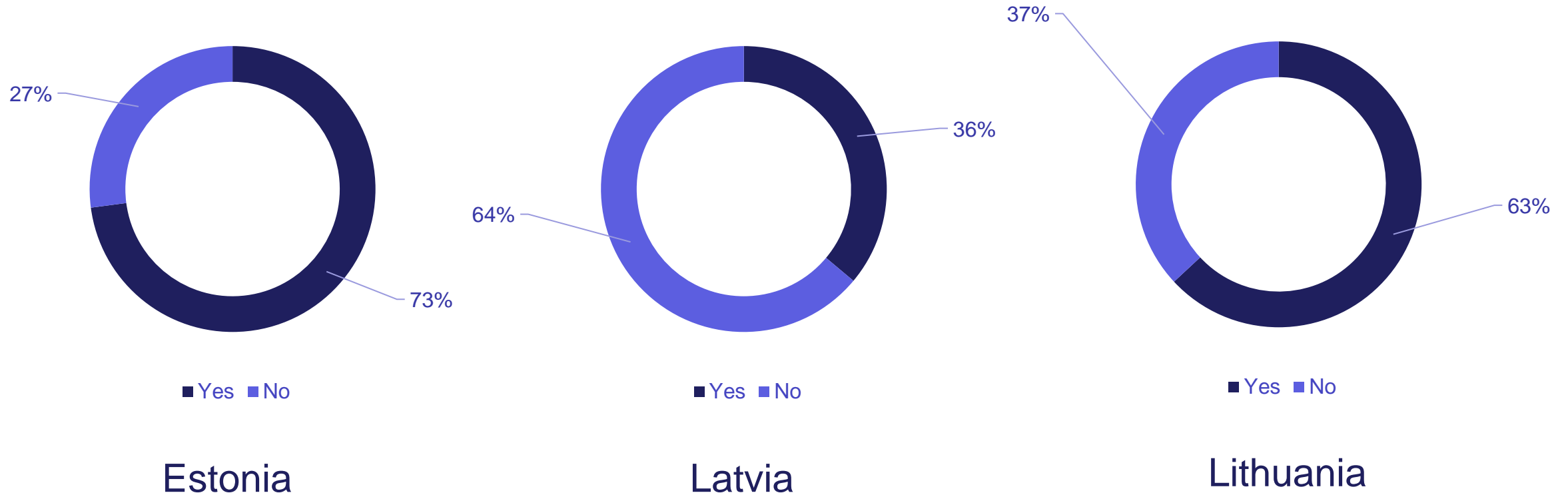
This question for Estonian respondents was phrased differently, so their answers may not fully correlate with those from Latvian and Lithuanian participants

