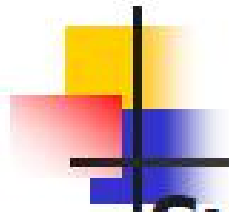


Family Business Studies Successions



Succession Basics

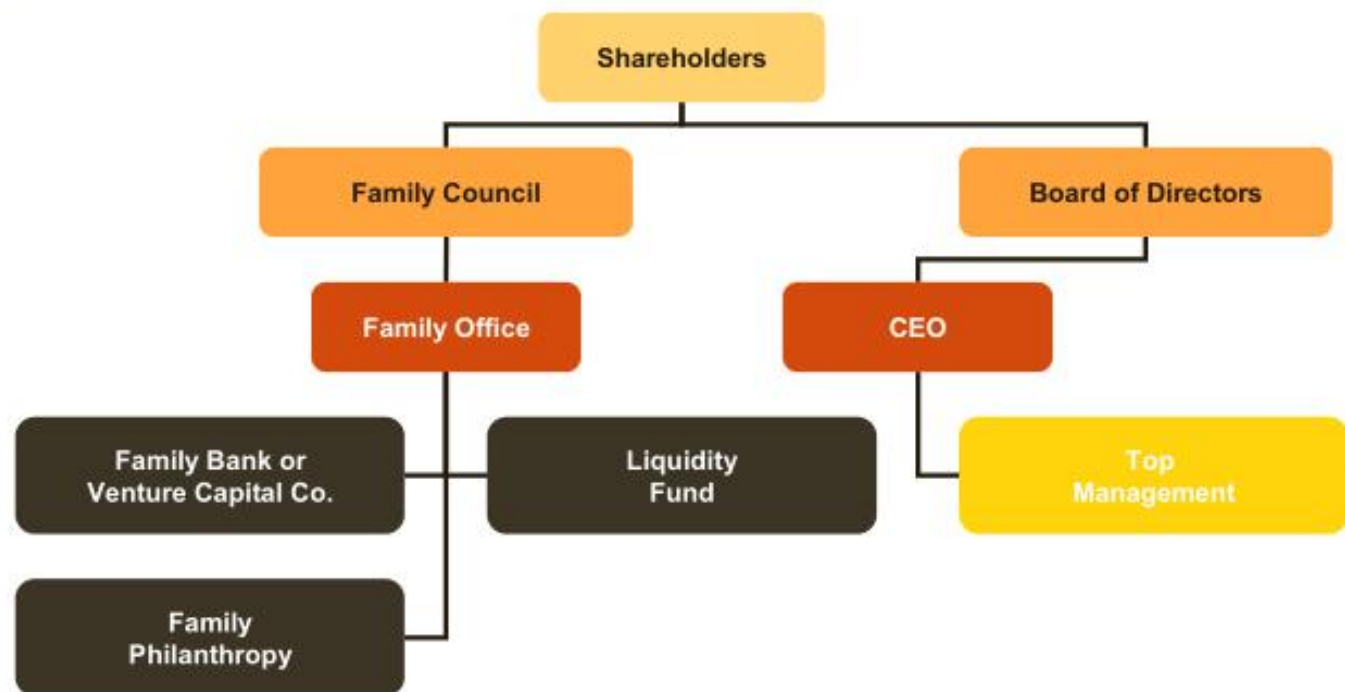
Succession

- **Definition 1:** “The legal transfer of a decedent's assets and rights to his/her heirs.” (source: www.investorwords.com/4808/succession.html)
- **Definition 2:** “Family succession is the passing of one person's assets and role in the family onto an heir.” (source: <http://www.answers.com/topic/succession>)
- **=> Distinguish ownership and leadership succession**

Why does succession matter?

... because more family businesses are liquidated because of failed succession than of market failure

Contributions of Board and Council





In total, 7,197 long-lived firm are identified in 57 countries/areas



Japan

3,125

Russia

149

Germany

1,546

Switzerland

130

France

334

U.S.A.

88

U.K.

