UNIVERSITÉ DE FRIBOURG
UNIVERSITÄT FREIBURG

25th June 2026

FAMILY OFFICE

Transgenerational value creation and preservation in business families

Prof. Dr. Alexandra Bertschi-Michel

OLDEST FAMILY FIRMS IN THE WORLD

Year	Company	Current location	Field
578	Kongō Gumi[a]	Japan	Construction
705	Nishiyama Onsen Keiunkan	Japan	Hotel
717	Koman	Japan	Hotel
718	Hōshi Ryokan	Japan	Hotel
771	Genda Shigyō	Japan	Ceremonial paper goods
803	St. Peter Stiftskulinarium	Austria	Restaurant
862	Staffelter Hof	Germany	Wine
864	Monnaie de Paris	France	Mint
885	Tanaka-Iga	Japan	Religious goods
886	The Royal Mint	United Kingdom	Mint
970	Nakamura Shaji[b]	Japan	Construction
1000	Château de Goulaine	France	Wine
1000	Ichimonjiya Wasuke	Japan	Confectionery
1024	Shumiya-Shinbutsuguten	Japan	Religious goods
1040	Pontificia Fonderia Marinelli	Italy	Church bells
1040	Weihenstephan Abbey	Germany	Brewery

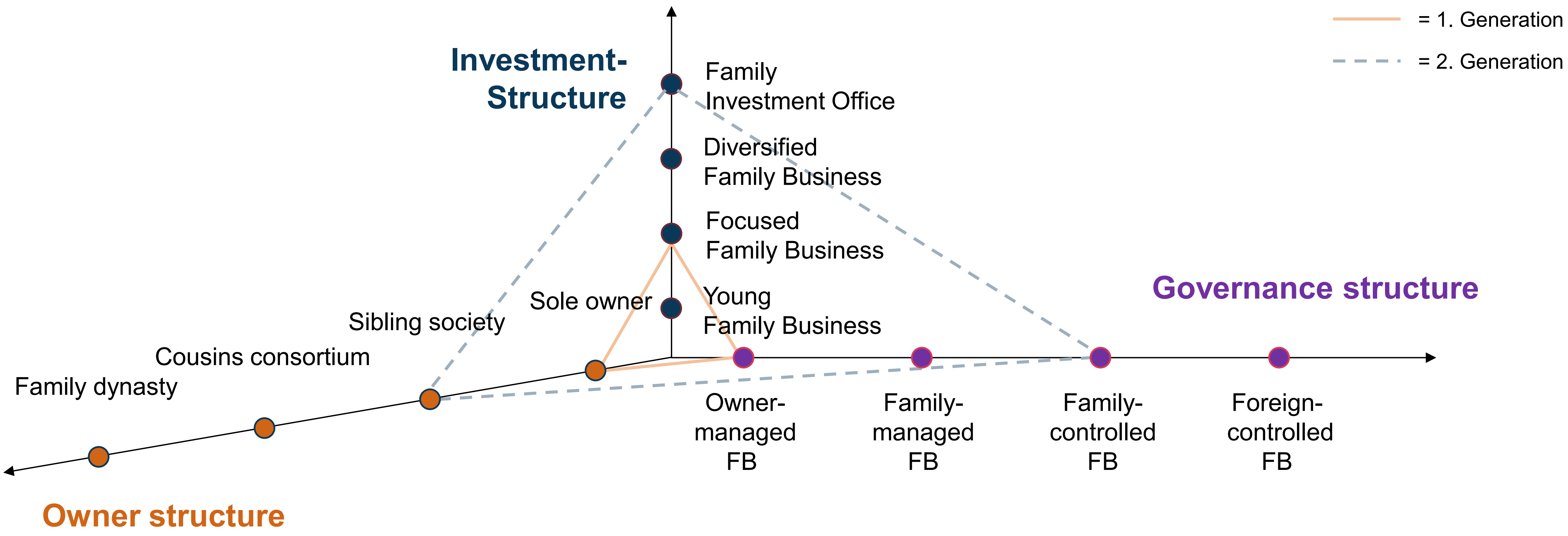
Source: Wikipedia

OLDEST FAMILY FIRMS IN THE WORLD

- Oldest company is a construction company of temples in Japan.
- Many of the oldest companies are connected to religion or basic needs such as nutriture or housing.
- From a geographical viewpoint you find companies in Japan and Western Europe.
- According to Ward (1987) we know that only around 1/3 of all family firms survive a generational change as family business.
- This resonates well with the list before where only Marinelli is still under the control of the founding family.

