

Overview of Family Business Relevant Issues

Country Fiche Denmark

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Project conducted on behalf of:



EUROPEAN COMMISSION
ENTERPRISE AND INDUSTRY DIRECTORATE-GENERAL
Crafts, small businesses, cooperatives and mutuals

In the framework of the study "Overview of Family Business Relevant Issues"

This study has been elaborated with reasonable care. The authors and the project co-ordinator do not, however, accept responsibility for printing errors and/or other imperfections and potential (consequential) damage resulting thereof.

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1 Introduction

The concept of family business, in Danish “familievirksomhed”, has not achieved much public or political attention, despite of or rather maybe *because* the vast majority of Danish companies are family businesses. Consequently, when addressing large research institutes such as the Danish Institute of Statistics or Experian™ it is not possible to acquire an overview over the distribution of family businesses in industries, size classes, number of employees, turn over etc. Instead this kind of information has to be retrieved through diverse research projects and consequently how specifically family business is defined differ depending on the topic and research question employed.

However, lately confronted with fierce competition on the global market, western, neo-liberal governments such as the Danish has become increasingly concerned with succession and support of Danish companies and their competitive abilities. Therefore it has become a central concern to facilitate good conditions for well-established companies' further succession and survival. This is evident e.g. by the recently amendment proposal put forth by the Minister of Taxation that seeks to ease generational transition and thus succession of family businesses.

2 Understanding of “family businesses” in the national context

There does not seem to be a concise, unambiguous definition of a family business in Denmark that is broadly employed and officially referred to. There are two current legal regulations that refer to family business although without providing any definition of a family business. These are under the legislation on work environment and concerns youth employment in family businesses (Beskæftigelsesministeriet 1997, 1998). Moreover, previously family business was also mentioned in legislation on unemployment insurance but also without providing of a definition of family business. According to both The Danish Institute of Statistics and Experian™ there are no specific definition of family business and thus no statistics on the distribution of family businesses in relation to industries, size classes, employees etc. However, there have been conducted different research projects on the subjects over the years prominently two.

A staircase definition

The lack of a concise and well-established definition is manifested by the research provided by expert researchers on the subject in Denmark, Prof. Morten Bennedsen and research fellow Kasper M. Nielsen, Copenhagen Business School. By drawing on existing research in the field of family business research they provide three different ways of defining a family business premised by the “3-circle” model (Davis 2001). Bennedsen et al. suggest that:

First, family firms can be defined from the aggregated amount of ownership that a family own in a given firm (e.g. Barry 1975, Lansberg, Perrow and Rogosky 1993, La Porta, Lopez-de-Silanes and Shleifer 1999 a.o.). *Second*, family firms can be defined as firms where there is an overlap between family and firm, i.e. where family members participate in firm activities (e.g. Davis 1983). *Third*, a business is a family business when it is transferred through generations (e.g. Ward 1987). In addition some scholars have defined family business using a combination of these criteria (e.g. Rosenblatt, de Mik, Anderson and Johnson 1985). (Bennedsen et al. 2004:13)

Accordingly, Bennedsen & Nielsen offer in the “Account of Growth” published by the Danish Ministry of Economy and Business, a staircase classification scheme by which to classify family businesses and distinguish between family businesses and non-family businesses (Økonomi- og Erhvervsministeriet 2007).

The classification scheme covers five different definitions that fall into two overall definitions of “control over” and “significant influence” on the company. A family has control over the company when it has 50 % of the shares or when it has 50 % of the shares and a member of the family is the CEO. A family has “significant influence” when: 1) The CEO and at least one member of the board is related. 2) At least two family members are either CEO or members of the board and 3) The family is the largest owner and at least one family member is either the CEO or a member of the board. This last definition relies on the condition that the company must not be a newly started company, but should have gone through at least one generational succession. Depending on which definition one employs the number of family businesses in Denmark alternate.

Consequently depending on which definition one subscribes to the convergence between family businesses and SME's is relative. Moreover, whether one-person enterprise and companies with a sole proprietor can be considered family businesses also differ.

These definitions are employed in the Account of Growth published by the Ministry of Economy and Business in relation to generational succession in family businesses. The definitions are thus used to identify family business with the purpose of evaluating the effects of generational succession.