315

Belgium

75

Netherlands

292

Sweden

74

Austria

258

Spain

68

Italy

162



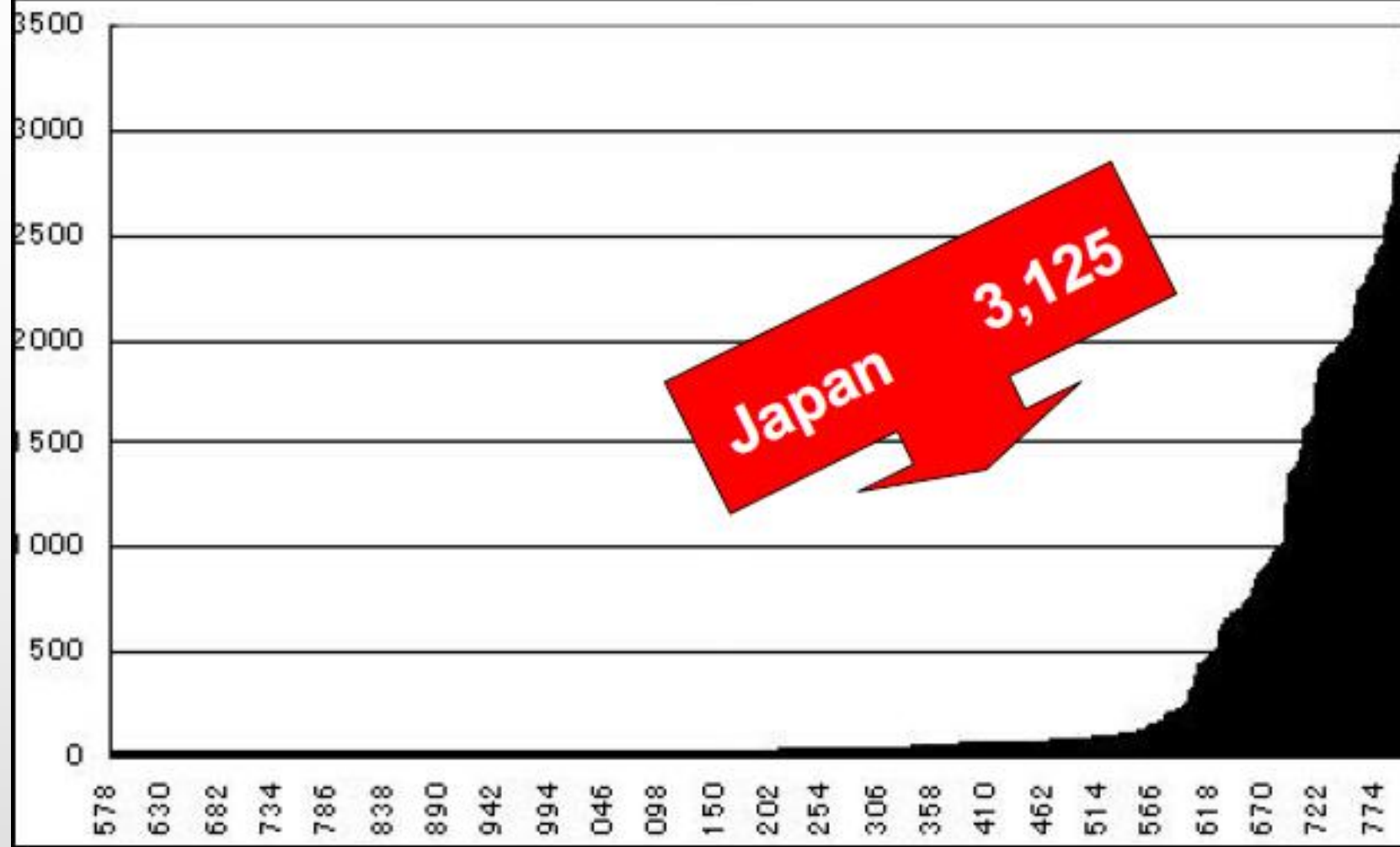
China

64

Denmark

62

Accumulated number of Long-lived firms by the year of foundation (Japan)



核心价值- 世界最长寿企业的经验

■ **Hoshi Ryokan** 栗津温泉旅店

Innkeeping/Komatsu, Japan

Founded: 718

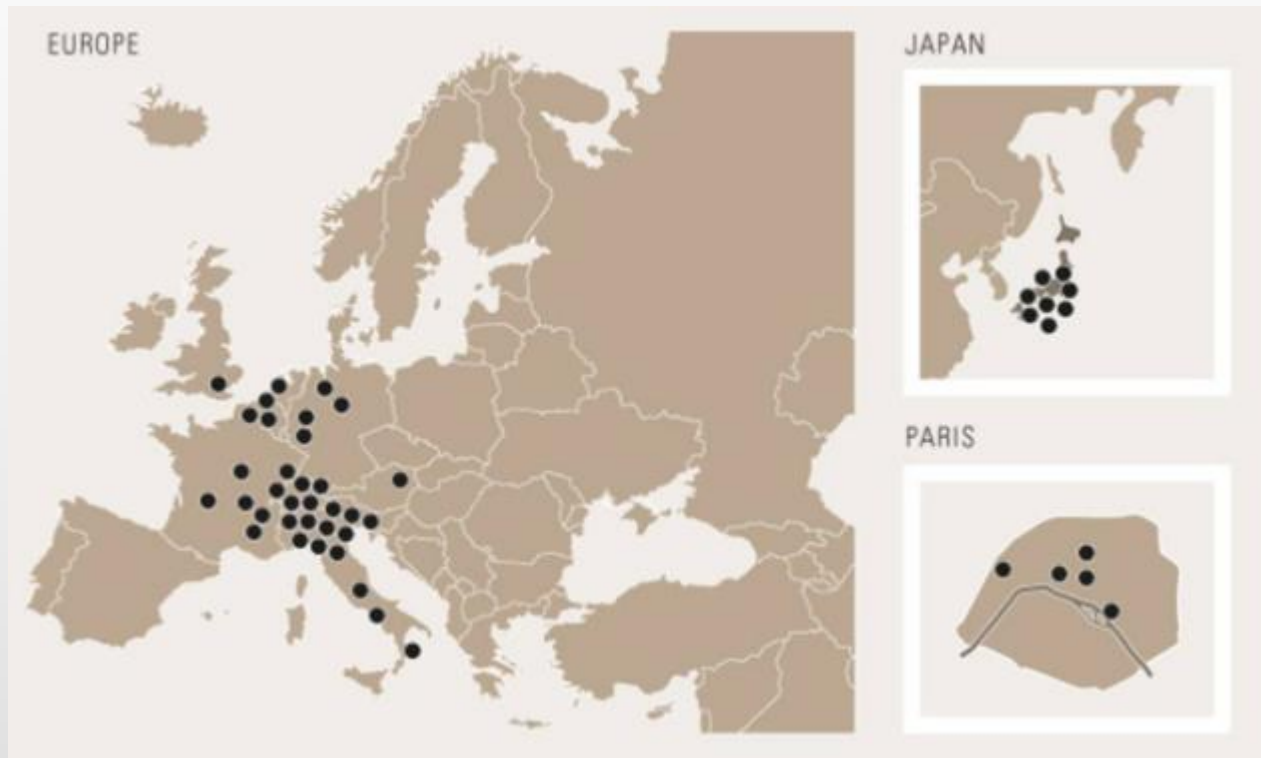
46th generation

www.ho-shi.co.jp/jiten/Houshi_E/

According to legend, the god of Mount Hakusan visited a Buddhist priest, telling him to uncover an underground hot spring in a nearby village. The hot spring was found, and the priest requested that his disciple, a woodcutter's son named Garyo Saskiri, build and run a spa on the site. His family, known as Hoshi, have run a hotel in Komatsu ever since; the current structure houses 450 people in 100 rooms. Zengoro Hoshi is the current patriarch