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



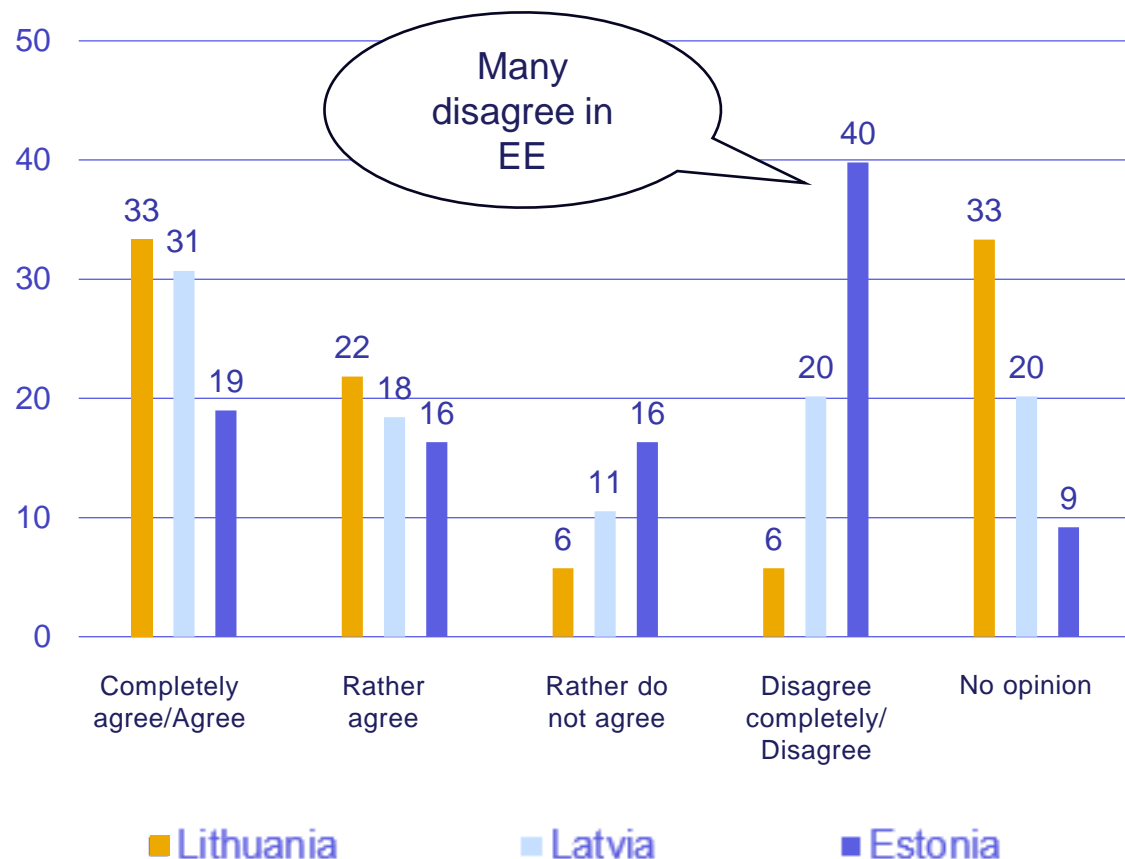
Although successor  
is in place, no  
training system