A definition developed for a study of Danish Family businesses

The research institute "Greens Analyseinstitut" conducted a study on family businesses in Denmark for the financial newspaper "Dagbladet Børsen" (Greens Analyseinstitut 2003). The study is comprised of survey data from 1998 and 2003. In this study a family business is defined accordingly:

The company is owned by one or more families who have a controlling share of the company. Furthermore the ownership of the company is either publicly traded, closely held or the company is owned by a fund. Last, the company should have a minimum turnover of 1. mio. Dkr. (app. 130.000 EUR), a gross result of ½ mio. Dkr (app. 65.000 EUR) and have at least five employees (Ibid.: 4).

This definition is employed for the purpose of studying family businesses in Denmark in 1998 and 2003. The study will be elaborated further below.

An important concern in relation to family businesses is generational succession. Consequently the Danish Ministry of Taxation issued a declaration on the subject in 1999. The main concern in the declaration is how to secure the future existence of family businesses facing generational succession. In the declarations various models for succession is suggested and discussed by drawing on and comparing legislation from other EU countries (Skatteministeriet 1999).

3 Importance of family businesses for the national economy

According to the Account of Growth 2007, three out of four publicly traded and closely held companies, are family businesses. Family ownership is thus by far the most propagated type of ownership in Denmark. The group of family businesses extends from small to large companies, although most of the family businesses are SMEs. Since there is no research on family businesses in relation to specific industries and sectors as well as on the history of family businesses in Denmark, it is impossible to say anything about industries or sectors in relation to family businesses and their economic importance, besides reiterating the point above.

The definition(s) provided by Bennedsen & Nielsen in the Account of Growth 2007 and their equivalent figures are schematized in the diagram below:

Family ownership in unnoted Danish companies				
Definition of family business				
		Type of business		All
		Publicly traded	Closely held	
Number of companies		11.280	40.909	52.189
Control				
1.	The family has 50 percent ownership	85,7 %	97,0 %	94,6 %.
2.	The family has 50 percent ownership and a family member is the CEO	69,9 %	78,3 %	76,5 %
Significant influence				
3.	The CEO and at least one member of the board are related	35,8 %	35,2 %	35,6 %
4.	At least two family members are either the CEO or a member of the board	50,5 %	47,0 %	49,5 %
5.	The family is the largest owner and at least one family member is either the CEO or a member of the board	73,9 %	82,4 %	80,1 %

Evidentially, by the first definition 85.7 % of publicly traded companies in Denmark are family businesses and for closely held companies the rate is 97%. By this definition in average 94.6 % of all companies in Denmark are family businesses. Accordingly by the second definition the figures are 69.9% and 78.3 % and in average 76.5%.

In the study conducted by Greens Analyseinstitut 1840 companies were analysed.¹ The study showed that 90% of the businesses in 1998 had an annual turnover below 100 mio. Dkr. (app. 13 mio. EUR). In 2003 the rate was 93%. About 1% of the companies have a turnover above 500 mio. Dkr (65 mio. EUR). Concerning number of employees 100% of the respondents have less than 100 employees both in the 1998 and 2003 study and 75% has less than 25 employees in 1998 whereas the rate in 2003 is 82%. In comparison the total average for businesses in Denmark shows that only 1.2 % of the companies have more than 100 employees and approximately 80% has less than 25 employees in 2003 (Danmarks Statistik 2007). There is no information regarding the total annual turnover for companies in Denmark to compare with.

In conclusion, according to this study, family businesses in Denmark are all SME's if we follow the definition provided by the EU Commission (2003) since they have less than 250 employees and almost all of them, a turnover below 50 mio. EUR.

¹ 12000 companies were included in the study and each of which were sent a survey, 2165 of those responded (a response rate of 18 %) out of whom 14.2% did not consider themselves to be family businesses, leaving a sum of 1840 respondents. (Greens Analyseinstitut 2003: 4).

4 Characteristics of family businesses

When we consider the characteristics of the Danish family businesses, these characteristics are obviously intertwined with the research problems and questions addressed in the specific studies. Here we will present excerpts of two studies, namely the study made by *Bennedsen et al. (2004)* and the study made by *Greens Analyseinstitut for Dagbladet Børsen*.

In the study by Bennedsen et al. a family business, or in their terms a family firm, is defined by a single family holding the majority of voting rights. However, in the study the authors distinguish between two types of family firms, namely *single family member* and *multiple family member* firms. The former is defined by a single person with no relations to other owners of the firm controlling the firm. The latter is characterized by having at least two family members that control the firm. Non-family firms are defined as firms without a controlling family, which means that i.e. a company where two families own 50% of the votes each is not considered a family company. (Bennedsen et al. 2004)

The total number of firms included in the study was 47355. 30147 were *single family member* firms, 6629 were *multiple family member* firms, 2632 were *non-family* firms and 8047 were *undecided*. The diagram below shows: *average book value of assets, average firm age, average return of assets, average number of owners and fraction of family CEO* for each of the four firm types defined.