A

AMARELLI (1731)
AKAFUKU (1707)
AE KÖCHERT (1814)
AUGUSTEA (1629)

B

BANQUE HOTTINGUER (1786)
BANQUE LOMBARD ODIER & CIE SA (1796)
BANQUE PICTET & CIE SA (1805)
BELIGNÉ (1610)

C

CARTIERA MANTOVANA (1615)
C.HOARE & CO (1672)
CATHERINEAU (1750)
CHAMPAGNE BILLECART-SALMON (1818)

D

DE KUYPER ROYAL DISTILLERS (1695)
DESCOURS & CABAUD (1782)
DIETEREN (1805)
DITTA BORTOLO NARDINI (1779)
DI LEO PIETRO (1663)

E

EDITIONS HENRY LEMOINE (1772)
ETABLISSEMENTS PEUGEOT FRERES (1810)

F

FABBRICA D'ARMI PIETRO BERETTA (1526)
FRATELLI PIACENZA (1733)
FRIED. SCHWARZE (1664)

G

GEBR. SCHOELLER ANKER (1733)
GEKKEIKAN (1637)
GARBELLOTO (1775)
GUERRIERI RIZZARDI (1678)

H

HOSHI (717)
HUGEL & FILS (1639)

J

JEAN ROZE (1656)
J.D. NEUHAUS (1745)

L

LANIFICIO G.B. CONTE (1757)
LES FILS DREYFUS & CIE SA (1813)
LOUIS LATOUR (1797)

M

MELLERIO DITS MELLER (1613)
MÖLLERGROUP (1730)

N

NAKAGAWA MASASHICHI SHOTEN (1716)

O

OKAYA (1669)

P

POLLET (1763)

R

REVOL (1768)

S

SFCO (ANCIENNE MAISON GRADIS) (1685)
STABILIMENTO COLBACHINI (1745)

T

THIERCELIN (1809)
TORAYA (1600)

V

VIELLARD MIGEON & CIE (1796)
VAN EEGHEN GROUP (1662)
VITALE BARBERIS CANONICO (1663)

Y

YAMASA CORPORATION (1645)
YAMAMOTOYAMA (1690)

Z

ZAISO LUMBER (1690)

核心价值- 世界最长寿企业的经验

Takamatsu Construction Group
40 Generations 1400 years



succession :value passed

1. Concentrate on their own industry
2. Honest and Integrity
3. Craftsmanship spirit
4. Surmounted blood relationship
5. No other investment



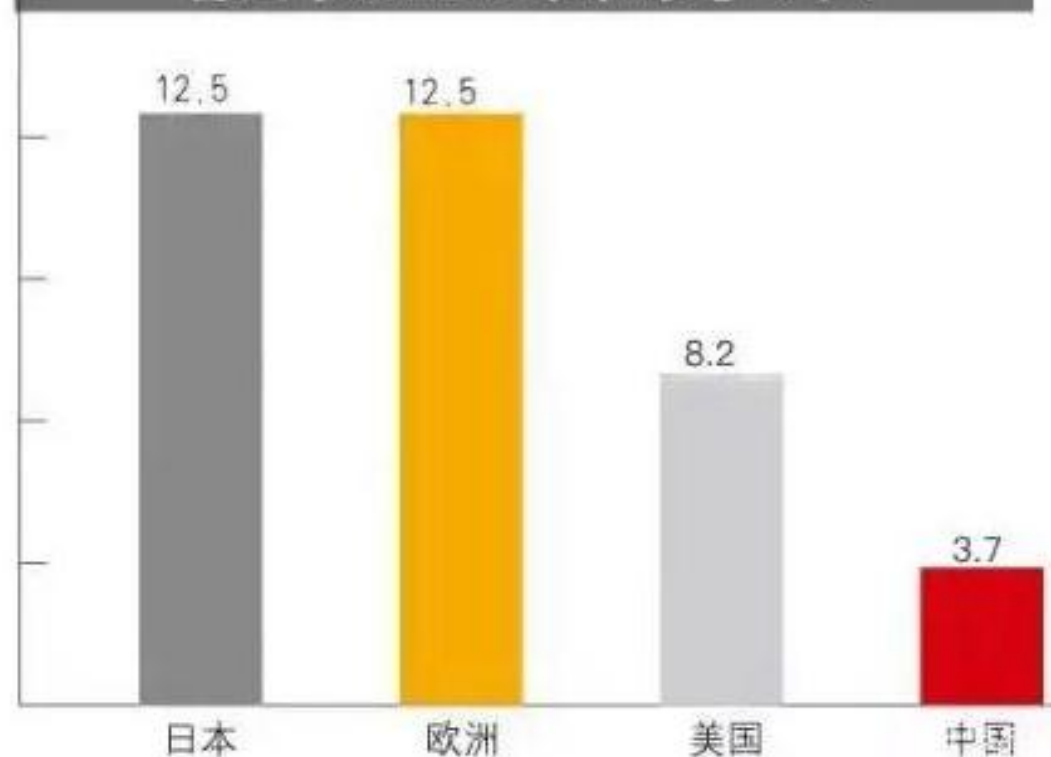
老舗企業 業歴ランキング

(業歴、創業年単位:年)

順位	企業コード	商号	都道府県	業歴	創業年	業種
1	575390700	(株)金剛組	大阪府	1439	578	木造建築工事業
2	641368984	一般財団法人池坊華道会	京都府	1430	587	生花・茶道教授業
3	340107081	(有)西山温泉慶雲館	山梨県	1312	705	旅館, ホテル
4	671001817	(株)古まん	兵庫県	1300	717	旅館, ホテル
5	580011160	(有)善吾楼	石川県	1299	718	旅館, ホテル
6	641190441	(株)田中伊雅	京都府	1128	889	宗教用具製造業
7	140082115	(株)ホテル佐勘	宮城県	1017	1000	旅館, ホテル
8	340086530	(株)朱宮神仏具店	山梨県	993	1024	宗教用具小売業
9	202033538	(株)高半ホテル	新潟県	942	1075	旅館, ホテル
10	282312463	須藤本家(株)	茨城県	876	1141	清酒製造業

