Business Succession in Europe

Business Transfer Programme II – Tools and Concepts for Learning

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Content

Acknowledgments

This book is the result of two years of studying and researching the topic Business Transfer at a European level. Our efforts have given us the opportunity to develop insights into the further development and adaptation of an existing curriculum and a screening tool on Business Transfer which were developed in a previous European project (Business Transfer Programme). Our objective was to provide support for Business Transfer processes in Europe. Our team aimed at creating a strong international community in this field through networking and international meetings. This book compiles the different views and all results developed throughout the project period. It offers a Business Transfer curriculum and it is accompanied by a website www.btp2.eu which contains a learning platform and screening tool for business transferors and business successors. The collaborative effort was made possible only by the exceptional and thorough teamwork of all partner institutions and members of the project team as well as external trainers and experts in the field of business transfer.

Funded by the European Commission within the Leonardo da Vinci Programme of the European Union, the project aimed at developing innovative learning concepts for the integrated European market of the member states, all of which face changes in the ownership and leadership of a huge fraction of businesses within the next 10 years.

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The project would never have been concluded successfully without the tireless work of Andrea Lang and Martina Mühlanger, who managed the project and its financial aspects.

"You know what" Steve said to his wife Margret who sat reading in her favourite armchair, "I think I'll take a drive down to the company". Margret looked at him over the book. "Now", she said with a sound of surprise in her voice, "why do you have to go there this late at night?" "I just came to think of a few things I need to look up", Steve replied. "Well, go then", Margret said, I guess I shouldn't be surprised after all these years…

<div align="center">***</div>

Already from a distance Steve was able to see the company floodlighting. Somehow it made him feel at home. Perhaps it was because he remembered the many times he had accompanied his father to the office at night and how the father had said the very same thing every time as the company became visible through the front car window as they reached the top of the hill: "take a good look at this my son. This is your history and your future - one day all this will be yours". Driving down the hill to the company Steve started to reflect over his father's words. And it struck him that the meaning of them had not actually occurred to him until now, as he himself had left the role as CEO to his own son, Michael.

The factory was dark and silent. The only thing that could be heard was the echo from Steve's steps. Slowly he went by the machinery, every piece with its own history. Steve remembered his father's pride every time they had bought a new machine and how they had celebrated the arrival of each new machine as had it been the birthday of a beloved family member. Over time there had been many occasions for celebration because the company had had great profits and a rapid expansion. At the time of Steve's father's sudden death by a heart attack, ComTech was a solid and well established company and the father a highly appreciated businessman. If not before, Steve became clearly aware of his father's popularity as he, shortly after the funeral, replaced him as CEO. All too often he was compared with the father: "His father would certainly not have acted this way", "this would never have happened had the father been alive". On top of that the father had for a very long time – Steve felt it had never really ended – been looked upon as an impossible to replace hero: "How are you doing? It cannot be easy to cope without our father, indeed it must be a tremendous loss for the company….". All these comments evoke Steve's fighting spirit and he was determined to prove everyone wrong. He would show everyone that he was at least as capable as the father of running the company. From his very first day as CEO he had therefore devoted all his time and

energy to the company. During the 27 years that had passed since his father's death the company had continued to prosper and grow and was now double the size and three times as profitable as at the time of the father's death. And even though the elderly people in town still reminded him of the "good old days" now and then, it was now clear that Steve was the front figure of the company. Especially among the new generation employees he was regarded as a true entrepreneur, and at the international fairs at which the company has been represented the last twenty years everyone knew Steve as Mr. ComTech.

Steve climbed the stairs to the office. He passed a door with the name and title "Steve Smith: Head of product development", and arrived at the largest office of the company, the office that until only recently had been his. Now the son's name was on the door, together with the title: CEO. For a while Steve was standing outside the room, hesitating. Deep down inside he realised this was certainly not something he should do. But on the other hand…. He was really concerned about the company, and he was so eager to find out what had happened at the board meeting earlier that day. He had asked the son before he left the office, but Michael had been deeply involved in preparing for an important meeting with the bank and asked him to wait: "Please, you are not part of the board, please I am really stressed about this bank meeting, can't you wait until Monday when I will inform the entire management team..". Monday… To Steve the weekend between now and Monday seemed like an eternity. He was not used to waiting…he had always been in the middle of things…. Slowly Steve opened the door…..

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Leaving his home this late Friday night Michael was really annoyed. His wife had been rather upset as he, after the dinner, let her know he had forgotten some important papers at the office that he needed in order to prepare Monday morning's meeting with the bank. "It won't take long" he said, apologetic, but he could sense both his wife's and his own frustration. The company took all the more of his time. He took over the position as CEO with the ambition to keep work to a 40-hour week, but that had turned out much more difficult than expected. Not the least, Michael pondered, driving the all to well-known road to ComTech, this was due to the increasingly many discussions, well even conflicts, that he and Steve had had since Michael replaced Steve as CEO. Repeatedly Michael had told his father to stop interfering in CEO issues. Now he, Michel, was CEO and he wanted to run the business according to his own convictions. "I am not an extension of you,

if you don't realise that the employees never will", was the last words that he, in affect, had uttered to the father earlier that day. This time the discussion had been about the fact that Steve had questioned some employees' way of working with the new machinery equipment, in spite of them following the new working procedures that Michael and the newly recruited production manager had worked hard to implement. To Steve this was a novel way of working which he was not accustomed to and not very happy about as it, according to him, was a "by-the-book way of working and, thus, against common sense". Michael could see how the father was hurt as he told him not to interfere in the new production manager's work. Just because he was an owner of the business he had now right to interfere in the daily running of it. The last thing Michael wanted was to hurt his father's feeling. Despite the last months' conflicts Michel deeply loved his father and they had spent many great moments together during the years. On the other hand: the fact that Steve could not stop to interfere had turned into an increasing problem. Still after one year too many of the employees turned to him with questions that obviously were up to Michael, as CEO, to deal with. Over and over again Michael had told the father that this had to end, but had every time been met by: "hey, how can that be so important, in the end it's a family decision, so… I mean, does it really matter who answers these questions…." At first Michael had let this pass thinking it would end as time passed by. But now much time had passed, and nothing seemed to change. It started to be really annoying, not only to him, but also to the others in the management team. He had tried to take this up with his two siblings, who also worked at ComTech in the hope that that they would help him talk to the father. But every time he started talking about the issue they seemed to have really urgent matters to deal with. "Later", they tended to say…or, when he persistently kept on talking: "Come on Michael, you know him, it's not so easy for him either, give him some time….".

On top of the hill Michael was startled. The lights were burning in his office! Michael was positive he had turned off the lights before leaving. He heart was beating as he went up the stairs to the office. The door was open! At first he was angry with what he saw, but soon the anger turned into a feeling of tenderness towards the father, asleep over the minutes from the board meeting. Michael had not before noticed that his father looked somewhat old and sad… Thoughtfully he walked up to the father and touched his arm. "Dad" he said, "dad wake up…. I believe we need to talk".

This story is just one of many. In fact most stories on Business Transfer have never been written, although we can learn so much from them because the things that happen between the people involved in the transfer of a company have a huge impact on the decisions they make for their future. And for the future of their company and its employees.

Private ownership plays an important role in the social and economic development in countries around the world. However, it is a surprisingly forgotten issue, given the increased attention that has been devoted to ownership transfers in the last decades[1]. The European Commission has recognised the importance of the issues related to Business Transfer.
In Europe every year almost 700.000 company-owners have to deal with transfer issues. In this decade one in three company owners is expected to retire[2]. And since almost 3 million jobs are involved the subject is of considerable importance. Just imagine the number of stories that could be told and learned from!

Ownership transfer is often a period of uncertainty when the decision-makers feel most anxious and vulnerable, because that is when the organization makes fundamental choices that will profoundly shape its future. It is also a complex phenomenon that can be looked upon from different perspectives[3]. From the legal perspective ownership is a tradable right, based on contracts securing the right to shares. The financial perspective views accumulated capital. Psychological ownership is about a state of mind, feelings and attitudes; the emotional bonding to an object. It evokes responsibility towards the thing owned, irrespective of legal ownership. And social ownership emphasises the way the owner sees him/herself as an owner.

And what about the issues derived from the fact that a business is family owned? In Europe more than 60% of all companies are family businesses, representing 50 – 90% of the GDP. Actually it is the most common form of business worldwide. Research on Family Businesses show different, sometimes contrasting findings: On the one hand the family firm has 'built in' shortcomings like nepotism, unclear governance structures, family conflicts. It has resistance to change and it is inherently problematic and unsuccessful. Succession often leads to dramas that threaten the continuity of the firm. On the other hand, family firms seem to be survivors, more stable and better prepared for economic crises. They have inherent advantages based on family resources.

1 Conclusions on ownership transfers in Europe: Remaning questions and the need for further actions.
2 A Helping Hand for SMEs, Mentoring Business Transfer, EUROCHAMBRES - The Association of European Chambers of
   Commerce and Industry
3 Hall, Dr. A. and Melin, Prof. Dr. L., Transfer of Ownership in Private Businesses – European Experiences, Conference Report,
   Stockholm, 25th – 26th March 2010

Ownership transfer does not always mean that there will be a new leader. But the transfer can affect the leader who does not own the company.

So, if you consider these issues you can imagine that the subject of Business Transfer implies a lot of variables and a lot of different outcomes. There is no exclusive format that can guarantee the result of a successful transfer. But from the many cases we have experienced we can recognize patterns. Ivan Landsberg[4] explained for instance that shareholders have needs and concerns that can help successors to establish credibility as leaders:

In the first place shareholders will look for respect and they want to be heard. Succession transitions often take place at the same moment of fundamental changes in the family hierarchy's deeper structure. Successors learn early in their raise that influence can no longer be exercised autocratically, as it may have been during the reign of their predecessors.

Second, in terms of economic results shareholders want a certain degree of predictability. They want to be sure that the successor is willing to accept that since they share in the risk, they deserve a return, legitimately.

Thirdly, shareholders want transparency and procedural justice in the company's decision making process. They want to understand the underlying logic of how decisions are made because the success until now didn't 'just happen'. It was carefully orchestrated and managed. It demands openness, humility and empathy from the successor.

And yet there are many shareholders who have alarmingly little preparation when they start up the succession process. Without it the consequences are often unfortunate. But as a fact, they don't have much choice about whether or not to start the journey. It is driven by the biological clock, there is no escape. So, every shareholder has the choice between going to prepare for the journey, and manage it, or let the outcome be determined by luck.

So far we described just a few issues related to business transfer. Most of these are not dealt with in our education systems. Research shows that only 16% of the European VET/HE institutes pay attention to the subject[5]. For that reason the European Commission stimulates initiatives to build curricula for our education systems. With this book we aim to contribute to the need of transferors and successors whether the latter are still in education or in practice.

