

# **Overview of Family Business Relevant Issues**

## **Country Fiche Italy**

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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

Family businesses are an issue of public discussion. In the Italian economy family businesses cover a high economic importance.

A higher percentage of family businesses are in the construction, manufacturing, tourism sectors and in the health and social work. The industrial structure of Italy includes a large number of small, medium as well as big family businesses. Companies are widespread: non-stock corporations, stock corporations as well as proprietorships.

Legal differentiations are made by family businesses and non-family businesses. The formers can involve into their businesses close family members. They can decide to work or not in the firm. With relation to the degree of kinship family members can receive profits even if they are not employed in the enterprise. In addition, taxes on inheritance and donations are more enforced in the first type of business than the second.

The awareness on family businesses' economic and social importance has raised for an academic as well as political point of view. Since the end of 1970s the interest in Family Business issue has been increased. Although many Italian big enterprises are family businesses, economist preferred to associate this theme at the Small and Medium Enterprises. At the beginning of the 1980s this issue has been implemented a lot. Publishing books related to it, organising meeting, establishing associations, the attention about it is increased so that many courses at universities started.

This type of business has positive employment effects and growth opportunities. In addition, a differentiation between family businesses of different size classes is made.

## 2 Understanding of “family businesses” in the national context

From the legal point of view a “family business” definition was introduced in the Italian regulation system with the legal reform in 1975. Article 230 of the Italian Civil Code describes family business as an enterprise in which people of the family unit work and have the ownership. Close family members are included into the business: from the husband or wife of the founder of the business to their family ties with a high degree of kinship. The members of the family can work for the company as employees and/or they can participate as shareholders. Both workers and owners can receive profits at the end of the year. This behaviour is considered as a guarantee to who ever is part of the family and contributes indirectly to the social and economic well-being of the family businesses. The purpose of this definition is to protect family’s women from risks linked to a suddenly stopping of the business. The rights of the family members involved in the business are safeguarded in order to give the company its distinctive features of “family business”.

There are other definitions of “family business” from the academic point of view.

Firstly, “family business” is referred to as an enterprise owned by family members. Family ownership is generally close and concentrated which is a structural feature of the Italian family business. More than two-thirds of firms are totally owned by families, and few firms are controlled with an absolute majority stake. Nonfamily shareholders exist. They are relatives or owners’ friends. Foreign and financial partners are virtually absent. Not surprisingly, the percentage of family equity is negatively related to company size and age; family firms open up equity either to sustain growth or to reduce ownership fragmentation which usually takes place as generations pass.

Secondly, “family business” is considered as an entrepreneurial activity in which a family and a firm join together in order to make profit producing products or providing services.

Thirdly, “family business” is defined as an enterprise in which the social capital and the most important management decisions are made by a family or few families linked to each other by alliances.

Furthermore, a business closely associated to a family is identified as “family business” if between the enterprise and the family exists a close relationship in order to perform a permanent union successfully.

In general, common definitions consider family business as an issue related to a company founded by a head of the family who is the owner and the manager with business skills. Other members have key-roles as they are closely related to the business’ master. If the corporate is a share company, one member of the family is the President or the Managing Director; in case non-relative managers are involved in the company, they accept implicitly that their activities are highly conditioned by family dynamics. In the same way if some members of the family are involved in the company, normally they would hold important positions, and have the power to influence company’s management.

Companies owned and operated by a single person without employees are not considered as “family business”. However, companies owned by a single person, but eventually managed by/employing more than one person are considered as “family business” if the single person belongs to a family that shares the profits of the firm at the end of the every year.

It is possible to identify two types of Italian family business. In the first category the family is involved a lot into the business (Managerial control). The entrepreneur works 40 per cent in management, 35 per cent in commercial operations and 25 per cent organises productive activities. His close family members are for the 55 per cent in commercial roles or 45 per cent in production roles or 26 per cent in managerial roles. The 90 per cent of family businesses are this type of firms. In the second type (Ownership)<sup>1</sup>, the family is the owner of the business and it is not involved in the operative activities but it is implicated only for financial reasons, the partners form 95 per cent of the Administrative Council and 5 per cent of the management roles. In addition, 98,5 per cent are internal and 1,5 per cent are external. Of these family businesses 56 per cent have 0 to 9 employees, 38 per cent have 10 to 49 employees, 5 per cent have 50 to 249 employees and 1 per cent have more than 250 employees.

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<sup>1</sup> Trasversale srl in collaboration with Contif (Consiglio nazionale per la continuità delle piccole imprese di famiglia), “Osservatorio sulle dinamiche delle imprese di famiglia – Studi e ricerche sul Quadro Nazionale di Valutazione sulle Dinamiche delle piccole Imprese di Famiglia”.