※ランキングは宗教法人および日本標準産業分類中分類93(政治・経済・文化団体)以降を除く。

各国中小企業寿命对比 (年)



中国最古老的企业是成立于1538年的六必居，之后是1663年的剪刀老字号张小泉，再加上陈李济、广州同仁堂药业以及王老吉三家企业，中国现存的超过150年历史的老店仅此5家。此外，中国中小企业的平均寿命仅2.5年，集团企业的平均寿命仅7~8年，与欧美企业平均寿命40年、日本企业平均寿命58年相比，相距甚远。



成功传承的条件 Succession Basics

标准化与核心价值

1

- Identify the core value appreciated by your family
 - Core value: a belief that a set of practices or behaviors will lead to the highest reward (monetary and non-pecuniary)
- Preserve specialized assets that help the core value
- Remove specialized assets that don't help your core value by way of **standardization** (professionalization)



成功传承的条件 Succession Basics

保存声誉资产，提高公司治理

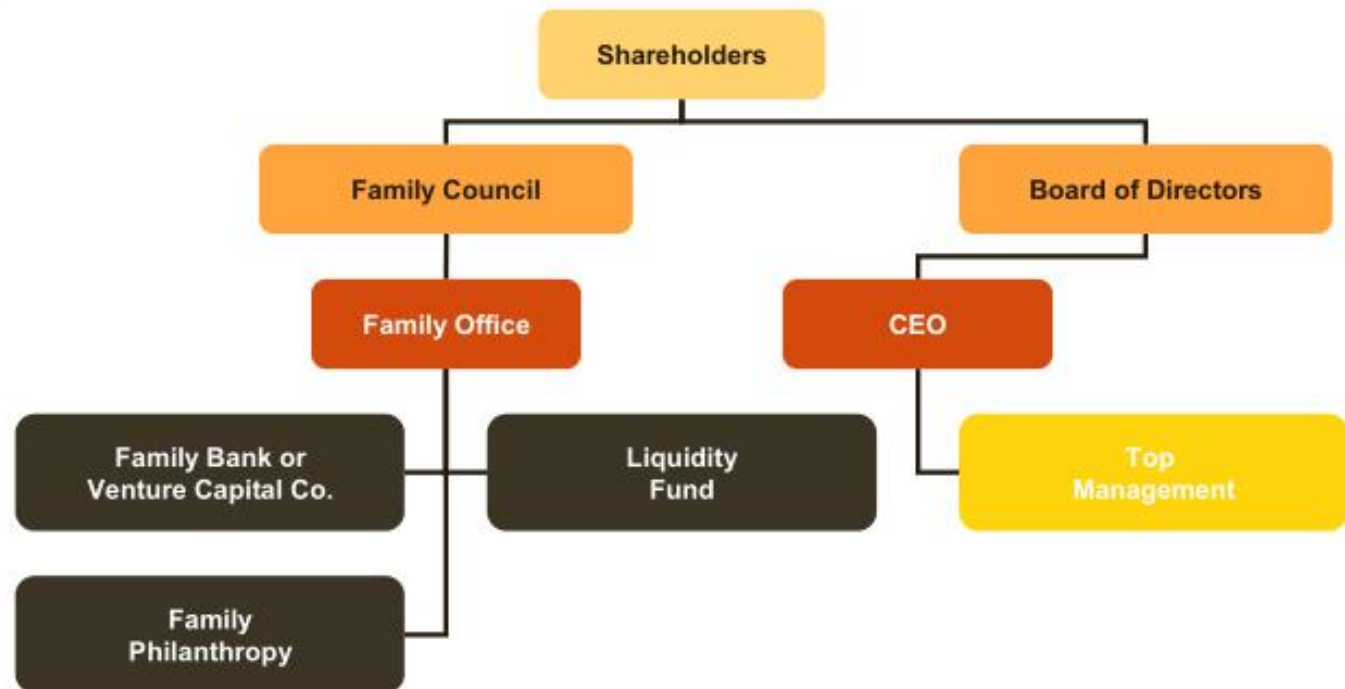
2

- A governance structure that provides objective and professional **advices**, and provides **credibility** and protection to stakeholders is needed
- If successor cannot completely inherit his/her previous generation's credibility to stakeholders, he/she will likely subject to tighter governance constraints
 - More outside independent members on board
 - More professional management
 - Separating chairman and CEO positions
 - More concentrated ownership
 - More transparency in accounting and organization
 - Higher dividend payment