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4 Landsberg, Ivan, And when you finally reach the top... Family Business Magazine — Summer 2001 issue
5 Paulusse, Ir. J.H.M, Preliminary analysis of the need for training and coaching of Business Transfer and the offer of VET/HE Institutes, Vught, January 2009

Project Description

BTP II (Business Transfer Programme II) is based on the former Leonardo da Vinci project Business Transfer Programme (BTP) which was carried out between 2006 and 2008. Micro, small and medium sized companies are the backbone of the EU economy and the main source of employment, innovation, entrepreneurship and growth. Within the next decade many of these companies will have to face a transfer of ownership. As measures to facilitate the business transfer and the consciousness for long-term planning are still lacking, the development of improvements in the framework conditions for SMEs, amongst others business transfers, would be helpful.

The initial motivation for the project "Business Transfer Programme (BTP)" was the development and implementation of further measures to facilitate business succession and transfer in Europe and to raise awareness about this topic especially in the involved project partner countries. During the BTP project a blended-learning and highly practical orientated curriculum and an online screening tool for business successors and transferors with the main focus on SMEs were developed and successfully piloted in Austria and Italy.

Within the scope of the BTP II project the existing curriculum, as well as the screening tool were adapted, enhanced and transferred to further European countries.

For enhancement and adaptation measures of the curriculum and screening tool to the needs of new countries a survey was carried out in advance. The target groups of the curriculum were asked about necessary skills and knowledge needed in their point of view for a successful transfer process. The outcomes were integrated into the existing curriculum and the screening tool. Afterwards the adapted training and screening tool were tested in three partner countries: Finland, Poland and Portugal to assure a standardized training on European level.

General Aims

1. *Enhancement and update of the existing curriculum, adaption to the needs of the participating countries*

One of the primary goals of this project is the advancement of the tailor-made training for successors and transferors in combination with a technical aid, the Screening Tool. The course was designed as an integral concept for business succession and includes technical details connected with handing over a business as well as aspects of enterprise leadership. The training was designed on a modular basis and combined different teaching and studying methods, such as face-to-face, use of

an e-learning platform, peer group learning, and self study by delivering a transfer plan describing the imminent transfer process. The curriculum itself originally consisted of six modules and was extended by the additional module imparting communication and negotiation skills:

- Law
- Finance
- Business Analysis
- Marketing
- Soft Skills
- Human Resource Management
- Communication and Negotiation

Firstly a survey of the project target groups was carried out in all partner countries to find out what parts of the existing training need to be adapted and to identify the need for additional training modules.

In coordination with the project partners the sample for the survey was defined based on the target group of the project. After a pre-test a standardized online questionnaire was provided and SMEs, successors, transferors were contacted in all partner countries.

In total 365 respondents could be reached, 215 successors and 150 transferors. The evaluation of the survey results showed that all the questioned training topics were considered by the majority as important or very important. The evaluation showed furthermore that more than 80% of the respondents agreed, that the planned new module communication and negotiation is important or very important. According to the feedback this module including governance was integrated into the existing training programme and the in module soft skills the topic corporate culture was included.

2.   *Enhancement and adaption of the existing Screening Tool*

In the BTP project a specific online tool was designed to facilitate the take-over process. The structure of the Screening Tool is oriented mainly on the training modules and is based on standardized questionnaires to the following categories concerning the transferred company: general & business analysis, financial, legal & risk insurance, marketing, location, marketing, technical situation, and communication. The tool enables a first evaluation of the take-over business from the economic point of view and contributes to increase the necessary entrepreneurial transfer-information.

This highly innovative technical instrument for successors, transferors, and management consultants that supports the business transfer process was adapted and advanced in the follow-up

project BTP II. To enhance the usability a dashboard was created and regarding the dissemination activities self-registration for interested people is now possible. Furthermore the Screening Tool was expanded by a "Self Reflection" questionnaire which should animate the successor to think about goals and visions. The new "quick check" is a subset of the existing benchmarks and helps to get a quick overview of the financial key data compared to other companies in the same branch.

According to the feedback of the participants of the pilot trainings the Screening Tool was adapted again, furthermore a field manual and a help section was created.

3.   *Test-runs of the curriculum combined with the screening tool in three countries*

After the adaption of the six existing training modules and the development of the new module "Communication and Negotiation" a trial run had been carried out in three countries: Poland, Portugal and Finland as these countries had the highest need for support in business transfer.

BTP II - new division according to survey

Modules	Face-to-face Units	Presence Days	E-Learning Units	E-Learning Days	Self-Study Unit	Self Study Days	Transfer Plan Units	Transfer Plan Days	Total Units	Total Days
INTRODUCTION	4	0,5							4	0,5
FINANCE	8	1	2	0,25	4	0,5			14	1,75
LEGAL ASPECTS	8	1	2	0,25	4	0,5			14	1,75
BUSINESS ANALYSIS	12	1,5	4	0,5	6	0,75			22	2,75
MARKETING	8	1	4	0,5	4	0,5			16	2
SOFT SKILLS	12	1,5	2	0,25	2	0,25			16	2
HUMAN RESOURCE MANAGEMENT	8	1	2	0,25	4	0,5			14	1,75
COMMUNICATION & NEGOTIATION	16	2	2	0,25	4	0,5			22	2,75
Closing	4	0,5							4	
	80	10	18	2,25	28	3,5	10	1,25	136	17

The piloting phase ensured to have a standardized training course and to support the valorisation in different countries.

The training was carried out as blended learning programme, started with an introduction session where the aims of the training, the content, the learning platform, the use of the screening

tool, the transfer plan, the training team and external succession expert were introduced.
The training was accompanied by an ongoing evaluation process summarizing the feedback of the course participants and how they could use the acquired knowledge in practice. Each module was evaluated with a questionnaire (mainly closed questions) by the participants and trainers.
To sum up the curriculum and Screening Tool were adapted again according to the feedback from participants, training staff, the summarized evaluation results, and the constant exchange of experience among the project partners.

4. *To set up a License fee system for the training and the screening tool*
Apart from the enhancement of the curriculum and Screening Tool, the project consortium had a high sustainability approach allowing further training institutions to use and implement the curriculum which ensures that the target groups benefit from the curriculum and Screening Tool. In order to achieve this goal, the training programme was standardized in as many characteristics as possible, whereas for special modules, e.g. law/legal aspects and finance (different legal and funding systems in the countries), local adaptations were allowed. These standardization efforts included the uniform curriculum and course contents, technical requirements (e-learning platform and Screening tool), and a uniform time schedule for the face-to-face training. After fine-tuning the curriculum (feedback and adaptation phase), the training programme and screening tool can now be offered by vocational training providers and the latter by management consultants who obtain permission through the BTP II consortium. In order to offer the curriculum, the capacity and resources to deliver the content at the quality defined by the project consortium must be available. The existing learning platform is constantly being updated, and both, the learning platform and Screening Tool, can be used by new participants. This provides a good opportunity to build a community of participants from different countries by facilitating the sharing of their expertise.

Therefore a licence system was set up to regulate the commercial use of the products and to guarantee the qualification standard after the project.
The licence system aims at:
- The continuous dissemination and valorisation of training and Screening Tool
- The ongoing quality control
- The promotion of the training and Screening Tool to SME´s
- The involvement of new partners

To assure the high quality of the BTP II products various standardised processes are provided. Guidelines, Certificates, Application forms and Checklists for training institutions are available on the project website in the members' area. Furthermore at minimum one annual virtual meeting was concerted where the partners discuss about revisiting, and if necessary updating, the curriculum structure, module descriptions, quality standards and criteria, as well as course contents and the Screening Tool. Decisions are made with simple majority.
All partners agreed to involve new stakeholders. Due to already existing cooperation with training institutions and chambers of commerce during and after the end of the project, the sustainability of the project results is assured.

Summing up in the short run, the results of the BTP II project will increase the know-how of business successors/buyers, upgrade their skills, abilities and their competencies for the transfer process. The screening tool will provide information on important business areas and will provide support in handling the difficulties involved in the transfer process and also serve as a technical instrument to enable a first enterprise check and additional the self-reflection possibility.
In the long run the project will contribute to the development of consistent support measures for SMEs close to the transfer process, facilitating the upcoming transfer process through increasing their business transfer related knowledge, and intensifying their preparation phase through a technical instrument/tool. As a result of adequate preparation and the awareness of the importance of long-term planning of the transfer process, existing businesses will be maintained and contribute to strengthening the SME dominated European economy.

Target groups

As a business succession/transfer means a deep cut into existing business structures, this process needs to be well prepared and planned. The main target group are "business successors/buyers" divided into the following three main sub-groups:
- Family members, who want to take over an existing company within the family
- MBOs: employees who want to take over a company
- MBIs: external persons who want to take over a company

Annika Hall
Leif Melin

The 4-Phase Model of Business Transfer

Business transfers are crucial for the survival of private businesses. Transfers tend to be demanding processes. Numerous studies and real life cases have stressed the challenging nature of ownership transfers. Although every transfer is different, there are a number of issues and aspects that unify all transfer processes. An understanding of these issues and aspects is crucial for the ability to wisely manage processes of business transfers.

It is vital to understand that business transfers are not events, but rather complex, multifaceted processes. Transfers normally extend over rather long time periods - often several years. Discussions and deliberations begin long before the formal takeover and the implementation extends for a long period thereafter. In addition many different dimensions – legal, financial, human and organisational – have to be taken into account for a transfer to be successful.

For a more thorough overview of the transfer process, it has below been divided into four phases. Before discussing these phases it is important to point out that the division of the transfer process into phases is not to suggest that the process is linear. Often there is an iterative process, a moving between the phases several times before a transfer is completed. In addition the phases are overlapping; it is not possible to distinguish clear beginnings and endings. The advantage of this 4-phase-model of business transfer is to offer a means to, in a relatively structured way, manage the complexity of the transfer. In addition the division enables a more clear view of the many different aspects of transfers, including the human dimensions that tend to be difficult to trace, but that even so exert a huge influence on transfer processes.

Phase I: Bring the question up and start making preparations

Phase I is about business owners awareness of the fact that they need to start dealing with the issues of business transfer – and that there are advantages of not keeping postponing this issue. Even thought there is much to be gained from starting the transfer process in good time, it is common that preparatory work is put off into the future. From the owner's point of view there seems to be a lot of reasons for no starting "right now" ("I am only 55", "it is such fun", "I have my hands full", "the company needs my expertise"….). But a responsible owner needs to be honest with him/herself and think through whether the reasons for not starting the process are merely excuses for avoiding the question. Who benefits from the postponing of the question? The owner(s)? The business? The potential successors? Or perhaps no one? In most cases there is a lot to gain by not avoiding the issue but to start the transfer process early.

There are also potential risks in putting the transfer off. One such risk is that a younger generation that might be interested in taking over the business gets fed up with waiting and finds other challenges. Another risk is of the company stagnating and becoming less competitive and thereby a less attractive proposition to take over when the owner is not capable or motivated to develop the company. A further risk is that transferring the business is suddenly necessitated by temporary circumstances, such as owners' illness, or death. The transfer then has to take place unplanned and rapidly.

