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## **Internationale Wachstumsstrategien produzierender Familienunternehmen durch Mergers & Acquisitions**

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# **International Growth Strategies of Producing Family Businesses Through Mergers & Acquisitions**

## **Thesis Paper**

1. Family businesses are one of the essential forms of business organization in Germany. They are not only to be found in small and medium-sized business but constitute a not insignificant proportion of the large-scale enterprises. In spite of progressive institutionalization of top management, the founder families have been able to hold their own in a great number of family-owned enterprises in terms of both management and control.
2. The growth of family businesses is primarily of an endogenous nature. Still this strategy is extended in many cases in that selective acquisitions are made. Other forms of business combination find favor as well however, provided they do not create a relationship of overdependence.
3. Internationalization of family businesses is far advanced. This is due largely to the fact that operations focus on specific products and that the niche existence forces companies to continuously strive to open up sales markets.
4. Mergers and acquisitions (M&A) continue to constitute complex transactions for family businesses since a lack of financial resources and of experts in the matter render them difficult to manage. Where such transactions have been effected, return orientation and family involvement have turned out to be important success factors.
5. Owner families prefer a niche strategy. The deeper the family is involved the greater is the tendency towards a niche orientation. The family as a resource could thus be regarded as a guarantor of a successful niche strategy.
6. Endogenous growth is a general characteristic feature of the family businesses. This widely held opinion has been borne out by this paper again. The strategy is being pursued also by the manager dominated family-owned enterprises. So the endogenous growth philosophy of the owner families is being adopted by managers from outside of family.
7. Opposed to Thesis 6 it is also true that owner families do not close their mind to exogenous growth approaches. The penetration of managers from outside of family into family businesses thus has lead to greater strategy and growth flexibility.
8. The niche strategy encourages consistent specialization on the home market. Following domestic growth saturation, this specialization enables sustained internationalization which in the case of family businesses as a whole is far advanced.
9. "The responsibility of the family is to keep the enterprise fit for the future and not to stick to old portfolios and traditions. It is essential not to be last in a value-added chain, otherwise there is no chance to contribute to the shaping of the future."
10. "If we are number one, that is, the sole market leader, we will grow endogenously. If we are number two or three, we will acquire."
11. "M&As are highly problematic as they require two cultures to be brought together. One therefore is preoccupied with oneself rather than devoting one's attention to the market."
12. "I am not an investor but a family entrepreneur."