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

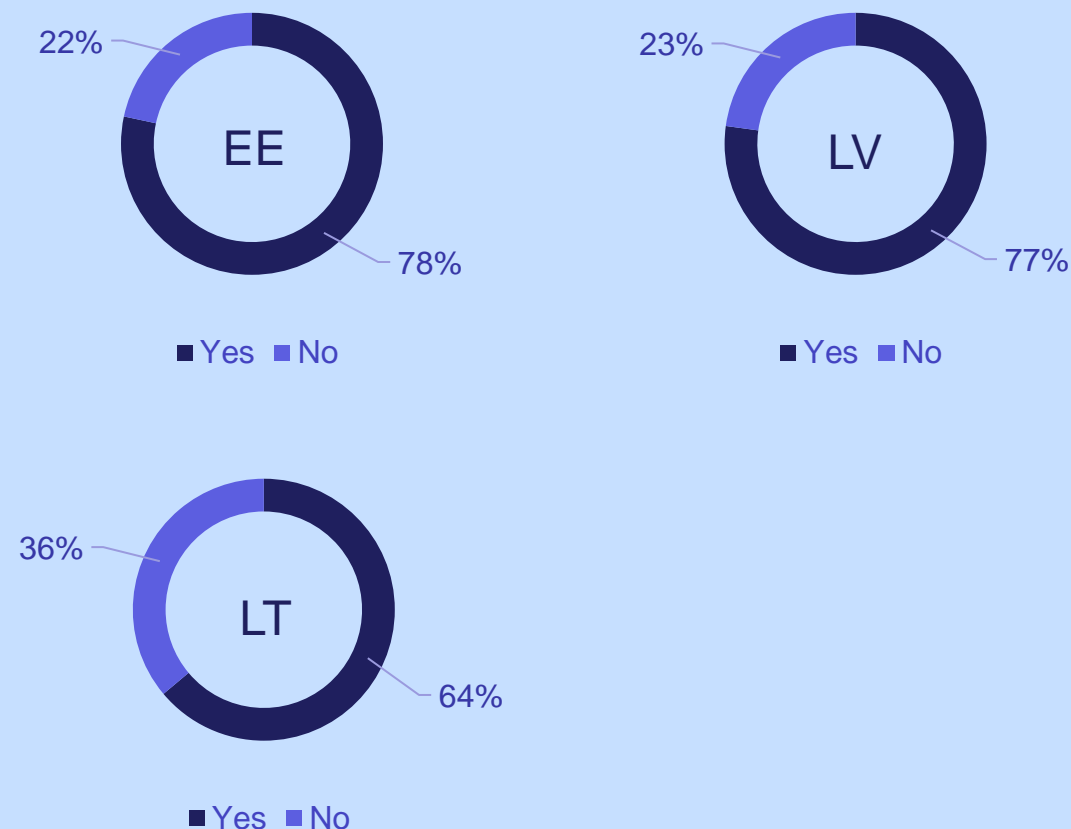


# Criteria for successors & innovation

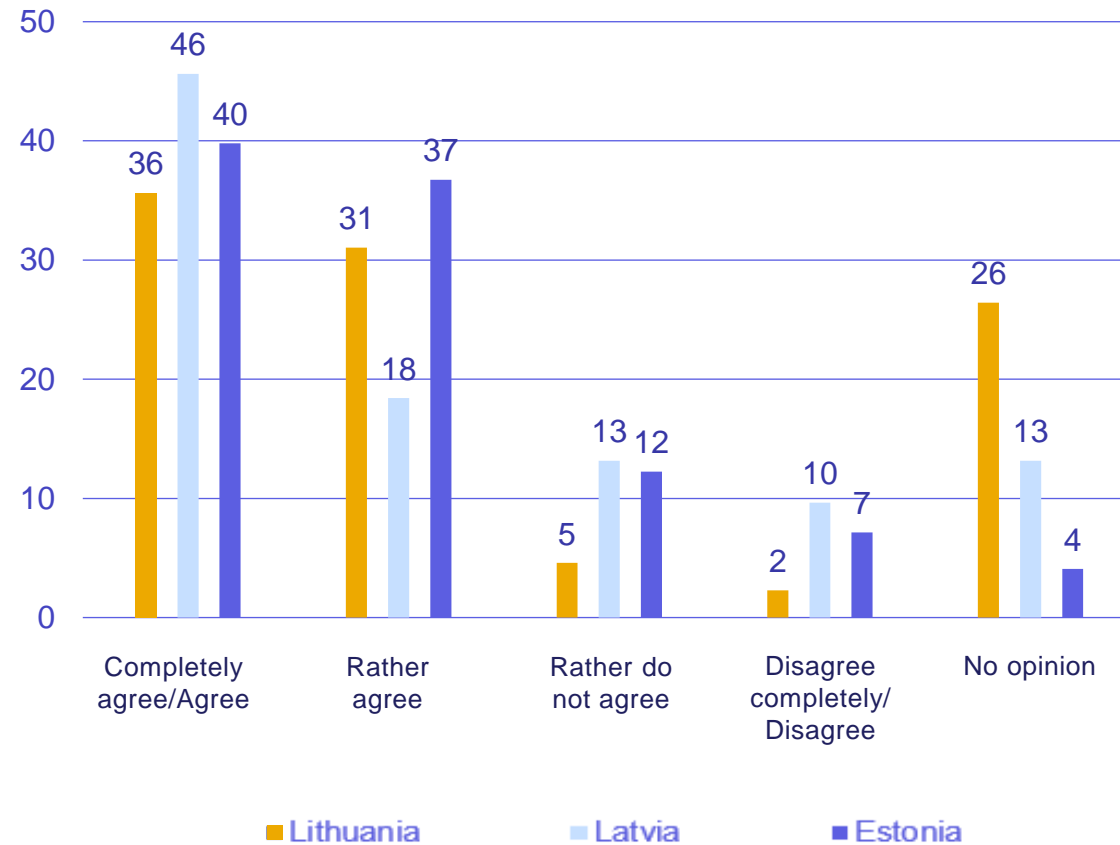
To what extent do you agree that the company has established specific criteria for the characteristics, competencies of the successors and skills (e.g. education, experience, age, gender)? (%)



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



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





Thank you!

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