Phase II: Acquire knowledge about and consider different solutions

There are many ways to transfer a business. Which should be a particular company's way is something that should be a joint decision among the present and future owners and their families. It is therefore important to be aware of different solutions in order to reflect on different possible options and make a considered choice. Increased knowledge improves the chances of being able to foresee the consequences – positive and negative – that the respective solutions bring with them. By systematically imagining different alternatives, there is an increased likelihood that the final decision will be one that all parties involved can accept and agree on. This in turn, is crucial for the successful implementation of the transfer.

In order to systematically approach the transfer it is helpful to approach different transfer options by structuring them into different main questions or areas to consider. One main question is to whom the company should be transferred. Here there are three main alternatives: within the family, to employees, or to someone external to the company (for instance another entrepreneur or an investment company). Another main question is how much to transfer? Especially when a business is succeeded within the family the transfer is often a gradual processes, where part of the shares are transferred while the present owner retains some shares so as to not loose control of the business. A third area to consider is the central issue what the main owner –and in most cases also the MD – will do after the transfer. An initial point is whether he or she will stay in the business or leave it. Even if the main owner/MD leaves all the operational duties it is common that they continue to exercise influence through other channels such as the board. Should the former main owner/MD decide to stay in the company it is vital that he/she is crystal clear about the new role to be assumed. By systematically working through various options the owner (owning family) will eventually have an overall analysis of a number of solutions for business transfer and can weigh these up against each other. Some of these solutions could probably be crossed out at once, while others are important to clarify in more detail.

Phase III: Select business transfer solution

Transferring a business entails a number of decisions about which route to take. Knowledge is a prerequisite for making informed choices. Another compass for decision making is to be aware about the values and goals that are underpinning the business. It is vital to be clear about these goals before the business is transferred. If for instance, the company is a central part of the owners' identity, or a family heritage the transfer will not have only legal and financial consequences, but also substantial personal and emotional ones.

Before making the choice of transfer solution it is also important to communicate with co-owners and family. A business transfer often has an effect on relationships with the ownership consortium and the family. It is therefore vital that enough time is set aside to discuss the issue.

Arriving at transfer solutions that all can agree on require that everyone is clear about what they want, taking a position and putting forward their wishes – regardless of what others think. For this to be possible it is crucial to listen to everyone's opinions, thoughts, fears and wishes – and to respect these even when they do not concur with one's own. It is only when these require-ments are fulfilled that that it is possible to find solutions that all can accept and agree with.

As it can be difficult to talk about some of the aspects involved in business transfers – such as money, feeling and relationships – it can be a good thing to bring in a third party who every-one trusts. As a neutral, this individual can contribute openness and thereby militate against preconceived opinions and misunderstandings. A fundamental condition for the advisor being the discussion partner you need is that he/she has solid knowledge about and experience of the field. The advisor must be able to ask questions and offer new angles or approaches, so that the individuals involved in the transfer process are forced to reflect before deciding on any solution. At the same time the advisor must get to know the owners and the company so as to give advice based on the specific circumstances and prerequisites of that very company and owning family.

Phase IV: Implement the selected solution

Implementing the business transfer means that the specific issues that the chosen solutions en-tail are resolved. Hence, implementation of a business transfer implies changes in the company.

A business transfer can mean that the number of co-owners increases. Fore someone that prior to the transfer has been the sole owner and MD, this entails a new situation. Now the company has to be run in association with other. In turn this requires new arenas and channels where influence and control can be exercised. One such important arena is the board. It is vital that the board works actively in connec-tion with the transfer of the business. Particularly if there is an increase in the number of owners a regu-lar form for decision-making is needed, where long-term strategic issues can be discussed and decided.

With several owners there is also an attendant need for a fundamental unity of perspective between them. A business transfer is, if not before, a suitable time to establish an ownership policy. A policy should compromise the owners' wishes, expressed as guidelines regarding the fundamental values on which the owners want to base the company, how business operations are to be conducted, goals for the financial outcome, responsibilities and authority as owners, as well as guidelines for dividends, owners representation on the board and policies for the forthcoming business transfer. The owner-ship policy communicates the owners' wishes and thereby clarifies the rules of the game both for future owners, external board members and for an externally recruited MD. The ownership policy is also important in avoiding or handling conflicts within the consortium of owners.

A business transfer often entails changes to the management organisation, especially if it is ac-companied by a change in MD. New people might be needed in certain posts. New posts might have to be established. To enable the business transfer to be implemented satisfactorily, it is important that the new roles are clearly defined. This is especially the case with the new role assigned to the ones leaving central roles in the company. One role that seems to be especially challenging to leave is the role as MD (in owner managed firms often occupied by the main owner). Often, it is not until this change takes place that the true challenges begin. It is one thing to prepare oneself mentally and to sign the contract. Living ones everyday life in accordance with this and ceasing to act as owner and/or MD is another thing. Yet, the implementation of the transfer is only complete once everyone has settled down and is functioning in their new roles.

As show in the discussion above, ownership transfer is a potentially very complex and dynamic process. It includes finding solutions on legal and financial (including tax) issues and economic transactions. But – and not less important – business transfers also have a human side, as it leads to values being questioned and reviewed, relationships being strengthened and/or weakened, roles and identities being challenged and transformed (among which are the founders´ so called "letting-go" problem), and emotions being oppressed and/or visible.

This book is about education in business transfer. It will provide you with a detailed curriculum that you can use as a guide if you are considering teaching candidates. The purpose of this chapter is to contribute to the pedagogical approach of trainers, consultants and advisors in business transfer processes. So if the curriculum does not completely meet your needs please consider the issues mentioned in this chapter.

But let us first ask ourselves: Is education in business transfer useful? Ivan Lansberg explained[6] that there are at least five reasons why people involved in business transfer should educate themselves. Education adds *perspective*. The people involved need to understand the generic issues associated with what they are experiencing. So they will be able to understand their manifestation in their particular case. It also provides validation. Families will learn that they are not the only ones to have to deal with specific issues. They are obviously quite normal in what they are facing together. Every transition evokes emotional resistance and education helps by legitimizing this resistance as a topic of discussion. Families simply don't know how to talk about the issues and education provides them with a language to problem-solve and act-upon their circumstances. Finally education nurtures hope when the persons involved realize that others very much like them have found the answers for managing their transitions.

The life of an owner/manager can be characterized by a series of experiences, uncertainty and loss of control that goes with it. Academics try to understand the generic issues associated with what entrepreneurs are experiencing, like the issue of business transfer. They have learned to conceptualize and put their research findings into –for them- understandable context. Doing so they can transfer knowledge. The context is important; it provides a common academic language that can be used in education systems. Students all over the world learn to understand the same concepts and contexts. But, when the contextualized knowledge is used in the support of entrepreneurs for instance in their business transfer processes they may not feel the relationship with their personal and business issues. How strange, because the origin of knowledge most of the time derives from researching their businesses. Entrepreneurs in general prefer to share experiences over contextual knowledge.

So, how can the business transfer process be supported by trainers and educators in a way that makes a real difference? We need to close the gap between the life experiences of entrepreneurs and the knowledge available to them. But how can we achieve that?

Already in the 6th century BC Lao Tse said: 'If you tell me I will listen, if you show me I will see. But if you let me experience I will learn.' As academics we seem not to have learned much from these wise words. We prefer to translate business experiences to measurable conditions. Business transferors have interesting stories about their lives as an entrepreneur, how things started, how they made mistakes, what worked for them and what didn't. The numerous stories about their families and their transfer issues can make you humble in your approach to contribute in their learning processes. You may realize that you can learn as much from them as they can learn from you. You just need to find the right way to facilitate the learning process.

Professor Allan Gibb[7] has inspired lots of educators and trainers with the importance of decontextualizing knowledge in learning processes of entrepreneurs. Here's what he has taught them.

Let's have a closer look on who you are dealing with. What does the life of an owner/manager look like? Often you hear that they are independent. The truth is that they are never independent but actually interdependent. When they started their business they changed their dependence on a job or security for interdependence with a wide range of people like customers, suppliers, bankers, lawyers and so on. They work under conditions of more or less uncertainty and under the pressure of psychological and personal ownership. It is difficult to walk away or change jobs because freedom to manoeuvre may be considerably constrained by environmental circumstances.

For an owner/manager strategy and tactics are more important than formal planning. A business plan (or transfer plan) will not protect the entrepreneur by its demonstration of rationality to 'superiors'. Instead the personal vulnerability demands strategies focused upon personal transactional networks and trust. There is a close interaction between family, work and leisure behavior. And the business and the business owner are virtual synonym. The day-to-day management can be characterized as a holistic and process-oriented task structure, covering the full range of management functions in an integrative and overlapping fashion. Your target group deals with operational tasks at different levels as well as the issue to manage them[8].

And now please focus on *how* you are dealing with the owner/manager. It seems to be a matter of different perspectives. From the perspective of a researcher or a trainer the business transfer issues are considered as areas of management and this gives academics the opportunity to rely on their functional expertise. They are about to use their contextualized knowledge in a classroom setting. They also live under the assumption that it is more desirable, demanding and rewarding to research

6 Are you ready for the journey? Lansberg, Ivan. Family Business Magazine – Winter 2000 issue

7 Durham University Business School, Small Business Centre.
8 Entrepreneurship and Small Business Management: Can We Afford to Neglect Them in the Twenty-first Century Business School? Gibb, Allan A., British Journal of Management. Vol. 7. 309-321 (1996)

the activities of managers of large organizations than to study the individual owner-manager of a small firm. They have a large company orientation that is seen as more complex, sophisticated and intellectually demanding. So they have a tradition of business education which has been geared up to supply to students and managers of larger firms. The style of training and teaching is perceived as the 'tradition of training'[9]. This can be recognized when you look at the subject experts who 'deliver' their depth of knowledge to participants in the field of strategy, marketing, finance, management control, personnel and so on. Aligned with these fields of expertise the word 'entrepreneurship' is preferred in the need of a conceptual base to 'small and medium sized enterprise' because entrepreneurship in the views of most educators can be operationalized.

But if you step into the world of the owner of a small or medium sized enterprise the perspective is quit different. The person you are dealing with has to behave entrepreneurial on a day-to-day basis. This includes opportunity seeking, taking initiatives, actively seeking to achieve goals, experiment, learning by doing, coping with uncertainty, taking risky actions in uncertain environments, solving problems creatively, commitment to making things happen, flexibly responding to challenges and persuading others[10]. Behavior might include a number of skills and attributes of the person. In order to understand the learning needs of the owner you need to explore the culture, the task environment and the task structure of the owner-managed company. Culture is defined as the 'deeper level of basic assumptions and beliefs'[11]. The most determinant of the culture is the degree of personal exposure of the owner/manager, via his/her ownership (financial and psychological), to the success or otherwise of the business. You will have to link this behavior with learning processes in a way that goes beyond adding 'transferable or 'soft' skills to the education process as a series of separate events. It means that you have to create a learning environment that links knowledge with a range of possible behavioral outcomes.

So, when you want to address the issues of business transfer in an education programme you should not confront him or her with a training offer which has been developed for professional managers who are 'sent' on courses. Developing a successful business transfer is not a function of knowledge input but of integrated content and process.