Professional
advice:
Professional CEO

Credibility:
Family Fund

Contributions of Board and Council





李嘉诚
家族信托

李嘉诚及
李泽钊父子

其他股东

40.43%

29.9%

56.58%

其他股东

长江实业
00001.HK

0.27%

47.51%

2.25%

49.97%

45.3%

1.08%

21.18%

22.22%

12.63%

12.2%

和记黄埔
00013.HK

长江生命科技
00775.HK

35.57%

33.97%

87.87%

78.16%

71.36%

27.62%

70.4%

65.01%

10.67%

6.06%

7.08%

24.47%

赫斯基能源
HSETX

和记电讯澳洲
HTAASX

长江基建
01038.HK

和记港陆
00715.HK

和记港口信托
NS8U.SG

和黄中国医药
HCMAIM

和记电讯香港
00215.HK

汇贤产业信托
87001.HK

置富产业信托
F25U.SG/00778.HK

泓富产业信托
00808.HK

TOM集团
02383.HK

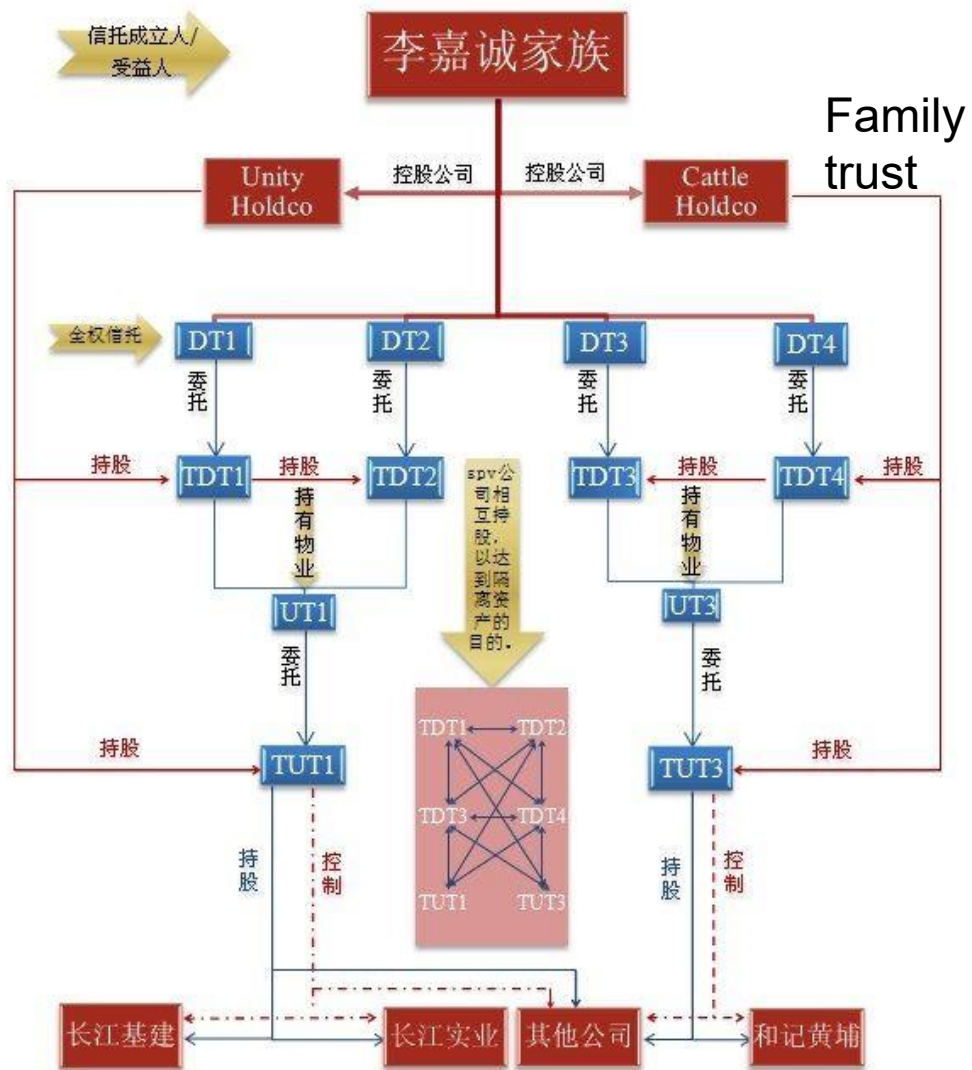
电能实业
00006.HK

49.9%

港灯
02638.HK

重组前

Family trust



李嘉誠家族信託持有上市公司

公司	持股量	持股量市值	公司市值
長江實業(00001)	43.32%	1,006.41億元	2,323.11億元
和黃(00013)	52.42%	1,584.79億元	3,022.73億元
長江基建(01038)	78.18%	914.94億元	1,170.34億元
電能實業(00006)	38.87%	497.76億元	1,280.56億元
和記香港電訊(00215)、匯賢產業(87001)、和記港陸(00715)、置富產業(00778)、TOM集團(02383)等18家上市公司*	由5%至74.48%	349.94億元	724.28億元
合共		4,353.84億元	8,521.02億元

*其他為深圳中航(00161)、至祥置業(00112)、科聯系統(00046)、長江生命(00775)、環能國際(01102)、志鴻科技(08048)、星謙化工(00640)、泓富產業(00808)、生力啤(00236)、首長四方(00730)、首長國際(00697)、首長科技(00521)及中聚電池(00729)