	Single family member	Multiple family member	Non-family firm	Undecided
Book value of assets in 1000 £	1162	3296	24587	3148
Firm age (in years)	13.1	17.7	14.0	13.2
Return of assets	0.057	0.046	0.052	0.052
No. of owners	1.03	2.54	3.52	3.12
Fraction of family CEO	90.7	95.0		
N, firms (total = 47355)	30147	6529	2632	8047

The above diagram is a reproduction of table 1 in Bennedsen et al. 2004: 39)

Besides providing this information comprised by a comprehensive dataset, Bennedsen et al's study considers the relation between family organization and firm organization in relation to CEO transitions. The study concludes:

“[T]hat the number of children has a positive and very significant impact on family transition, that divorce has a negative and very significant impact on family transition and, finally, that gender composition has a significant impact on family transition. It supports the general theme of the present analysis: family organization affects family business positively by providing the stock of potential future controllers and negatively by creating conflicts that may be carried over into the family firm sphere.” (Ibid.:30)

The study by *Greens Analyseinstitut* shows that approximately 60 % of the family firms are first generation companies that have been established between 1970 and 1990. Moreover, the study shows that app. 80% of the companies has the same core product as when the company was established. Regarding export the Danish family businesses are mostly domestic market oriented. Almost 60% of the firms in 2003 had no export and 85% had between 0-25% export. The study also shows that a majority - between 55 and 65% - of the respondents consider it an advantage to be a family firm, however one might add that respondents must be somewhat biased towards a positive attitude towards being a family business instead of considering it a problem (*Greens Analyseinstitut* 2003).

The study is also concerned with generational succession and whether the many companies about to face generational succession, which is estimated to be about 25.000 companies out of approximately 52.000 thus almost 50% of all closely held or publicly traded companies (*Erhvervs- og Økonomiministeriet* 2007, chp. 7), have a plan for generational succession. The study shows that almost 80% do not have a plan for generational succession, despite the fact that the majority of the respondents (app. 30%) consider generational succession to occur in 5 to 10 years.

In relation to generational succession the study shows that what owners consider to be the main obstacles are legislation, inheritance tax and pricing of the company. Concerns about heirs interests, qualification, age or disagreements about who is going to continue the firm is of less concern (*Greens Analyseinstitut* 2003:13).

Also in relation to generational succession *Bennedsen et al.* show that CEO transitions inside the family “have a dramatically large and negative causal impact on firm performance” (*Bennedsen et al.* 2007: 688-689). Moreover the study identify that family firms where the first born child is male is 32.7% more likely to appoint a family successor than family firms where the first born child is female (*ibid.*:688).

Strengths and weaknesses

Following *Tagiuri and Davis: “Bivalent Attributes of the Family Firm”* (1998), *Sørensen* translates and exemplifies the bivalence related to family firms in a Danish context. *Sørensen* draws on various empirical excerpts from some of the prominent Danish family firms such as *FLS, Salling, Ecco, Danfoss*. Some of the weaknesses of family firms relates not surprisingly to the concern with mixing family and business that may lead to sensations of surveillance, recollections of previous disappointments, lack of objectivity in communication, hidden enmity, rivalry etc. In contrast the strengths are in terms of loyalty, a sensation of being called for, sensation of belonging together, better communication with greater confidentiality etc. *Sørensen’s* point is that every weakness or strength is conditioned and intertwined with its opposite. One cannot thus isolate or remove weaknesses they go hand in hand with strength. But acknowledging this bivalency might constitute a means to manage and deal with specific problems.

5 Institutional actors and their strategies, policies and initiatives

There are various actors in Denmark consequential for family businesses. Below three institutional, one research and one network institution is accounted for. Although family businesses have long history in Denmark, the explicit concern with family businesses seems to be quite recent and nascent. An attention that must be considered as closely related to globalization and competitive advantages between nations.

	Explanation
institutional features	
name of the actor	Skatteministeriet, Ministry of Taxation
nature of the actor	<input checked="" type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Nicolai Eigtveds Gade 28, 1402 København K
telephone	+ 45 33 92 33 92
web-page	http://www.skm.dk/
e-mail	skm@skm.dk
content based features	
name of the strategy/initiative/regulation	Taxation legislation regarding heritage taxation, firm successions etc.
type	<input checked="" type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input checked="" type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input checked="" type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
contents/description of the initiative/measure	To secure a just and efficient financing of the future public sector. Has recently proposed an amendment with the objective of easing generational transition in family businesses.