Gibbs lessons on how to approach training for owner/managers is clear. He says[12]:

- 'Owner managers are used to management learning through solving problems of a holistic nature rather than through the eyes of specialist subject presentation.

- The conventional classroom approach is that the timetable is controlled by the trainer as is the pace of learning during the day within a framework constructed by the trainer. The trainer is a 'deliverer' of learning. Such a stance may create difficulty with owner/managers who are used to learning-by-doing and who may have different levels of existing understanding.
- The emphasis of many trainers and teachers is upon theory and concept. The owner/manager is very much concerned with practice.
- The owner/manager may prefer a facilitator of learning to a subject expert.
- The credibility of the trainer frequently lies in his/her professional qualifications and expert knowledge. The owner/manager will look for credibility in terms of relevant experience and success and capability in his/her type of company.
- The language of much of business management 'technology' is complex and written by those with professional qualifications for those with professional qualifications. This may be inappropriate to the small firm.
- Much of the training is delivered with the trainer dominating the classroom and the audience in a 'passive' role except when questions are invited. This style of learning may be inappropriate to those who are used to learning by doing.
- The timetable is rigidly controlled by the trainer to suit the convenience of his/her working day. Owner/managers may prefer much greater flexibility.
- Training is organized at times that are convenient to the trainer rather than convenient to the owner/manager.
- Training is often delivered in institutions, organisations or even classrooms where the emphasis is upon formal learning in a formal learning atmosphere. This may be inappropriate for the owner/manager.'

He also gives suggestions for improvement:
- 'Relate training to problems and opportunities that the owner/manager faces. In the owner/managed company, organization development equals management development. Owner/managers attend small business programmes largely in order to help them overcome problems that arise.
- Understanding that needs analysis must be undertaken on a business analysis basis in order to identify management learning needs.
- Ensuring that programmes are in the right language and are at the right level for the owner-manager.

9 Gibb, Allan A. Training the Trainers for Small Business.
10 Caird, S.P. (1993). 'What do Psychological Tests Suggest about Entrepreneurs'. Journal of Managerial Psychology, 8(6), pp. 11-20
11 Schein. E.H. (1985). Organizational Culture and Leadership, p. 6. Jossey-Bass Limited, London.
12 Gibb, Allan A. Traioning the Trainers for Small Business.

- Ensuring that there are strong links in programme design and development with the environment designed to maximize the owner-manager obtaining personal contacts with the relevant environment.
- Ensuring that programmes are designed to use time effectively and recognize the resource limitations of the owner-manager.
- Ensuring that programmes build from informal systems already in operation in companies and do not necessarily preach educational technology and knowledge beyond the capacity for absorption by the small firm.
- Encouraging action learning and peer group learning, recognizing that owner-managers can learn effectively from each other.
- Operating a very highly discursive and not passive system of learning.
- Ensuring that creative marketing approaches are taken to develop identified needs into demands for training.
- Segmenting the markets so that programmes are designed to deal adequately with the market niches of such a large heterogeneous population.

This approach recognizes that learning needs are varied and will accord with the development of the business. It recognizes that it is difficult to arrive at a standard training need in terms of conventional subject areas such as marketing, finance, production and so on. It recognizes the limitations of formal written materials and the importance of personal interface.'

Conventional approach	Enterprising approach
Major focus on content	Major focus on process delivery
Led and dominated by teacher	Ownership of learning by participant
Expert hands-down knowledge	Teacher as fellow learner/facilitator
Emphasis upon 'know what'	Emphasis upon 'know how' and 'know who'
Participants passively receiving knowledge	Participants generating knowledge
Sessions heavily programmed	Sessions flexible and responsive to needs
Learning objectives imposed	Learning objectives negotiated
Mistakes looked down upon	Mistakes to be learned from
Emphasis upon theory	Emphasis upon practice
Subject/functional focus	Problem/multidisciplinary focus

(Prof. Allan A. Gibb)

Trainers abilities

It has been acknowledged that the subject of entrepreneurship and the related topic of business transfer demand specific abilities from trainers. Their style of teaching should reflect the learning mode of the owner/manager and they need to understand that owner/managers learn in very different ways. In order to stimulate the desired 'behavioral' outcomes the trainers will have to bring forward a range of learning processes carefully combined with appropriate content. And they can complement the process with peers, critical incidents, experiments, presentations, focus groups, etc. This action-oriented teaching demands the trainers to be able to:

- identify the needs of people involved in business transfer.
- design and develop appropriate programme approaches in an enterprising and entrepreneurial way.
- effectively deliver such programmes in an enterprising fashion and to enterprisingly use the related support network in this process.
- reach the entrepreneur with appropriate programmes and motivate them to attend.
- evaluate, monitor and manage programme development and delivery.

In addition to the BTP curriculum, a specific technical instrument, the Screening Tool, has been designed to meet the requirements and demands of business successors, transferors, as well as self-employed management consultants.

Within the scope of the BTPII follow up project the existing Screening Tool was adapted to the needs of further European counties and the features and usability has been improved accordingly.

The Screening Tool is a support tool for the preparation phase of a transfer process and provides potential successors/transferors a first business analysis, facilitating the identification process of finding the right business and the collection of important entrepreneurial information.

A simulation of succession/follow-up situations is possible and enables the formulation of various concepts for business succession and allows methodical knowledge to be put into practice. The process of succession can be worked through several times and for various companies. The different results can be compared, e.g. the current status of the transferred company compared with the status after obtaining additional succession related information.

The Screening Tool is designed as a web-based tool and is located on the common project consortium's platform http://btp2.bitonline.cc/v3. Interested people can register themselves and get their access data (username and password) directly via e-mail.
When registered the following menu items are available:

Dashboard	Profile	BTP2	BTP2 Screening Tool	Partner	Contact
• Company Screening • Successor Screening	• Personal data of the user	• description of the project	• description of the web-based tool	• list of partner institution	• contact person for further questions

The Screening Tool is time and place independent, adapted to the needs of small and medium-sized enterprises and consists of the following main parts within the dashboard:
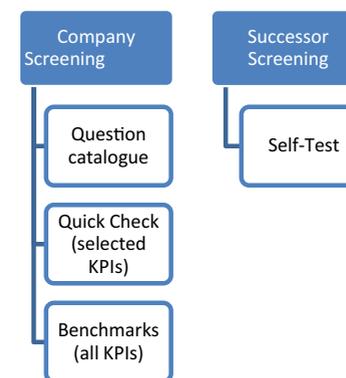
1. COMPANY SCREENING

a. Questionnaire: contains a detailed question catalogue including questions on the general, legal, finance, marketing, human resources, location and technical infrastructure situation of the company.

b. Quick Check: delivers a very first rough overview about the company that should be transferred including four main benchmark rates: equity ratio, cash-flow rate, return on assets and debt-repayment period. If the basis data are filled in, the benchmark ratios will get calculated and compared with the average in the same country and industry

c. Benchmarks: Benchmark data base which is based on a detailed summarization of relevant management ratios for specific industries

2. SUCCESSOR SCREENING

The successors screening provides a self-test which comprises a "self reflection" questionnaire and helps successors to reflect their own goals and visions. So they can get clarity of their fundamentals to become an entrepreneur and about the criteria the have defined for the relevant company that should be taken over.

The available languages of the Screening Tool – English, German and Italian were extended to the new piloting countries: Poland, Portugal and Finland and now the tool is available in six European languages. An extension to further languages is possible at any time depending on the decision of the project consortium and to whom the Screening Tool should be offered.

The tool has been designed for six industries of the project's target sector (craft and trade): carpenters, locksmiths, mechanics, hairdressers, small restaurants & bars, and retail and can be expanded easily in future to other industries. The basis is one main questionnaire which includes questions on various parts of an enterprise. The entire questionnaire is available for each industry, and questions can be selected or skipped depending on the industry and the country. The same applies to the industry benchmarks. There is one main benchmark catalogue which can be adapted to the available benchmarks in the respective country and industry.

The functions within the Company Screening are designed to be as flexible as possible which means that the question catalogue and the benchmark data base of the Screening Tool can be extended to further industries and countries in future.

As mentioned the Screening Tool is a support tool for the preparation phase of a transfer process that provides additional information for the decision making process, but it is not a replacement for expert knowledge, like lawyers and tax advisers.
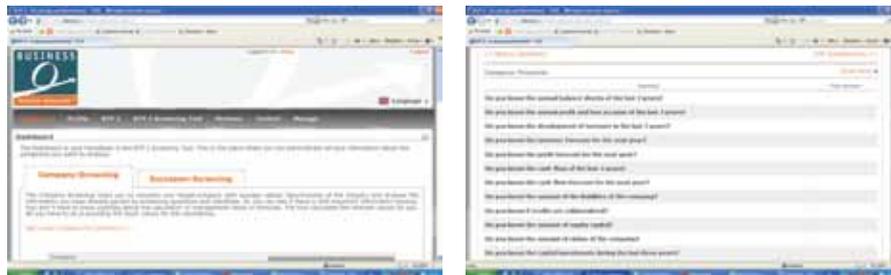
Business Transfer Programme II

Final Curriculum

This section will give a short overview of the suggested training modules and describe the goals and contents of the modules. Each module can be seen as an integrated stand alone learning unit employing the blended learning method, which integrates presence parts as well as online course work, and self study. All course modules exhibit a practice-oriented focus. The blended learning method is followed in all modules. The following sections will outline the modules, starting with the presence parts and presenting the online and offline materials used. All modules are tailored to the specific needs of the target group.

Each module description below is structured in a way very similar to a syllabus, which will enable the reader to compare the modules of the BTP method to other alternative training designs. This serves to increase transparency and effectiveness in the organisation of such a programme. Modules are first described in a general section outlining basic goals and outcomes of the module. A clear amount of counselling/training hours is given for each activity and for each module indicating the distribution of hours for presence and e-learning. The general aims depicted in the introductory part of each module description are broken down to specific objectives indicating clearly the learning goals of the module. Based on these objectives, a schedule for the group meetings including the detailed contents of the module is presented. The methods used throughout the course module are described integrating e-learning and presence learning parts.

The training requires the fulfilment of certain prerequisites, which are:
• Basis English knowledge
• Basis computer knowledge
• Target groups are people who are planning to take over a business or are in the take-over process
• Participants should visit all modules

Exemplary literature and web links are given to provide a deeper insight into each module. Throughout the training programme, literature, web links, and online material are available electronically (on the website) organised in the modular structure of the curriculum and within the modules.

The modules are:

INTRODUCTION SESSION
1. FINANCE
2. LEGAL ASPECTS
3. BUSINESS ANALYSIS
4. MARKETING
5. SOFT SKILLS
6. HUMAN RESOURCE MANAGEMENT
7. COMMUNICATION & NEGOTIATION
CLOSING

Structure

This module consists of a total of 4 units to be benefited during one half day of presence.

Specific Objectives

This introduction session aims at providing participants a leading thread along the training path, in order to let them have the main framework that let all the modules proposed be homogeneous and coherent each other.