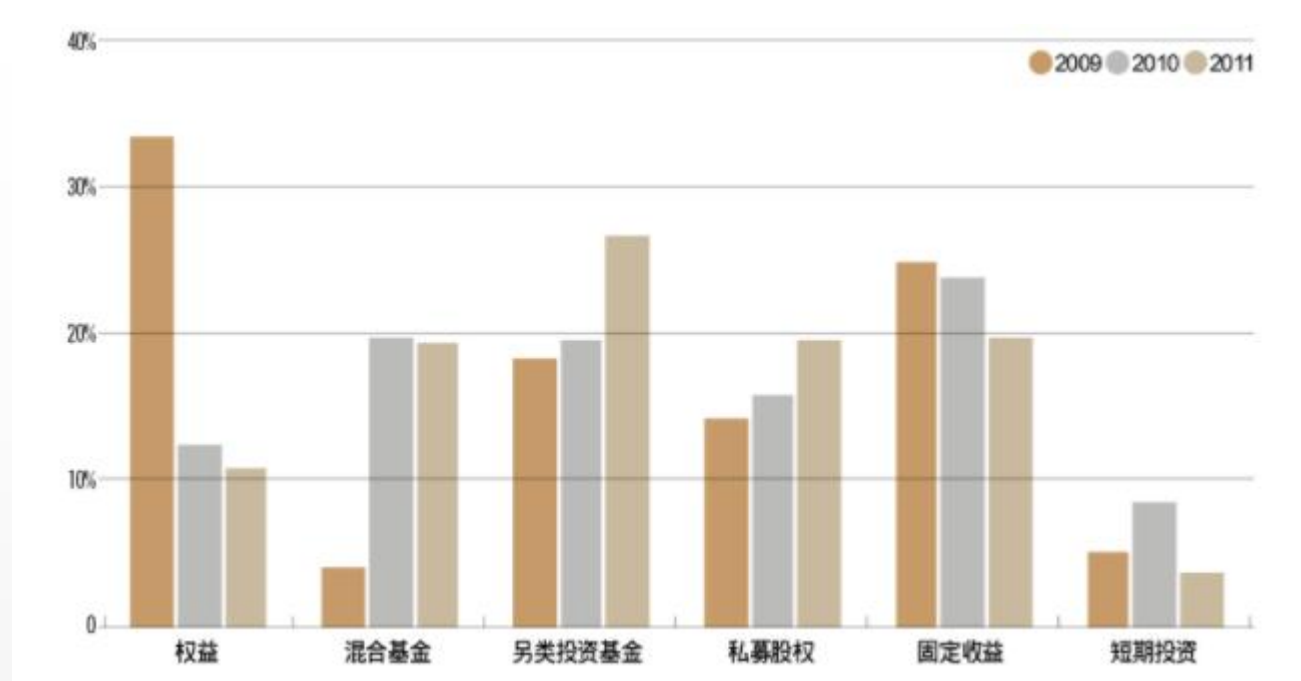
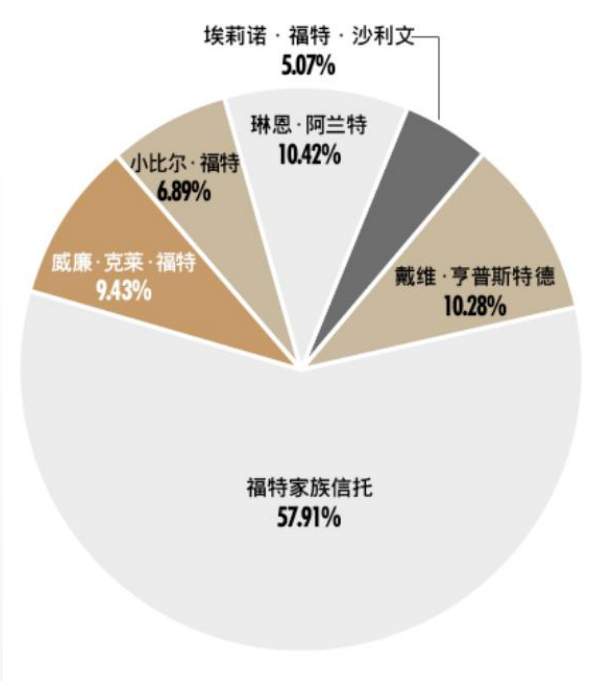
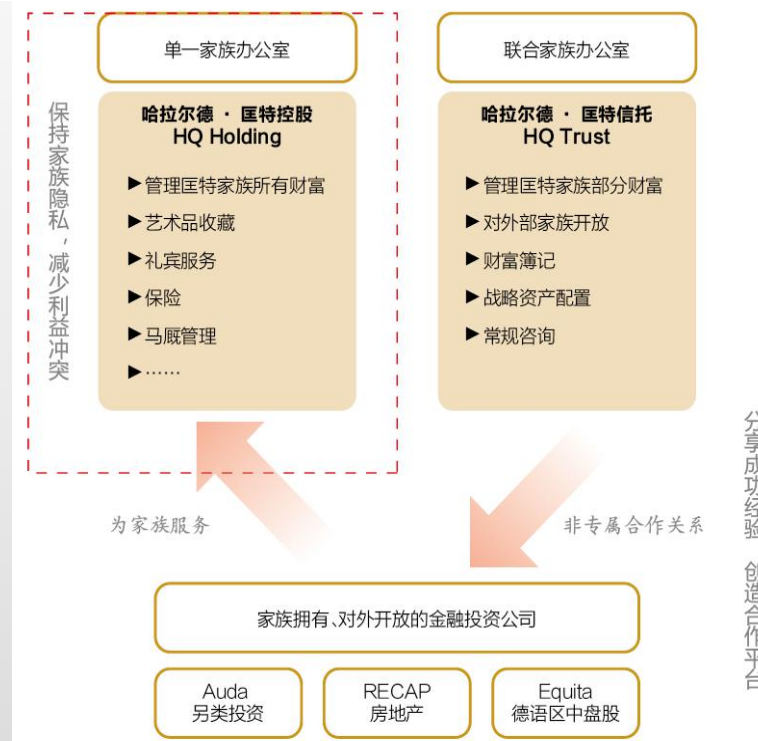
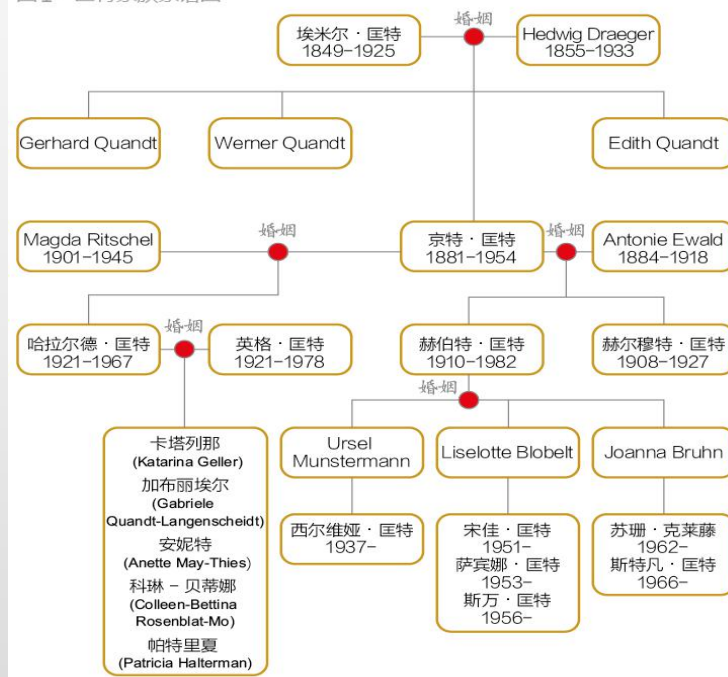