	Explanation
user based features	
eligibility criteria/target group	Citizens and businesses
source of funding	<input type="checkbox"/> EU-funds <input checked="" type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input type="checkbox"/> others, namely:
performance based features	
evolution	Current legislative initiatives seeks to further generational transitions in family businesses and provide generous conditions family businesses

	Explanation
institutional features	
name of the actor	Økonomi- og Erhvervsministeriet, Ministry of Economic and Business Affairs
nature of the actor	<input checked="" type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Slotsholmsgade 10-12, 1216 København K
telephone	+ 45 33 92 33 50
web-page	http://www.oem.dk/
e-mail	oem@oem.dk
content based features	
name of the strategy/initiative/regulation	Regulation of the economy and business affairs policies
type	<input checked="" type="checkbox"/> fiscal regulation/tax law <input checked="" type="checkbox"/> labour law/social security law <input checked="" type="checkbox"/> company law <input checked="" type="checkbox"/> awareness raising measures <input checked="" type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input checked="" type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:

	Explanation
content based features	
objective	The Ministry of Economic and Business Affairs seeks to improve the conditions for growth in Denmark. The Ministry conducts thorough economic analyses and suggests policy initiatives in areas imperative to economic growth. The main mission of the Danish Ministry of Economic and Business Affairs is to create future-oriented conditions for growth for citizens and companies in an increasingly globalised world. Our vision is to achieve the best conditions for growth in Europe in order to make Denmark an attractive place to live, work and run a company. (Excerpt from website)
contents/description of the initiative/measure	The Ministry is responsible for a number of policy areas which are important for the general business environment, including business regulation, Intellectual Property Rights, competition policy, the financial sector, the construction sector and shipping. The Ministry is engaged with various international organisations enhancing international framework conditions for growth. In the European Union, the Ministry participates in the work of the councils for Competitiveness and Maritime Transport. The Ministry comprises 9 agencies. (Excerpt from website) In the Account of Growth 2007 published by the Ministry, a chapter was devoted to the problem of generational transitions in family businesses. The chapter concludes that the best performance of a family business is obtained if a professional CEO is appointed the new CEO over a family member.
user based features	
eligibility criteria/target group	Citizens and businesses
source of funding	<input type="checkbox"/> EU-funds <input checked="" type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input type="checkbox"/> others, namely:
performance based features	
evolution	The ministry is generally concerned with improving conditions for and the continual existence of businesses.

	Explanation
institutional features	
name of the actor	Erhvervs- og Selskabsstyrelsen, The Danish Commerce and Companies Agency
nature of the actor	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Kampmannsgade 1, DK-1780 Copenhagen V
telephone	+45 33 30 77 00
web-page	http://www.eogs.dk/
e-mail	eogs@eogs.dk
content based features	
type	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> fiscal regulation/tax law <input checked="" type="checkbox"/> labour law/social security law <input checked="" type="checkbox"/> company law <input checked="" type="checkbox"/> awareness raising measures <input checked="" type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input checked="" type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	<p>The Danish Commerce and Companies Agency (DCCA) is an Agency under The Minister of Economic and Business Affairs (Deputy Primeminister) Bendt Bendtsen.</p> <p>The DCCA is the official place of registration for Danish Businesses. (Excerpt from website)</p>
contents/description of the initiative/measure	<p>The DCCA administers legislations regulating Businesses, amongst others the Companies Act and the Company Accounts Act. Registration and publication of business information favours the free market and provides businesses with good basic conditions. An easy and quick access to registration and an effective but flexible administration of the legislation is at the same time the basis of the DCCA's important role in the national effort to reduce the administrative burdens. (Excerpt from website)</p>

	Explanation
user based features	
eligibility criteria/target group	Citizens and businesses
source of funding	<input type="checkbox"/> EU-funds <input checked="" type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input type="checkbox"/> others, namely:
performance based features	
evolution	The agency is generally concerned with improving conditions for and the continual existence of businesses.