Face-to-face Content

Time	Introduction
0,5 h	Welcome to participants
1,0 h	Expectations exchange
1,0 h	Project presentation
1,0 h	Introduction to business transfer
0,5 h	Questions and conclusions
Total 4 h	

Methods

An interactive and participative approach is highly suggested, since it will let from one side to adapt the modules to participant's expectations, from other side to gain all their suggestions to further improve the modules structure for future applications.

Assessment

No assessment foreseen

As a matter of fact, any managerial position and consequently also the business succession process requires thorough knowledge in finance. The evaluation of the resources necessary for growth, financial prevision, investment decisions, value management, and the financial management of the company in crisis situations or during a takeover process alike involve an inter-functional cooperation, a common financial approach, and a quantification of value on financial basis. This module aims to facilitate business transfer by building the necessary capabilities to deal with financial aspects of succession.

Participants will be familiarised with the financial aspects to be considered in a business takeover process and will learn to understand accounting to communicate and implement necessary financial controls and plans as part of their management role. Participants will learn about the behaviour of costs and expenses and the reasons why the control process is essential to success and will understand that the economics of business is essential to profitability and growth.

Hours

This module should consist of at least a total of 14 hours divided into 8 hours of face-to-face learning – presence time, 2 hours for e-learning and 4 hours of self-study – essay / project work.

Specific Objectives

The specific objectives of this module are:

- After completion of the module, participants will be able to apply their knowledge into practice to find an appropriate business.
- Participants will understand and use financial accounts, management accounts, and financial management techniques to successfully valuate, takeover, and manage businesses.
- Participants will know the main financial sources and funding systems and recapitalisation measures.

Face-to-face Content

Time	Day 1	Time	Day 2
0.25 h	Introduction	0.25 h	Summary of the content of Day 1, Questions
1.25 h	**Capital Resources** Financial Sources: Own vs. Foreign Sources; Internal vs. external Sources	1.25 h	**Basic Financial Concepts:** Balance Sheet Profit & Loss Account Methods to calculate the profit
	Break		Break
1.25 h	**Cost calculation** Calculation of the market price Calculation methods, Liquidity	1.25 h	**Methods of Financing, Financial Restructuring and Funding Systems** Micro Credits, Venture Capital
	Break		Break
1 h	**Investment Planning** Dynamic and static Methods	1 h	**Controlling** Overview, Tasks, Benchmarking
	Break		Break
0.25 h	Questions & Answers Case Study Presentation for Self-study	0.25h	Questions and Conclusions
Total 4 h		**Total 4 h**	

Methods

The course module will utilise a combination of learning methods including group work, discussions, case studies, short assignments, self-study, and face-to-face lectures. The use of a learning platform via which additional material and online content is offered is strongly recommended. Contents of this module should be applied especially to practical planning and to the work on the final transfer plan, including recurring do's and don'ts sessions, which should take into account the concrete succession/transfer plans of the participants. In order to optimise the learning process and successfully conclude the module, self-study using the materials provided is essential. Learning groups can be formed face to face or virtually, and the presence days serve as possibilities to answer questions and discuss the content of the module with other course participants and the instructors. Preliminary and follow-up readings as well as possible electronic resources are strongly recommended parts of the course contents. The goal of combining methods is to move to and from between theoretical concepts and practical applications in order to create relevance for the participants.

Assessment

Pre-assessment:
It is strongly recommended to discuss the level of prior knowledge with the participants using a forum or emails to get a general impression of the level of knowledge of the participants group.

Final assessment:
To prove that participants have understood the presence contents and achieved the e-learning units, participants should write an essay on a topic set by the trainer (e.g. cash flow forecast elaboration, evaluation of companies).

Literature Reference

It is recommended to list preliminary and follow-up literature based on the recommendation of the trainer. The following is an example for a workshop in German:

Preliminary:
Preissler, P. R. (2007). *Controlling. Lehrbuch und Intensivkurs.* 13 Auflage. München: Oldenburg.
Pernsteiner, H., Andessner, R. (2007). *Finanzmanagement kompakt.* 2 Aufflage, Wien: Linde.
Kralicek, P. (1995). *Kennzahlen für Geschäftsführer.* 3. Auflage. Wien: Überreuter.
Milichamp, A.H. (1992). *Finance for Non-Financial Managers. An Active-Learning Approach,* London: DP Publications Ltd.

Follow-up
Owen, J. (2003). *Hard–core management: revealing the unwritten rules.* London: Kogan Page.
ACCA UK (2006). *Strategic Financial Management, Handbook for Final Examination.* London: ACCA UK.
Wöhe, G., Bilstein, J. (1991). *Grundzüge der Unternehmensfinanzierung.* München: Vahlen.
Haberstock, L. (1987). *Kostenrechnung.* 8 Auflage, Hamburg: Schmidt.
Pernsteiner, H., Andessner R. (2007). *Finanzmanagement kompakt.* 2 Auflage. Wien: Linde.

It is recommended to list web links based on the recommendation of the trainer. The following is an example:

Cogent Valuation: www.cogentvaluation.com
Investopedia: www.investopedia.com

Business succession has, among the many related aspects for successful execution of the business transfer process, also a strong relation to legal aspects. Most importantly issues of corporate law, inheritance legislation, liability regulations, labour law issues, and tax law are integral parts of this module. Participants will get the most important information on the current legal situation with respect to the aspects mentioned above and will learn how to search independently for further detailed information. Through mixed teaching methods, the content will be presented as such that participants with little or no prior knowledge about these legal aspects will get a profound insight into the pitfalls and opportunities within the legal framework governing business succession. Certainly legal aspects differ in each member country of the European Union. This is also true for those areas with an impact on the business transfer process. Therefore a localised version of contents is necessary for this module.

Hours
This module should consist of at least a total of 14 hours divided into 8 hours of face-to-face learning – presence time, 2 hours for e-learning and 4 hours of self-study – essay / project work.

Specific Objectives
In order to account for complex issues related to the legal aspects of business succession, participants will have to gain knowledge in the different areas of law governing the transfer process. As especially small to medium-sized enterprises and their business operations can be seen as highly interdependent systems, it is imperative to equip participants with the necessary knowledge, skills, and abilities (KSAs) to act within the legal world and be able to lead qualified discussions with legal experts. This module develops exactly these KSAs. The specific objectives of this module are:

- Participants understand the law of corporations and partnerships and will get to know the concept of limited liability.
- Participants will learn about the characteristics of effective and legally sound business cooperation.
- Participants will know how to make wills and donations while being aware of which mandatory legal provisions in favour of family members have to be taken into account.
- Participants will be knowledgeable about issues of liability (i.e. debt of company – transfer to business successor; liability for unknown responsibilities)

- Participants will become aware of the legal norms protecting employees in case of business transfer.
- Participants will know what to take into account in terms of tax legislation, such as tax on gifts and inheritance, legal fees, or tax of transfer of ownership on real estate, among others.
- Participants will be able to avoid legal pitfalls in the succession process
- Participants will be able to apply their legal knowledge to practical succession cases, to develop their own recommendations or strategies, and to address the specific needs of European SMEs.

Face-to-face Content

Time	Day 1	Time	Day 2
0,25 h	Introduction	0,25 h	Summary of the content of Day 1, Questions
1 h	Corporate Law	1 h	Labour Law
	Break		Break
1 h	Law of Inheritance and Related Issues	1 h	Taxes and Legal Fees
	Break		Break
1 h	Contract Law and Business Transfer	1 h	Do's and Don'ts for the Transfer/ Succession Plan
	Break		Break
0,5 h	Liability Regulations	0,75 h	Questions and Conclusion
0,25 h	Questions and Conclusion		
Total 4 h		**Total 4 h**	

Methods

The course module will utilise a combination of learning methods including group work, discussions, case studies, short assignments, self-study, and face-to-face lectures. The use of a learning platform via which additional material and online content is offered is strongly recommended. Contents of this module should be applied especially to practical planning and to the work on the final transfer plan, including recurring do's and don'ts sessions, which should take into account the concrete succession plans of the participants. In order to optimise the learning process and successfully conclude the module, self-study using the materials provided is essential. Learning groups can be formed face to face or virtually, and the presence days serve as possibilities to answer questions and discuss the content of the module with other course participants and the instructors. Preliminary and follow-up readings as well as possible electronic resources are strongly recommended parts of the course contents. The goal of combining methods is to move to and from between theoretical concepts and practical applications in order to create relevance for the participants.

Assessment

Pre-assessment:
It is strongly recommended to discuss the level of prior knowledge with the participants using a forum or emails to get a general impression of the level of knowledge of the participants.

Final assessment:
Short assignments and in class participation together with the final transfer plan will be the basis for assessment of the participant's knowledge.

Literature Reference

It is recommended to list preliminary and follow-up literature based on the recommendation of the trainer. The following is an example for a workshop in German:

Preliminary and Follow-up Readings:
Bucher J. (1997). *Unternehmensübergang und Altlasten*. Wien: ecolex.
Karollus, M. (1995). Unternehmerwechsel und Dauerschuldverhältnis, *Österreichische Juristenzeitung 1995*, 241-248, 292-296.
Wagnest, W. (1997). Die Haftung bei Übergang eines Unternehmens oder Betriebes. Wien: Verlag des ÖGB.
Bydlinski P. (2007). *Grundzüge des Privatrechts*. Wien: Manz.
Mader, P. (2008). *Kapitalgesellschaften*. Wien: Orac.
Schummer, G. (2006). *Personengesellschaften 6. Auflage*. Wien: Orac.

Web Links
It is recommended to list web links based on the recommendation of the trainer.

In any company certain critical factors, such as the shareholder value, the corporate environment, the location, and the technical equipment, are of crucial importance to its success. For business transfer processes, these matters play an even more important role as knowledge about these facts may be tacit or hidden within the company. The skills to analyse the values and potentials for development of the company to be transferred are imperative to a sound succession. If transfers do not take place within a family structure, transferors typically try to get the maximum profit out of the sale of the company. Consequently it is very important for successors to get a realistic overview of and certain know how about the environment (location) and technical equipment and the value and price of a company. This module provides the participant with the necessary tools to undertake this analysis.

Hours
This module should consist of at least a total of 22 hours divided into 12 hours of face-to-face learning – presence time, 4 hours for e-learning and 6 hours of self-study – essay/project work.

Specific Objectives
This module will provide participants with the necessary knowledge, skills, and abilities how to evaluate the company and its environment as well as the technical equipment. This module further develops the ability to apply this knowledge within the scope of the transferring process. A very important part of this module will be the description and the interpretation of economic operating figures. The specific objectives of this module are:

- Participants will understand the basic principles of business valuation
- Participants will know about the importance of the environmental conditions and the current state of the technical equipment and how to avoid pitfalls.
- Participants will be able to apply their knowledge to practical take over cases, to read and over understand official papers, and to become aware of potential risks that could be hidden in the taken enterprise.
- Participants will get to know the elements of economic operating figures and how to interpret them.