Source: Wikipedia

THE EVOLUATION OF THE BUSINESS: THE THREE DIMENSION-MODEL



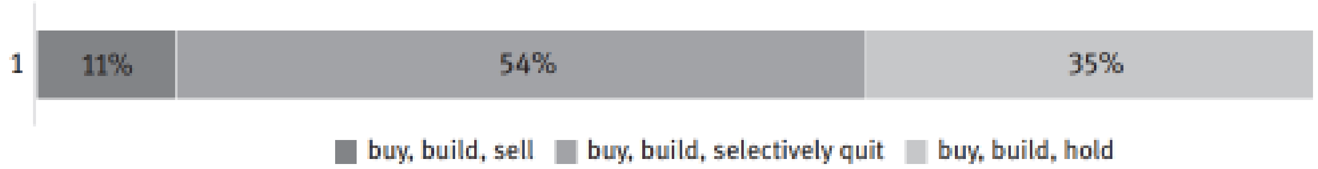
Source: May, 2009

EVOLUTION TOWARDS THE PARALLEL CONTROL OF SEVERAL BUSINESSES

- Focus on the familiy's complete portfolio of assets**:** family creating transgenerational value often control multiple firms in parallel. Hence, it is rather a portfolio of assets such as businesses but also real estates and other assets.
- Asset transfer: In this case, the focus is no longer just one company but companies can also be sold, and new companies can be acquired. Nevertheless, the focal firm often stays within the portfolio as an important anker.
- Concentration versus diversification: Therefore, a family also have to decide whether to concentrate their activities on one company, or whether to diversify into different businesses.
- Practical solution: many family businesses solve this problem by allocation a quite high portion of their wealth on the core business and investing smaller portions in other businesses or activities what, however, reduces their overall diversification.
- Bundling: Resources thereby are often bundled for example in a family holding or a family office structure.

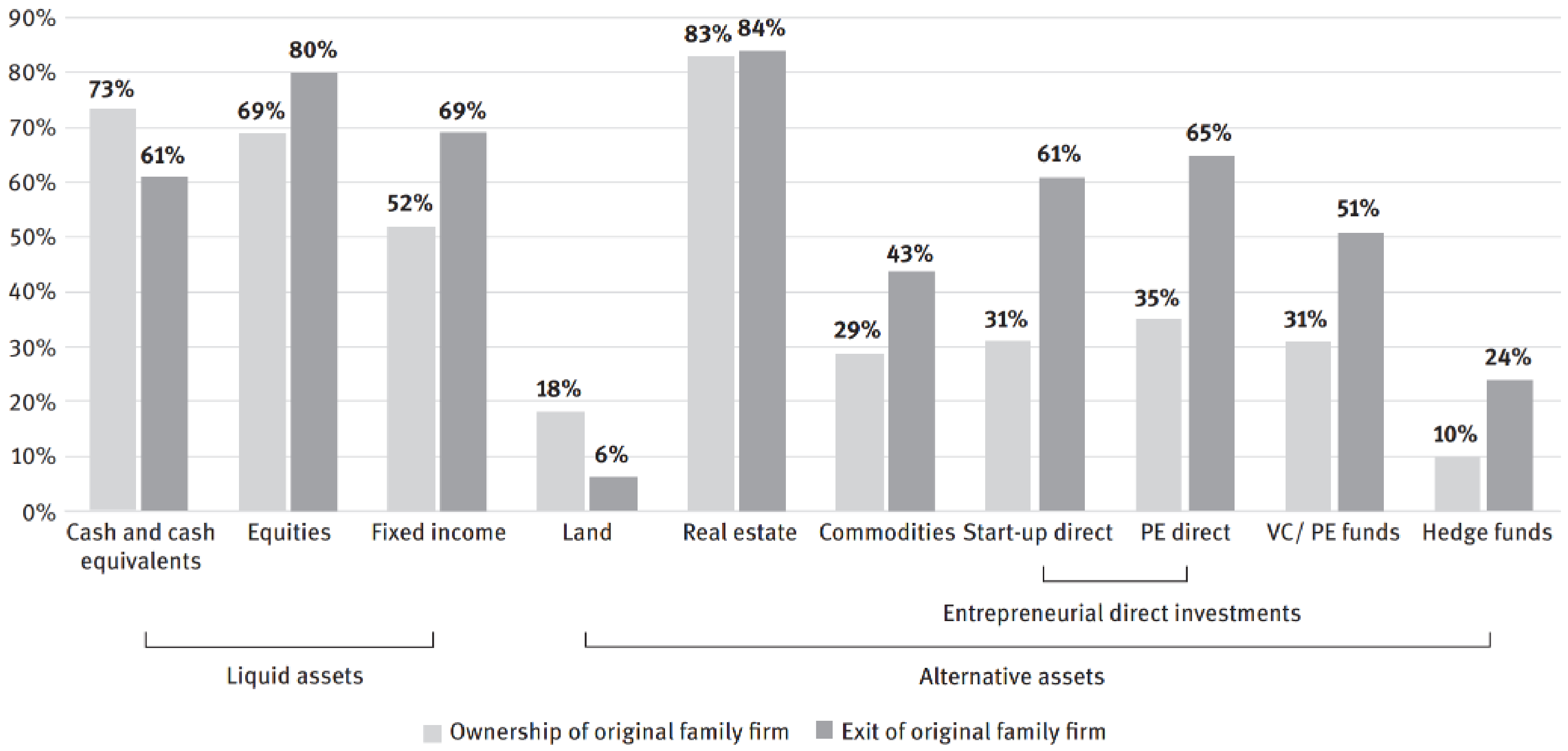
EVOLUTION VIA BUY, BUILD AND HOLD VS. SELECTIVELY QUIT