	Explanation
institutional features	
name of the actor	Centre for Economic and Business Research
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input checked="" type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Copenhagen Business School Porcelaenshaven 16A, DK-2000 Frederiksberg
telephone	+45 3815 3479
web-page	http://www.cebr.dk/
e-mail	gm.cebr@cbs.dk
content based features	
name of the strategy/initiative/regulation	Research
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input checked="" type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input checked="" type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: research

	Explanation
content based features	
objective	CEBR intends to make substantial contributions to policy-relevant research topics, combining theoretical and empirical research. A special emphasis is devoted to bridging the gap between economic research and its policy applications. (Excerpt from website)
initiation	1999
contents/description of the initiative/measure	The centre's <i>research areas</i> can be grouped under the headings "Economics" and "Business", as well as the <i>research activities</i> within each of these areas which involve basic and applied research as well as policy analysis. (Excerpt from website) Professor Morten Bennedsen and research fellow Kasper Nielsen analyze family businesses focusing especially on the relation between generational transitions and company performance.
user based features	
eligibility criteria/target group	The definition of family business provided by the CEBR researchers is a gradual one where a family can have control over or sufficient influence. A family has control over the company when it has 50 % of the shares or when it has 50 % of the shares and a member of the family is the CEO. A family has "significant influence" when: 1) The CEO and at least one member of the board is related. 2) At least two family members are either CEO or members of the board and 3) The family is the largest owner and at least one family member is either the CEO or a member of the board. This last definition relies on the condition that the company must not be a newly started company, but should have gone through at least one generational succession.
source of funding	<input type="checkbox"/> EU-funds <input checked="" type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input checked="" type="checkbox"/> others, namely: external research grants
performance based features	
evolution	Bennedsen et al. 2007 is cited by 34 according to Google Scholar. The CEBR research group is quite productive in research and communicating their research. The CEBR has since 2003 held 16 seminars and conferences.

	Explanation
institutional features	
name of the actor	Greens Analyseinstitut
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input checked="" type="checkbox"/> research centre <input type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input type="checkbox"/> others, namely:
address	Møntergade 19, 1116 København K.
telephone	+ 45 33 321300
content based features	
name of the strategy/initiative/regulation	Provides various types of analysis and surveys for the financial newspaper "Dagbladet Børsen" on business, politics, public opinion etc.
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input type="checkbox"/> education/training measures <input type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: research
contents/description of the initiative/measure	Has published analysis on family business in Denmark
user based features	
eligibility criteria/target group	Public
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees <input checked="" type="checkbox"/> others, namely: Sale
performance based features	
evolution	Focus on family business

	Explanation
institutional features	
name of the actor	Familievirksomheder i Danmark, Family businesses in Denmark
nature of the actor	<input type="checkbox"/> government <input type="checkbox"/> employers' organisation <input type="checkbox"/> support service provider (information, advice, education) <input type="checkbox"/> research centre <input checked="" type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies)The organization is a privately funded NGO <input type="checkbox"/> others, namely:
address	Familievirksomheder i Danmark c/o Interdan A/S Vedbæk Strandvej 350 2950 Vedbæk
web-page	http://www.fvidk.dk/
e-mail	info@fvidk.dk
content based features	
name of the strategy/initiative/regulation	Network for Danish family businesses
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law <input checked="" type="checkbox"/> awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar <input checked="" type="checkbox"/> education/training measures <input checked="" type="checkbox"/> information/advice <input type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input checked="" type="checkbox"/> networking <input type="checkbox"/> others, namely:
objective	To create a network for family businesses in Denmark. Strives to become a member of the FBN in 2008.
initiation	31.10.2007
contents/description of the initiative/measure	The main strategies of the network is to address issues around generational succession, facilitate networking amongst family businesses in Denmark, provide education around family business and address specific issues relating to family businesses. Moreover in time the association hope to influence public opinion and policies on family businesses

	Explanation
user based features	
eligibility criteria/target group	Criteria for membership is businesses where one family has a controlling influence either directly or though a fund or similar.
Promotion tools/information strategy	Website
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) x membership fees <input type="checkbox"/> others, namely:
costs for participants/members	1.000 EUR/year, 300 EUR/year for every additional member
performance based features	
evolution	According to the director of the board, Anders Bruun there are currently 30 members of the organization, but this number is expected to have grown to above 50 by fall.

6 Future issues

In Denmark the main future concerns regarding family businesses are generational succession and in this regard legislation around transitions. As has been pointed out, Bennedsen et al. shows that family transitions are costly affairs for companies since they affect company performance negatively.

On March 28. 2008 the Danish Minister of Taxation put forth an amendment proposal (L 167) in the Danish parliament that should ease generational transition for Danish family businesses. The amendment enables generational transitions by succession which means that the new owner can fill in the former owner's position regardless of whether the former owner is diseased or still alive. The amendment suggests that only at least 1% of the shares are to be handed over to the new owner in contrast to 15% earlier. The amendment is expected to become effective by January 1. 2009. (www.skm.dk accessed 10 april).

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