Face-to-face Content

Time	Day 1	Time	Day 2
0,5 h	Introduction	0,5 h	Summary of the Content of Day 1, Questions
1 h	Objectives, content and procedure of the business analysis and the relation with contractual agreements	2,5 h	Basics of the of calculation of the Shareholder Value; • Cash Flow, Liquidity • Evaluation methods
	Break		Break
2 h	Analysis of the assets and liabilities structure as well of the profit structure; • Basics like Balance Sheet, Profit & Loss Account, • Financial Analysis, Past Performance Analysis; • Management ratios	2 h	Analysis of the assets and its implication on the company's value • Investments and current assets. • Benchmarks
			Break
0,5 h	Question & Answers Case Study, task for self study and preparation for practical assignment	1,5 h	Analysis of the cost and profit structure
		0,5 h	Questions and Conclusion Break
		1 h	Practical Assignment
Total 4 h		**Total 8 h**	

Methods
The course module will utilise a combination of learning methods including group work, discussions, case studies, short assignments, self-study, and face-to-face lectures. The use of a learning platform via which additional material, online content and a discussion forum is offered is strongly recommended.

Contents of this module should be applied especially to practical planning and to the work on the final transfer plan, including recurring do's and don'ts sessions, which should take into account the concrete succession plans of the participants. In order to optimise the learning process and successfully conclude the module, self-study using the materials provided is essential. Learning groups can be formed face to face or virtually at the learning platform, and the presence days serve as possibilities to answer questions and discuss the content of the module with other course participants and the instructors. Preliminary and follow-up readings as well as possible electronic resources are strongly recommended parts of the course contents. The goal of combining methods is to move to and from between theoretical concepts and practical applications in order to create relevance for the participants.

Assessment

This module integrates the contents of the complete course. There is no specific assessment for this module alone. The module will be assessed on the basis of the final transfer plan, which is to be established by every participant.

Literature Reference

It is recommended to list preliminary and follow-up literature based on the recommendation of the trainer. The following is an example for a workshop in German:

Preliminary

Behringer, S. (2002). *Unternehmensbewertung der Mittel- und Kleinbetriebe : betriebswirtschaftliche Verfahrensweisen 2., neu bearb. und erw. Aufl.* Berlin: Erich Schmidt.

Matschke, M. J. Brösel, G. (2007): *Unternehmensbewertung : Funktionen, Methoden, Grundsätze - 3., überarb. und erw. Aufl.* Wiesbaden: Gabler.

Kinkel S. (2004) *Erfolgsfaktor Standortplanung: in- und ausländische Standorte richtig bewerten.* Berlin [u.a.]: Springer.

Bruns, K. (1997). A*nalyse und Beurteilung von Entsorgungslogistiksystemen. Ökonomische, ökologische u. gesellschaftliche Aspekte.* Wiesbaden: Deutscher Univ.-Verl.

Jauk, A. (2006). *Das Grundbuch in der Praxis : das ABC der Grundbuchseintragungen.* Wien: Orac.

Follow-up

Augustin, K., Gumpetsberger, A., Haltrich, W., Herzog, B. (2005). *Betriebsnachfolge – perfekt geregelt.* Graz: dbv-Verlag

Domschke, W., Drexl A. (1996). *Logistik, Bd.3, Standorte.* München: Oldenbourg.

Zobl, D. (2004). *Grundbuchrecht - 2., erg. und nachgeführte Aufl.* Zürich: Schulthess.

Schoppler, M. (2007). *Standortwahl für kleine und mittlere Handelsunternehmen: dargestellt am Beispiel der Blue Tomato GmbH.*

Haeseler, H. R. (2007). *Unternehmensbewertung : Grundlagen der Bewertung von Unternehmen und Beteiligungen.* Wien: Orac.

Web Links

It is recommended to list web Links based on the recommendation of the trainer. The following is an example:

English:

www.sba.gov/idc/groups/public/documents/sba_homepage/pub_fm4.pdf

German:

www.univie.ac.at/bwl/iev/lehre/ss06/zusatz_2.pdf

www08.mg.hs-niederreihn.de/dozenten/krause/Elemente/KennzahlenT2.pdf

www.kore-virtuell.at/joanneum/Lehreinheit%20Einf%81hrung%20VBM.pdf

www.mdi.at/fileadmin/mdi/download/controlling/woerterbuch.pdf

www.realfinanz.at/produkte/Grundbuch.pdf

www.kwr.at/kwr/pdf/Rechtstipp0701.pdf

Businesses today are faced with the growing need to adopt new approaches towards winning the market. The challenge is to offer a mix that produces the necessary client satisfaction as well as a satisfactory company-market exchange relationship bearing in mind that today's clients or customers are looking for solutions and not products. In this module participants will take a closer look at the concepts of strategic marketing as the basis of planning. For a successful business transfer, it is imperative to be familiar with the different components of the marketing mix as operating tools for companies. This helps to differentiate a company from its competition in such a way as to be perceived clearly by the market.

Hours

This module consists of a total of 16 units divided into 8 units of face-to-face learning –presence time- and 4 units for e-learning. Besides, this course needs an estimated amount of 4 hours for self study.

Specific Objectives

Implementing the change process of business transfer and maintaining or expanding market presence, customer satisfaction, and sales is crucial to successful business succession. To equip participants with the necessary tools to actually be able to run and manage this process with respect to all marketing related issues is the key objective to this module. In particular participants will learn:

- The importance of the marketing strategy in the business succession process
- The 4 Ps of the marketing mix (Product, Price, Promotion, and Placement)
- Marketing analysis using state of the art techniques
- How to apply the acquired knowledge to their particular practical case and other cases

Face-to-face Content

Time	Day 1
0,5 h	Introduction
1,5 h	Marketing Basics and the company • Marketing Tasks • The Environment • Internal Analysis • SWOT Analysis
	Break
1,5 h	The Company and the client • Principles of the Company • Customer Satisfaction
	Break
1 h	Marketing in the 21st Century. Present vision. • Marketing: an integrated business philosophy • Commercial research • Market Positioning
	Break
1 h	Marketing in the 21st Century. Present Vision. • Specific Offer • Promotional Communication • Post sales Relations
	Break
2 h	Transformation of the theoretical knowledge into practice – work on his/her company
0,5 h	Questions and Conclusions
Total 8 h	

Methods

The course module will utilise a combination of learning methods including group work, discussions, case studies, short assignments, self-study, and face-to-face lectures. The use of a learning

platform via which additional material and online content is offered is strongly recommended. Contents of this module should be applied especially to practical planning and to the work on the final transfer plan, including recurring do's and don'ts sessions, which should take into account the concrete succession plans of the participants. In order to optimise the learning process and successfully conclude the module, self-study using the materials provided is essential. Learning groups can be formed face to face or virtually, and the presence days serve as possibilities to answer questions and discuss the content of the module with other course participants and the instructors. Preliminary and follow-up readings as well as possible electronic resources are strongly recommended parts of the course contents. The goal of combining methods is to move to and from between theoretical concepts and practical applications in order to create relevance for the participants.

Assessment
Small assignments and active class participation will serve as one pillar for grading this module. In addition, the transfer plan will be part of the assessment for this module.

Literature Reference
Preliminary and follow-up readings may include (but are not restricted to):

Lovelock, C.H., Wirtz J. (2007). *Services marketing: people, technology, strategy.* Upper Saddle (NJ): Prentice Hall.
Cravens, D.W., Piercy, N. (2006). *Strategic marketing.* Boston: McGraw-Hill.
Kotler, P., Armstrong, G. (2007): *Principles of marketing.* Englewood Cliffs (NJ): Prentice-Hall.
Kotler P. (2006). *Marketing management.* Upper Saddle River (NJ): Pearson Education International.

Business transfer is a complex process. Managing such a process involves both the technical and the emotional side. Both management knowledge and techniques, and soft skills should be trained. Analyses from the last 10-20 years have shown that the smaller the company, the higher the emotional and psychological impact, considering the close connection between the owner him-/herself and the business The challenge is particularly hard for successors for several reasons. The transferor has already developed a management style and culture in the organization. Both are not easy to be changed. But the handover - an important change framework itself - requires changes within and during the process. Since the transferor is generally not in the need of adapting him/herself, it is up to the successor to carry the main weight of the flexibility challenges. The successor may feel the need for:

- learning about his/her own entrepreneurial attitudes and attributes;
- learning what will be the effect of his/her governance and management to the corporate culture.

Corporate culture
Corporate culture is a term used to describe the collective beliefs, value systems, and processes that provide a company with its own unique flavor and attitude. The founder/present owner potentially has a huge impact on these issues. Businesses of all sizes posses some type of corporate culture, in that every company has a set of values and goals that help to define what the business is all about. Here are some examples of elements that go into creating and defining a corporate culture.

At the foundation of any company culture are the standards that govern the operation of the business. These standards are usually expressed in terms of the policies and procedures that define how the company will operate. This will include how different departments or functions relate to one another in the production process, the line of communication established between management and departmental employees, and rules governing acceptable conduct of everyone who is part of the company. This basic organizational culture makes it possible to develop other layers of corporate culture based on these foundational factors.

Above and beyond organizational and procedural factors, corporate culture is further informed by the attitude of everyone involved with the organization. When executives, managers, and rank and file employees are all on the same page as far as basic corporate values are concerned, it becomes possible to have general agreement on the relationships that must be in place to accurately reflect the desired corporate culture. For example, when employees are provided with ways to make suggestions that

could improve the productivity or the general working environment of the company, it can be said that the corporate culture is inclusive, as it allows for free communication between everyone employed by the business. As with many types of cultures, corporate culture usually involves the inclusions of some rites or rituals. This can be something as simple as the annual holiday bonus, a week in the summer when the entire company shuts down, or even the naming of an employee of the month. These rites help to bond people together and provide some sense of collective identity, which is very important to the creation of a positive corporate culture.

It is important to note that a particular corporate culture may be positive or negative. Businesses where the rules constantly change, employee input is not encouraged, and rites tend to change constantly could be said to have a negative or counter-effective corporate culture. Since most companies cannot survive without the support of all employees and a dedication to core values, any business that develops negative corporate attitudes and culture is likely to be extremely limited in growth, or will fail to survive.

Organizational Behaviour

We often see that the entrepreneur, because of his personality, is an action oriented person. Often obsessed by the idea to make something happen. This strength and also this weakness is important to address at early stage. So a reflective self assessment is very helpful in getting to understand one's entrepreneurial skills.

Module structure

This module consists of a total of 16 hours divided into 12 hours of face-to-face learning, 2 hours e-learning and approximately 2 hours self-study.

Module Objectives
In order to become more and more aware of multi-faced business transfer processes, participants will learn to understand the effects of managerial behaviour to the organization and the culture of the company. Every participant is expected to get personally involved in a dialogue with the transferor, at least while the transferor is still there. People in the company, and out of it, should be seen as individuals instead of figures. The discussion of real-life cases, and some advice and addresses for excursions on the web will help to improve this attitude.