- Sale of businesses: Sometimes families chose to sell a business in order to generate new founds that can be invested into a new business. This means that it is still a business family however the family business has been changing over the years.
- IPO: In other cases, families chose to make an initial public offering to attract a broader investment circle. The family can remain control via keeping majority of shares or voting rights.
- Control of the resource flow: In order to do so, it is important for families to control the resource flow and to have clear investment and divestment criteria.
  - Buy: clear definition of investment criteria regarding a business (often no start-ups)
  - Build: investments into the company to further develop it organically or via mergers and acquisitions
  - Hold or selectively quit: decide how long to hold a business or when to selectively exist via sale, spin-off or IPO.



Source: Schickinger, A., Bertschi-Michel, A., & Kammerlander, N. (2022).

COMPARISSON OF ASSET ALOCATION OF FAMILY OFFICES STILL OWNING THE ORIGINAL FIRM VS. SUCH HAVING SOLD THE ORIGINAL FIRM



Source: Schickinger, A., Bertschi-Michel, A., & Kammerlander, N. (2022).

FOCUS ON THE OVERALL PERFORMANCE AND FAMILY WEALTH

- Traditional family business perspective: Focus on the business performance in order to be able paying out dividends and high salaries.
- Transgenerational value creation perspective: Focus on increasing the families' entire wealth whereby one business or businesses is rather just one asset class that is held but can also being sold if it no longer fits into the asset allocation strategy.
- Consequence: Therefore, firm-level outcomes become less important such as survival and maintaining control. Less personalized view of the business.

MAINTAINING CONTROL DESPITE LOOSER FORMS OF FAMILY INVOLVEMENT

	Business management (before liquidity accumulation)	Investment management (after liquidity accumulation)
Social role	Entrepreneur	Investor
Liquidity of wealth	Mostly illiquid	Mostly liquid
Asset class	Own firm, equity	Diversification accross assets
Risk – return profile	High	Moderate or low
Risk perception	Much to gain attitude	Much to lose attitude
Identification	High	Lower
Emotional attachement	High	Lower
Compensation	Salary, dividends, private benefits	Total return on investment
Career for NextGen	Available	Limited
Governance	Corporate Governance	Wealth and family governance

MULTIPLE AND CHANGING ROLES FOR FAMILY MEMBERS

- Traditional succession path**:** Typically, it is strived for a management succession within the family by assuming either a management position or often even the role of the CEO.
- Transgenerational value creation path: In this case, a successful family-internal succession involves no longer per se an operating position as this is often also done by non-family members but rather qualifications such as active owner strategy skills, board member skills, or family office knowledge. Moreover, jobs for family members are less fix but they are sometimes only elected for a certain time and then, for example, a member of another family tree takes over.
- Consequence: In such settings, family governance and family governance instruments such as board member structures, family office and family council become more important to manage the families' wealth in active manner.