图1：匡特家族家谱图

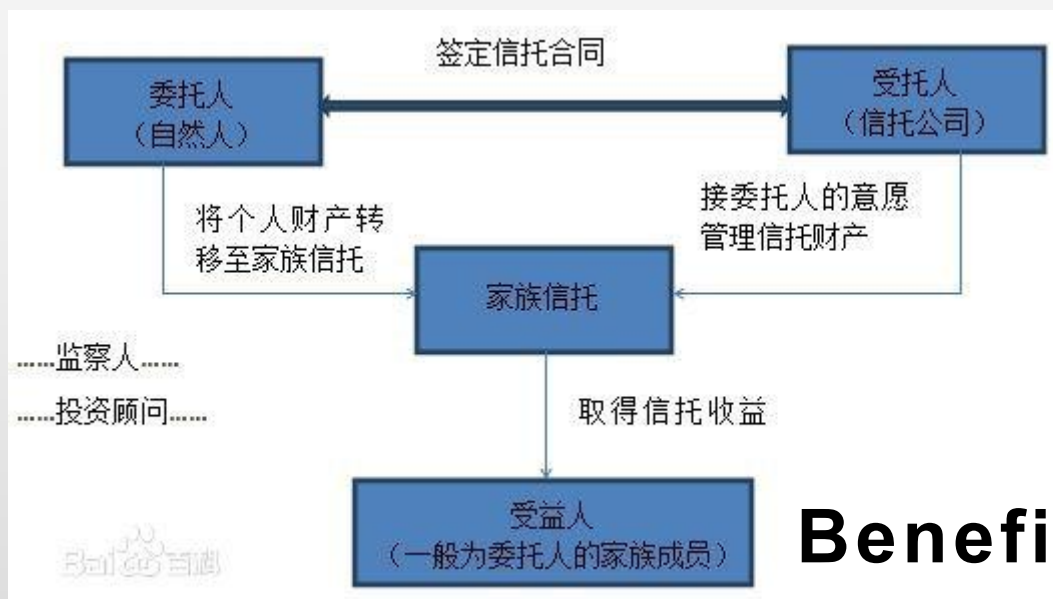


What is a Trust?

A trust is a legal arrangement whereby one person (the **settlor**) transfers his/her assets to another person or a body corporate (the **trustee**) who holds and manages the assets for the benefit of other persons (the **beneficiaries**). The trust assets may include anything such as real property, money, shares, bonds, etc. Family trusts are often set up to protect the interest of one's family members from any circumstantial changes.

Settlor

Trustee



Beneficiaries

Why is a Family Trust Needed?



Flexibility

A family trust is usually structured as a fully discretionary trust suited to a group of potential beneficiaries. Wide powers and discretion are granted to the trustee to deal with matters including determination of beneficiaries' entitlement, distribution of income and/or capital, and the making of investment decisions. In exercising these powers and discretion, the trustee would have to give due regard to the settlor's wishes, needs and interests of the beneficiaries and other factors which the trustee may consider prudent or relevant.

A settlor may change his/her wishes from time to time. There may be a need to add or remove beneficiaries when family or other circumstances change. A well-drafted trust document may cope with changes without the need of redrafting.

Less Likely to be Challenged

Imagine if a testator fails to execute another Will upon remarriage, his or her former spouse and children may be deprived of reasonable financial provision because of the revocation of the old Will. In this case, the distressed family members may challenge the Will. (For more information, please read http://www.onc.hk/pub/oncfile/publication/probate/0808_EN_Challenging_a_Will.pdf

Since a discretionary trust provides high degree of flexibility to cater for changes, it is less likely to be challenged by family members. This helps maintain harmony within the family.