The specific objectives of this module are:

- Participants will understand their role and the expected behaviour towards people.
- They will start to recognise human psychology, behaviour, and reaction in different situations and roles.
- Participants will become aware of the importance of understanding their business as a cultural system.
- They will learn that their way of governing the company is an essential basis for people motivation.
- Participants will become aware of the importance of listening to the transferor's feelings and points of view, and will be sensitised towards trying to understand and positively manage them.
- Participants will be able to apply their knowledge to concrete business transfer situations.

Face-to-face Content

Time	Day 1	Time	Day 2
		0.5 h	Summary of the Content of Day 1, Questions
0.5 h	Introduction: Business Transfer Situations - The Importance of Soft Skills	3 h	The Successor as a Business Continuer: Understanding and Managing the Organization as a Cultural System
			Break
1,5 h	The Successor as an Entrepreneur: • Assessing and discussing entrepreneurial skills.	3 h	The Relationship with Previous Owner(s). Beliefs and values of the previous owner. Case Analysis (Small Groups)
	Break		Break
1,5 h	The Successor as a Professional Manager: • Management styles and Leadership aspects	1 h	The Successor as a Business Continuer. Change Management: Involving All Those Interested in the Transfer Process
0.5 h	Questions and Conclusions	0.5 h	Questions and Conclusions
Total 4h		Total 8 h	

Methods

The course module will utilise a combination of learning methods including group work, discussions, case studies, short assignments, self-study, and face-to-face lectures.

Contents of this module should be applied especially to practical planning and to the work on the final transfer plan, including recurring do's and don'ts sessions, which should take into account the concrete succession plans of the participants. In order to optimise the learning process and successfully conclude the module, self-study using the materials provided is essential. Learning groups can be formed face to face or virtually, and the presence days serve as possibilities to answer questions and discuss the content of the module with other course participants and the instructors. Preliminary and follow-up readings as well as possible electronic resources are strongly recommended parts of the course contents. The goal of combining methods is to move to and from between theoretical concepts and practical applications in order to create relevance for the participants.

Assessment

Short assignments and discussions will serve as one basis for course assessment.

Literature Reference

Preliminary and follow-up readings may include (but are not restricted to):

Cultures and organizations, software of the mind. 2010 Hofstede, G. and Hofstede G.J.
     EAN: 9780071664189
Organizational Behavior. 2011 Robbins, S. Judge, T. Campbell T.T.
     EAN: 9780273739630
People Styles at Work. 2010 Bolton, R. and Bolton D.G.
     EAN: 9780814413425

In this course you will be placed at the forefront in understanding how organizations can gain a sustainable competitive advantage through its people. The role of HR management is no longer limited to personnel administration/service functions, such as recruiting and selecting employees. Today HR management assume an active role in the business transfer process, especially in the strategic planning and decision making in their organisations. Meeting challenges head-on, engaging stakeholders and using human resources effectively are critical to the success of any work organisation. In addition, management of Human Resource has in recent years changed drastically. Nowadays managers responsible for HRM play a key role in organisational development. Traditionally managers also believed that organisations that had access to capital or technology could achieve a competitive advantage. A more common reality today is that organisations which could offer quality products and services are more often found to be a step ahead from competitors. Nonetheless human capital is the sole factor that could maintain an organisation's competitive advantage.

In the light of the complex business transfer process, both transferors and successors must be able to master the key HR functions in order to succeed in this process. One of the main objectives of this module is to develop an understanding of the business transfer concept and its processes in relation with Human Resource Management practices. Reaching this objective will be done by highlighting the importance of linking each of the key human resources issues to the business transfer process. The business transfer processes that are to be focused on could be initiated and addressed with an owner, an employee or a family member perspective. The concerns during this module are also placed on which path the business to be transferred ought to take in order to create a competitive advantage for it in today's business environment.

The module itself is divided into four topics:
1. Importance and role of Human Resources at the time of business transfer process,
2. Alignment of the HRM strategy with the enterprise strategy,
3. HRM at the Business Transfer Process,
4. Expanding the attention to HRM.

Module structure

This module should consist of a total of 14 hours divided into 8 hours (one day) of face-to-face learning sessions, which also includes a self-assessment of key HRM competencies, 2 hours of self-managed e-learning and 4 hours of self-study and assignments.

Module Objectives

This module focus on the importance of the Human Resource Management issues related to a business transfer process. This will be addressed on the basis of the results from an initial self-assessment of the participants' HRM competence profiles. The rest of the module will analyse specific HRM topics which were found to be most relevant for the participant group. Through various practical activities this module will give participants the capability to design and implement HRM strategies to achieve the ambitions with the business transfer process.

The specific objectives of this module are:

- Participants will understand both short- and long-term organisational challenges in the area of HRM to make a positive impact on firm development.
- Participants will analyse different HRM functions in order to help them to understand how the HRM functions are managed in SMEs and are being involved in a succession process.
- Participants will analyse the different situations that could emerge in the organisations and affect the HRM aspects in order to find ways to approach them.
- Participants will learn to establish organisational development through stakeholder collaboration and team-work in order to cater for the demands for development required in connection with a business transfer process.
- Participants will identify the requirements for gaining stakeholder support and achieve the contextual/environmental demands raised in connection with a business transfer process.
- Participants will discuss the importance of understanding the stakeholder and employee support and engagement in the business transfer process in order to secure the success of the succession /business transfer initiatives embarked upon.

Face-to-face Content

Time	Day 1
0,5 h	Introduction
2 h	HRM Competencies for SME managers – and inventory and self-assessment HRM Strategies for SMEs
	Break
1.5 h	HRM issues related to a Business Transfer Process
	Break
1.5 h	HRM at part of a Business Transfer Process • HRM Planning for Business Transfer • Recruiting and terminating staff
	Lunch
1.5 h	New Human Resources Management Structures Addressing Human Resources requirements Enhancing Employee – Management Relations
	Break
1 h	Introducing Self-studies and Practical Assignments Conclusions and closing of the session.
Total 8 h	

Methods

The course module will utilise a combination of learning methods including group work, discussions, inquiries, short assignments, self-study, and face-to-face lectures. Usage of a learning platform via which reference materials, web links and tools for self-assessment and evaluations is also included, and provided in languages familiar to the module participants.

Contents of this module is applied especially to practical planning and to the work on plans for a business transfer, and includes recommendations / do's and don'ts sessions, which takes into account the concrete succession plans of the participants. In order to optimise the learning process and to successfully conclude the module, self-study activities, including usage of e-learning services and the lists of compiled reference materials is essential. Learning groups can be formed on site or virtually, and the face-to-face part of the module serves also as possibilities to answer

questions and discuss the content of the module with other course participants and the instructors. Lists of reference documents and information sources including web-links and electronic resources are parts of the course contents.

The goal of this blended learning method is to move away from presentations of theoretical concepts only and move towards more practical applications that are both relevant to the participants and geared closely to their concerns, and this is among other focused on in order to create motivation, engagement and high-level of relevance for the participants.

Using inquiry-based approaches is an effective learning strategy for more complex 'thinking skills'. One of the principal objectives of this learning strategy is that the participant takes a responsibility and key role in their own learning. The inquiry approach is also a learning strategy that enables participants to be confronted with emulated real-life situations. In this way participants can learn practically to make decisions on how to formulate solutions to specific situations. In this connection it is important to remember that in HRM there are no 'correct' solutions, only some solutions may be better suited in a given context than others.

Literature References
A list of reference documentation will be provided to participants containing study materials specific to the local context and participants in any given implementation of this module.
This may contain different references depending on the module's local implementation context, as well as being personalised to specific participants or sub-groups in a given course.

Web Links
A list of web links are also being compiled with information materials and online services that are either locally relevant, and/or tailor-made for the specific profiles of the module participants in a given implementation of this Business Transfer II programme.

An important and determining factor for these lists of references is the group (and individual) outcomes of the HRM Competency Inventory carried out as the initial part of this module.

Communication and negotiation are central aspects of every transfer process. Many issues are to be brought to the surface and solved before a business transfer process is completed. Business transfers are complex. They imply not only transfer of ownership, but also transfer of leadership. These processes may occur simultaneously, which is the case when an owner transfers 100% of the shares to the successor and leaves the company. But often transfer of ownership and leadership is a process in several steps over many years. Especially in family businesses the leadership position may be transferred first, with no, or only a partial, transfer of ownership. Not until the owner is convinced that the successor is capable of running the business does the actual ownership transfer take place.

This means that the number of owners may increase during a transfer process. It also means that members from different generations may co-own the company for an extensive period of time. Sometimes the number of owners might stay relatively limited (one successor takes over from one owner) but sometimes the size of the owner group increases considerable (two owners with two children each transfers the company to the four cousins).

The increased complexity that transfers often bring with them implies a need for frequent and efficient communication and negotiation among the individuals involved. There are lots of issues that need to be solved and there are often many wills and perspectives on every issue. In addition the issues that arise are of different character – institutional, economic/technical, organisational, emotional and (inter-)personal (including networks) – and they all need to be thoroughly addressed for a successful transfer process.

Module structure
This module consists of a total of 22 units divided into 16 units of face-to-face learning presence time, 2 units of e-learning and 4 units of self-study.

Module Objectives
Although every transfer process is unique, the likelihood of a successful transfer increases if every individual involved can express his and her own thoughts, perspectives and emotion – and be listened to in a respectful way. The success of a transfer process depends to a large extent on the communicative ability of each and every of the individuals involved. This is why understanding some of the basic aspects of communication and negotiation may lead a more open and more efficient transfer process.

Specifically this module will enhance the participants understanding of

- The basic characteristics of communication and negotiation processes
- Communication among owners/communication in close relations
- Communication and negotiation as part of corporate governance
- Owners´ policy as a communicative corporate governance tool
- Power aspects of communication and negotiation
- The influence of corporate culture on communication – owning and managing in a new/specific cultural context
- Challenges and pitfalls of communication and negotiation

Face-to-face Content

Time	Day 1
0,5 h	Introduction
1,5 h	Basic characteristics for communication and negotiation
1,0 h	Role play: Communication
1,0 h	Analysis of communication based on role play and
	Break
2,0	Communication and negotiation as part of corporate governance Communication among owners (in close relations) Agreeing on an owners' policy Conflict resolution techniques
1.0 h	Individual work/group work: Formulation of owners' policy exercise
0,5 h	Questions and conclusions
Total 8 h	

Time	Day 2
0,5 h	Follow up from day 1
2,0 h	The influence of corporate culture on communication and negotiation. Owning and managing in a new/specific cultural context
1,5 h	Case reading and discussion of culture and communication
	Break
1,5 h	Power aspects of communication and negotiation Challenges and pitfalls of communication and negotiation Traps of selfish communication and techniques for self-improvement
2,0 h	Role play. Focus: learning to identity and better manage the challenges and pitfalls of communication. Group and joint analysis and discussion
0,5 h	Questions and conclusions
Total 8 h	

Methods

This course module uses a combination of learning methods including short face-to-face lectures, group work/discussions, case studies, short assignments and self-study. The focus is always on the participants' own situation. Concepts and models are explained and used from the point of view of the participants own reality, with the purpose of serving as a tool for the participant to better understand and manage his or her transfer situation. Group work, i.e. discussions and role plays are used as a means to raising the participants' awareness of the challenges of communication and negotiation, to practice crucial communication and negotiation skills, to raise each participants awareness of his or her own communication style (strong and weak parts), and to practice empathic listening, i.e. the ability to "put oneself in the shoes of the other" in a communication process. Preliminary and follow-up-readings, as well as possible electronic resources are strongly recommended parts of the course content.