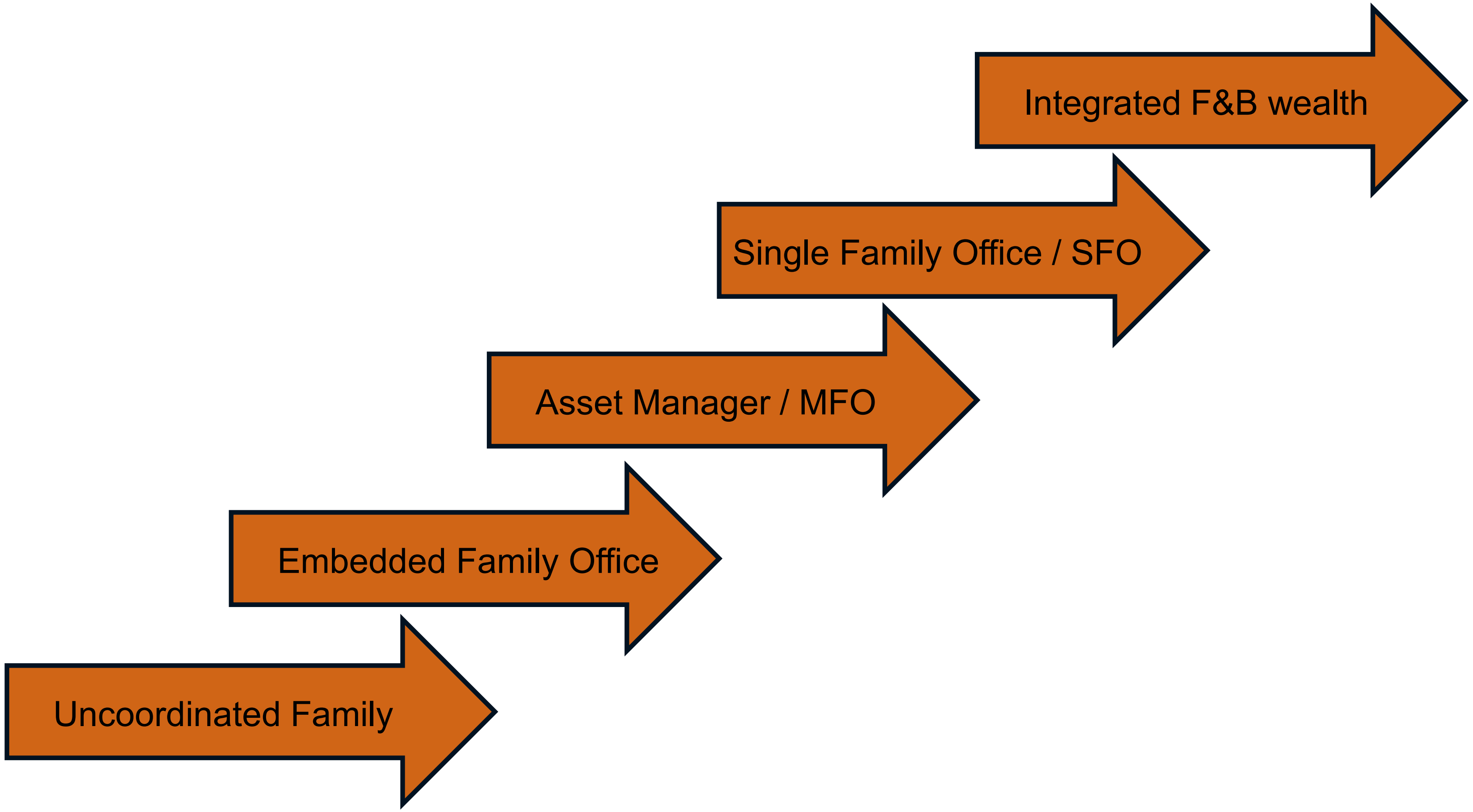
RENEWED IDENTIFICION: WE ARE A FAMILY IN BUSINESS

- Shift of focus**:** Focus shifts from the business to the family. This also means whereas many “traditional” family businesses have a “business first” approach, now the approach is clearly “family first” so the shift can also be seen as from family business to business family.
- Shift of core understanding: Often there is still legacy and sayings around how it has been and for family members it is not always easy to make this shift in the mindset from being mostly an entrepreneur to being mostly an investor.
- Consequence: The selling of business, before often the last possible option, becomes more realistic.

THE EVOLUTION OF BUSINESS MANAGEMENT

- Diversification: In early stages diversification is limited and the focus is on the focal business. This changes over time and with business growth.
- Governance: Often founders have a rudimentary corporate governance which is often further established in generation two (sibling ownership) and further generations (cousin consortium etc.). Typically, it needs further reshaping at the point where the family is no longer dominant in the operating leadership meaning a family external CEO for example takes over.
- Succession: In early stages, succession is very challenging due to the close interrelation of the business with the family and management as well as ownerships rights. The more a business structure gets professionalized and depersonalized, the more also succession becomes just a formalized process.
- Expertise: Expertise shifts from industry- and firm-specific know how rather to investment know how.