避免遗产法庭干涉

香港遗产

冻结

BVI设立的公司遗产
需被强制登报公告半年

信托资产不属于遗产遗产法庭无权干涉

隔离债务风险

太阳能大王施正荣
成为中国首富

破产

市场急转
公司破产
财富来的快去也快

使用家族信托债务风险不会传染到已划出去的家族信托资产可保障日后持盈保泰伺机东山再起

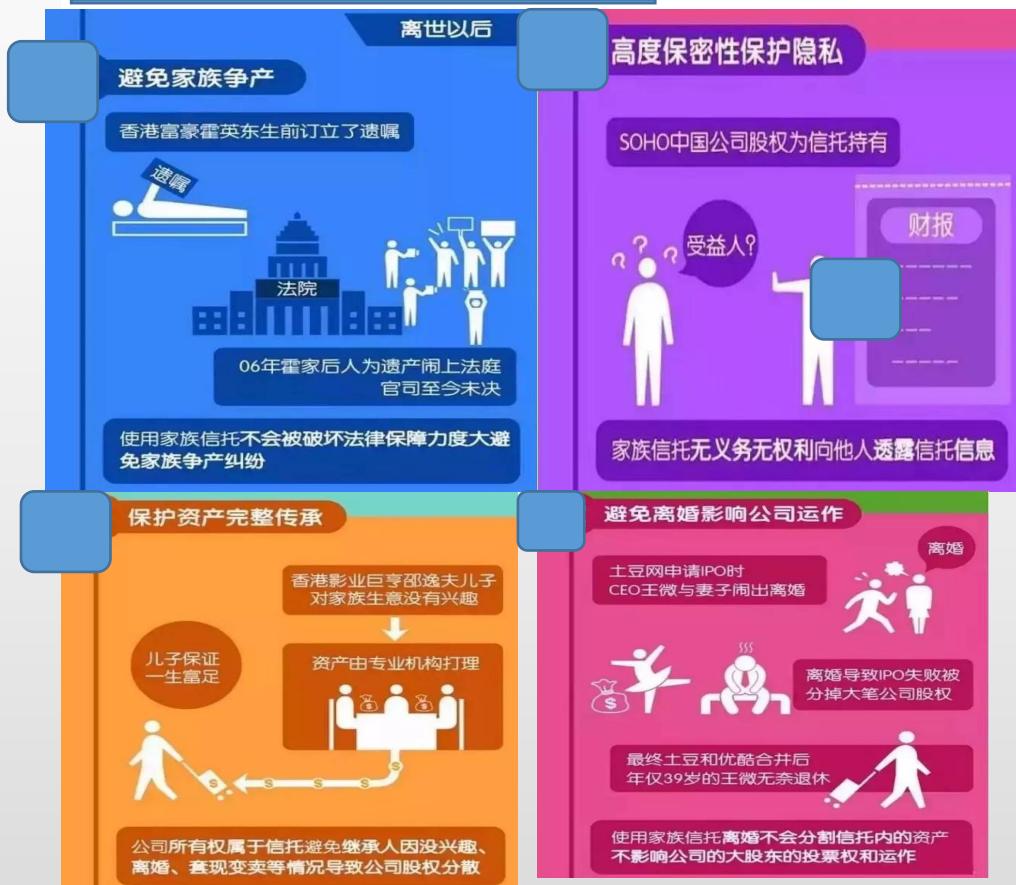
Protection of Assets

A family trust is an excellent vehicle to protect one’s assets against future claims by creditors. A person cannot set up a trust simply to defeat existing creditors’ claims. However, it would be wise to plan against possible future claims by setting up a trust. If in later years the settlor is faced with adverse financial events, the interest of his/her family members would be protected in most cases.

Similarly, by vesting the family assets in a family trust, the settlor can protect his/her children’s inheritance against possible future matrimonial claims from the spouse of the children.

Succession Planning

Assets in the estate of a deceased are generally frozen on death. Without proper planning, surviving members of the family may not have sufficient cash to maintain their living and pay for the legal costs incurred in the probate application process. In contrast, since assets in a discretionary trust do not pass through the estate, probate formalities can be avoided. This ensures a smooth succession and saves considerable costs.

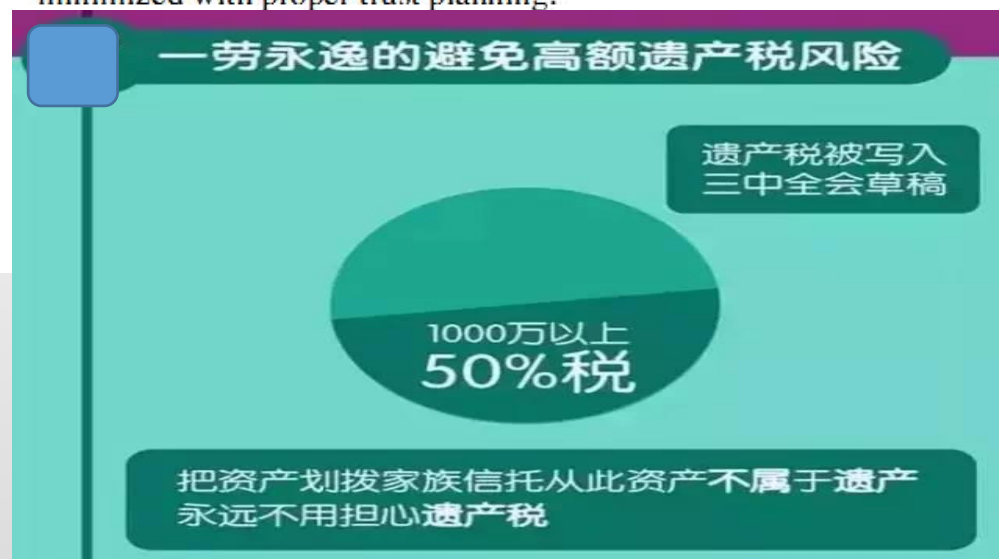


Confidentiality

Although a Will is a confidential document, probate proceedings will go into the public record. In contrast, there is no requirement for the registration or publication of a family trust with any public authority. Since the creation of a family trust is a confidential arrangement between the settlor and the trustee, the trustee is bound by its duty of confidentiality not to disclose the identities and interests of the beneficiaries to any third parties, save in limited exceptions. A family trust is therefore afforded enhanced anonymity.

Assets Management

Globalization furthers the worldwide spread of individual assets, which could be better managed by a trust. Tax liabilities can also be minimized with proper trust planning.





成功传承的条件 **Succession Basics**

保存声誉资产，提高公司治理

3

- 1.Setting up crossholding system:
maintain the network and control the
industry, stablilize each of the
companies.**
- 2.Setting up VIE (SPV): move the profit
to the shell company, leave the debt
and loss in the subsidiaries, and
avoide tax.**

Q&A:

- **1. What is crossholding, which capitalism model normally adopt such structure?**
- **2....and what are the advantages of crossholding?**
- **3. What is VIE , which capitalism model normally adopt such structure?**
- **4. ...and why do some of the listed fb have such spv?**
- **5. What is succession of fb?**
- **6. What are the three key basics of fb succession?**
- **7. what is a trust, and why is a family trust needed?**

ELEMENTS	RHINE MODEL	ANGLO SAXON MODEL
CEO	Internal Talent (Kikkoman)	recruitment market
Financial Market	Bank (IF)becomes shareholder (Kikkoman,Lego, IKEA)	Listed in the stock market (HW, walmart)
Employee	Low employee turn over rate (Aldi)	Reduce the stafftrimmer, competition between the employee
Labor force	ongoing training (IKEA)	Instability
Management	Two tier system:cooperation (Aldi)	Unitary system: conflict (HW,walmart)
Stakeholders	Customer, supplier,NGO,Social committee, employee (BMW)	Shareholder
CSR	Becomes to be comparative advantage (reveur)	Cost , political connections
Culture	History, value, belief (Aldi)	Benifit maximization
Business	Network of cooperation, Crossholding (IBM)	Competition, free market
Innovation	management (aldi reduce cost)	Radical innovation (VIE)

空白演示

在此输入您的封面副标题