Prerequisites

No special prerequisites required for this module

Assessment

Small assignments and active class participation will serve as a basis for assessment of this module.

Literature References

Preliminary and follow-up readings may include (but are not restricted to):

Conflict and Communication in the Family Business. (2003) Astrachan, J.H. and McMillian, K.S.
        Family Business Leadership Series, No. 16. Family Enterprise Publishers. www.efamilybusiness.com

Closing

Structure

This module consists of a total of 4 units to be benefited during one separated half day of presence.

Specific Objectives

The closing session is intended as an evaluation of the programme. The objectives are to get a clear picture of the experiences of the participants and to find out to what extend the programme has contributed in meeting their needs concerning business transfer.

Face-to-face Content

Time	Closing
0,5 h	Welcome to participants
1,0 h	Summing up the achievements
1,0 h	Evaluation of the project development
1,0 h	Certificates presentation
0,5 h	Conclusions
Total 4 h	

Methods

An interactive and participative approach is highly suggested.

Annexes

Seven international institutions from different European countries have formed an international project consortium with the purpose of working together on the topic of business succession for a period of two years. The project called "Business Transfer Programme 2 (BTP II)" was co-funded by the European Commission under the Leonardo da Vinci programme. Within the framework of this project, Austrian, Dutch, Italian, Swedish, Finnish, Portuguese and Polish partners contributed to the development of training and a screening tool to facilitate business succession and transfer in Europe. Expertise and experience from the fields of higher education, e-learning, vocational training, and management consultancy were integrated in the international development process. The mix between consulting companies, universities, business schools, e-learning experts, and end users combined practical experience with a scientific approach. Each project consortium member contributed significantly to the success of the project and the products developed therein. The BTP II consortium consists of the institutions led by bit management Beratung GmbH, Graz, Austria, which present themselves below:

bit management Beratung GmbH
Graz, Austria

bit management Beratung GmbH is part of the bit group, the largest private training provider in Austria, and offers trainings and consultancy in various areas, such as personality, leadership, team, sale, project management, logistics, and business economies. We advise and support enterprises, public organizations and individuals to extend their know-how and their key qualifications for a strengthened market situation. We accompany our customers individually from the analysis of needs over putting the resulting plan into action in their company to final evaluation. With individual coaching and special trainings in the area of finances, law, taxes, and soft skills, we accompany people from the business idea to the foundation.
Every year we accompany over 500 enterprises, non-profit organizations, and training participants as well as about 6000 start-ups at our locations in Austria. We offer flexible solutions oriented to the needs of the customers and observe the highest standards of quality. Our highly competent and committed employees think and act on their own responsibility with the needs

of business in mind. Our innovative products make the lasting acquisition of knowledge and training an enjoyable and enriching experience.

StudioCentroVeneto
Vicenza, Italy

StudioCentroVeneto sas (SCV in short) is a training and consultancy company founded by Toni Brunello in 1968, in Vicenza. It offers qualified services for micro and SMEs, in the field of: educational training, general management, quality approaches, marketing and, above all, business transfer processes (research, training, first aid and continuous consultancy). Brunello has taken part as the Italian representative, since November 2000 in 3 Expert Groups on Transfer of Businesses set up by the European Commission on this issue.
SCV has also been involved in many European, extra European, National and local projects, aimed to support micro and SMEs development. In particular, SCV has developed strong links with the public sector (national and regional authorities, Chambers of Commerce, Universities and research centres) and with the private sector (handicraft, trade and industry associations, training centres, consultants).

Avans University of Applied Sciences
Breda, The Netherlands

Avans Hogeschool is the result of a fusion between Hogeschool Brabant and Hogeschool 's-Hertogenbosch. It is a University of Professional Education with 25.000 students and 2500 employees. Avans has a great number of departments and is located in Breda, `s-Hertogenbosch and Tilburg. The research programme of the Professorship Innovative Entrepreneurship aims at entrepreneurs in the SME segment, including the organisations that support these entrepreneurs and their

business: regional development organisations, chambers of commerce, etc. Organisations aiming at the stimulation of internal entrepreneurship are included in the target group. Avans gives priority to security, inspiration and openness.

CTC Polska Sp. z. o.o.
Warszawa, Poland

CTC Polska Sp. z o.o. is a small sized company which has been operating since 1995. CTC has plenty of experience in managing large-scale projects implemented nationwide. We also offer a wide spectrum of consulting services in the field of labour markets and enterprise development. CTC is specialized in projects and the project management for public administration, firms and private institutions, financed by European Union's structural funds. CTC currently runs 7 projects. CTC offers assistance to Polish, foreign and international enterprises and institutions in planning and implementation of projects subsidized by the European Union. Thanks to our experience in the field of running and evaluating many projects and trainings we can guarantee professional, reliable and worthwhile contribution to the project.

GHD – Global Human Development
Almada, Portugal

GHD - Global Human Development is a Portuguese company which provides training consulting and technical cooperation services with the aim of building and improving the professional capabilities and performance of people and companies.
GHD works towards the promotion of management and entrepreneurial competences in young people, businessmen and within the organizations as a tool for the development and the improvement

of their competitiveness. In the last couple of years GHD has also been intensively involved, mainly at the national and European level, in projects related to women (including coaching, mentoring and ICT use), entrepreneurial spirit and gender equality also aiming at the improvement of the employment capabilities of the learners. GHD has managed to establish an effective network of the associates, at the national and international level, supporting the exchange of competences and know-how.

Jönköping International Business School
Jönköping, Sweden

JIBS, Centre for Family Enterprise and Ownership (CeFEO) is a core partner in this project. JIBS is a research and learning centre, devoted to research activities about family enterprises and ownership. Professor Leif Melin is founder and head of CeFEO. CeFEO is based on the idea of combining academic excellence and practical relevance. It builds on over ten years of research on family dynamics and ownership transfer. CeFEO is genuinely interdisciplinary, with 30 researchers and educators. CeFEO is involved in both basic and applied research. The center´s researchers are nationally and internationally recognized through publications, award-winning dissertations and papers, and regular attendance at conferences around the world. CeFEO offers executive education programs, seminars and other learning activities. CeFEO also hosts visiting researchers, provides doctoral education and organizes national and international research workshops.

University of Vaasa
Vaasa, Finland

The University of Vaasa is a multidisciplinary, business-oriented University offering degrees at all academic levels from Bachelor's to Doctor's. The teaching and research activities focus on business

studies, administrative sciences, technology, languages and communication. The modern maritime campus offers a multicultural environment for approx. 5000 students. There are three faculties: Business, Technology and Philosophy with about 450 staff members.

The Department of Production is located in the Faculty of Technology and is specialised in industrial management topics such as quality, logistics, production and technology management. It has participated in several European projects over the years, including school management and quality of education. The Levón Institute is the Center for Continuing Education and Research of the University of Vaasa providing continuing education, research and development services.

Uwasa has experiences of pedagogic development, competences in methodology development and production of practical solutions matching vocational and professional development needs. Furthermore Uwasa has longtime experience in working with international HRM projects and on initiating and coordinating of international projects within the areas of regional development, SME and enterprise development, application of IT and online learning/teaching, virtual organisation, collaboration and community building.

About the case

This case is about succession in ComTech, a fictive third generation family business. It illustrates central issues and challenges of succession. Although the case is fictive it is built around the some of the more tacit and inter-individual issues and challenges faced by different real life family business owners/managers as described to the author of the case. Hence, the challenges and issues described in the case are real, although neither the individuals in the case nor the company correspond to any existing family business. Hence, any resemblance with reality is pure coincidence.

Audience

This case is intended as a basis for discussion about some of the central issues of succession. Its specific focus is to provide an understanding of the tacit, psychological challenges facing junior and senior generations in times of succession. It is suitable for use in seminars with senior and junior/future business owners/managers, as well as with advisors to family businesses.

Learning objectives

The primary objective of this case is to enhance the understanding of the complexity and dynamics of succession especially its many inherent socio-psychological dimensions and challenges. For (future) business owners the case offers the opportunity to discuss central issues of succession without having to use examples from the own situation. The core lesson of the case is that succession is a process not an event and that communication and mutual understanding are key dimensions.

Options

The case is suitable for both individual and group analysis. One or several of the issues and challenges brought up by the case might be analysed from different perspectives (as the ones suggested below under Case analysis).

Below, two different ways of approaching the case are outlined. The first one is rather traditional with ready-made questions prepared by the seminar leader. The second option takes the seminar participants´ own interests and preferences as a point of departure.

Traditional approach with pre-fabricated questions

- What are the main issues/problems/challenges Michael and Steve are facing? Why?
- Why has this situation occurred?

- Who is responsible for what (is this situation mainly Michael's or Steve's responsibility)? Why?
- What can be done to improve this situation? (What are the 2-3 most important things to concentrate on? Why?)
- Could the situation have been avoided in the first place? How?
- Do you think this situation (or situations like this) is common? Why?

Approach based on participants' own preferences

This is more "free" type of approach where the participants come up with the issues they think important. This approach to the case has the advantage that is capitalises on the experience of the participants. As they report their analysis and conclusions a holistic understanding of the case (analysis of different issues from a variety of perspectives) is the eventual result. The difference in ways of understanding the case – and potentially different ways of understanding one and the same issue – could be used as a platform for discussion about the richness and complexity of succession.

Case analysis (answers to the assignment questions)

Due to the possibility to understand the case from many different angles, it would not be relevant to suggest some answers to the questions as, a priori, more preferable than others. Instead it is more relevant to suggest relevant perspectives which are covered by the case, and which have the potential of constituting relevant points or departure for case analysis (answers to the question).

The case enables analysis and understanding from numerous perspectives. These include:

- **Identity** (the need of creating something of one's own, achievement, in the shadow of the founder, hopes, dreams)
- **Succession as role transition** processes (existing and entering roles, including mental and organisational preparation)
- **Ownership and leadership as distinct roles** (does ownership presuppose operative engagement in the business?)
- **Communication** (in the family/close relations)
- **Interpretation/cognitive frames/socialisation** (inheritance of ways of thinking, tradition, meaning)
- **Emotions** (the joy of running a business, the fear of letting go, family pride, social responsibility)

- **Family/close relation** (to belong to and separate from the family, family influence on the individual etc.)
- **Succession as a process**, not an event

Recommended literature:

Craig, A. E., McClure, S. L. & Ward, J. L. (2011) Family Business Succession: The Final Test of Greatness. Palgrave McMillan.
Hall, A. (2012) Family Business Dynamics: A Role and Identity Based Perspective. Edward Elgar.
Handler, W. C., (1992) The Succession Experience of the Next Generation. Family Business Review, Vol. V, no 3, Fall 1992.