THE EVOLUTION OF INVESTMENT MANAGEMENT



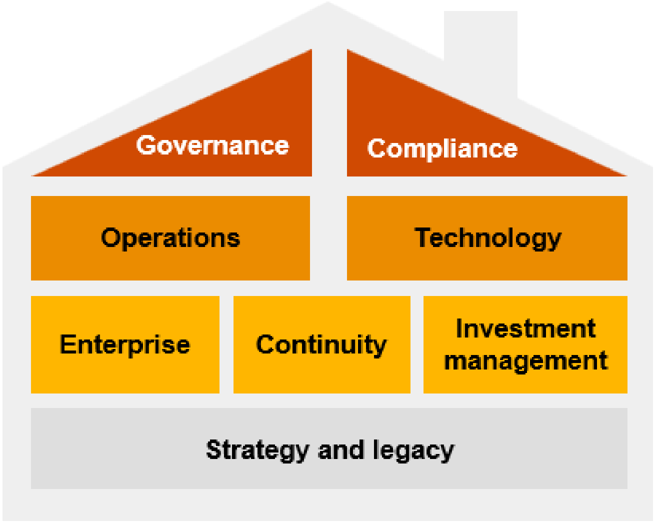
Source: Zellweger, 2017

THE EVOLUTION OF INVESTMENT MANAGEMENT

- Uncoordinated family: Focus on the business, often strategy of retaining earnings, no coordination or strategy associate to family wealth generation.
- Embedded family office: After accumulation of certain wealth the family delegates wealth administration to a trusted employee (accountant, CFO etc.).
- Asset manager/multi family office: If one (or few) inhouse specialists are no longer enough to manage the families' wealth, its administration is often outsourced to professionals such as banks, asset managers and multi-family-offices.
- Single family office: With further accumulation of wealth, sometimes at least a partial insourcing of of services and wealth planning makes sense. It is often done by setting up an inhouse investment office in a tailor-made way.
- Integrated business and family wealth: Final stage where all services regarding the business and the family wealth are under one roof.

FAMILY OFFICE – TYPICAL FUNCTIONS AND SERVICES

Typical functions & services



Governance and Compliance

- Management + oversight
- Family governance
- Policies and procedures
- Tax compliance
- Risk management and control
- Insurance

Operations

- Record keeping / General Ledger
- Data management and aggregation
- Reporting and analysis
- Bill payment and expense management
- Property management
- Concierge

Technology

- Accounting and investment systems
- Digital capabilities + automation
- Network + IT Support
- Mobility
- Cybersecurity
- CRM
- Document management

Strategy and Legacy

- Vision/purpose
- Objectives
- Service offerings
- Growth
- Communication
- Education

Enterprise

- Portfolio + liquidity management
- Financial + lifestyle planning
- Philanthropy
- Family business
- Tax Planning
- Communications

Continuity

- Estate planning
- Wealth transfer
- Trustee services
- Leadership development
- Succession planning
- Transition management

Investment management

- Investment policy
- Asset allocation
- Investment screening
- Performance and risk
- Manager selection and due diligence
- Custodial oversight

Source: PwC 2026

FAMILY OFFICE – FREQUENT RESPONSABILITIES

Wealth preservation, management and/or creation

- Asset and Investment Management
- Trading of investments
- Advising on deals
- Managing property and other fixed assets
- Managing luxury assets, yachts/cars etc.
- Arranging asset insurance

Compliance

- Preparation of financial statements, tax returns and any other compliance requirements for family entities
- Assisting family members with their personal compliance requirements, such as tax returns
- Managing Payroll filing requirements

Administration

- Operating bank account and making payments on behalf of family members
- Operating payroll for family employees, such as housekeepers and those in the family office
- Securely filing and storing important family documents, such as wills, trust deeds etc

Managing Risk

- Instructing and implementing professional advice when needed
- Ensuring data is secure and kept confidential and helping safeguard the family's reputation
- Managing economic, political, investment and regulatory risks, including compliance with tax rules

Compliance

- Assisting with succession planning
- Providing a non-family voice in discussions
- Mediating family politics and assisting family cohesion
- Upholding the family values and culture

Other

- Concierge services – booking travel, restaurants etc.
- Assisting with the family business
- Assisting with family charitable work

Source: PwC 2026

LAST THOUGHT

Family firm success is not about preserving one business, but about renewing value across generations.