### 3 Importance of family businesses for the national economy

Evidence from many studies point out the importance of family businesses in the Italian economic environment. According to a joint survey led by the Bank of Italy and the Italian Association of Family Firms (Aidaf), family firms represent the 93% of the total firms and 98% of the workforce in manufacturing companies fewer than 50 employees in Italy<sup>2</sup>. Relevance of family firms is combined with importance of small and medium sized enterprises. Most small and medium firms are family owned and account for a significant portion of the Italian economy: small and medium sized firms employ 94,9% of the workforce and represent over 99% of the total companies, according to the National Institute of Statistic (Istat)<sup>3</sup>. In addition, the estimated number of family businesses ranges from 2.8 million to 3.5 million out of the total of 4.3 million businesses.

Two surveys were conducted by the Bank of Italy in 2003, respectively among 1,900 and 500 Italian firms, on ownership structures, control and control transfers of nonlisted firms, building upon similar surveys carried out in 1993. The aim of the research was to assess the degree and the directions of changes in control patterns of industrial firms in Italy. The data showed that ownership concentration, as measured by various indicators, is high and that direct family control of firms is prevalent. Separation between ownership and control is limited. Financial institutions (including private equity) rarely own capital stakes or play a role in controlling nonfinancial firms. Ownership of a firm by another firm is widespread, especially for bigger firms; ultimate owners are usually families. Foreign ownership and control of Italian firms is growing. Overall, relatively small changes in the patterns of ownership and control have occurred over the decade (1993-2003). The market for corporate control has not developed significantly; it remains based on personal contacts. Financial institutions do not play a relevant role in it; transactions are usually mediated by legal and accounting professionals. Many firms will deal with generational transfers of control in the near future.

Books, papers, workshops, meetings university attentions, firm laws have identified an increase in family business importance over the time.

In the Italian economy family businesses cover a high economic importance. A higher percentage of family businesses are in the construction, manufacturing, tourism sectors and in the health and social work. Companies are widespread: non-stock corporations, stock corporations as well as proprietorship.

The industrial structure of Italy includes a large number of small, medium as well as big family business (the well-know are Pirelli family, Benetton family, Agnelli family for the Fiat, Barilla family as well as Ferrero family). The ownership of most Italian firms, even large ones, is tightly held, frequently by a single extended family. Family members frequently take an active interest in the day-to-day operations of the typical firm. Furthermore, Italian companies are members of a hierarchical relationship with interlocking ownership and concentrated control called a “pyramidal business group”. These groups are typically headed by a parent company that holds controlling stakes directly or indirectly in member firms. Each company within the group, however,

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<sup>2</sup> Bank of Italy (2004), *Proprietà e controllo delle imprese italiane. Cosa è cambiato nel decennio 1993 – 2003*, Milano

<sup>3</sup> Istat (2007), *Struttura e competitività del sistema delle imprese industriali e dei servizi*.

remains legally independent. Several explanations have been proposed for the existence of these groups<sup>4</sup>. The group structure allows the parent company to control a large amount of assets with minimal investment. Thus, groups allow for leverage and diversification. An additional reason for the formation of groups is that they may help to establish internal capital markets.

In general, Italian enterprises are exposed to high competition ever more than in the past to the challenges of market globalisation. They have changed over time. It is caused by structural and fiscal Italian problems, low flexibility of labour market, inadequate competitiveness of product and services markets, an unbalanced specialisation towards traditional sectors not dynamic at global levels, inadequate investments in human capital as well as research and development of technologies. Businesses are more concentrated in the north of Italy than in the south. Generally, Italian enterprises are small sized and they grow slowly with a low profitability. Their presence is insecure in the product and labour markets.

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<sup>4</sup> Brioschi et al. (1989)



Although the Italian legislation does not have preventive measures for divorced couples, patrimonial aspects related to them are provided pre-emptively. The main duty of the spouse who has a strong income is to pay a monthly cheque for maintaining the other who is weak economically. Before the wedding a couple can decide to use a common patrimonial union or they can not. It is provided automatically except for explicit choice which is expressed during the marriage ceremony. Consequently, all goods which are bought by them after the legal union are owned at 50% except for personal goods. The patrimonial common union concerns profits and incomes if the enterprise is owned by one spouse before the marriage and it is managed by the couple after it. In addition, in Italy exists a type of Family Business in which both the husband and wife have constituted together after the marriage. Creditors can ask for the personal patrimony of either the man or the woman. In addition, the woman can participate actively into the business. An example is the Salvatore Ferragamo SpA. Since the death of Salvatore, his wife, Wanda, had presided over the company's growth, managing the business with her six children.

There are two types of management structure related to family business enterprises. From one side there are entrepreneurs who started their businesses at the beginning of this century. They have motives deeply and a huge emotional investment for preserving with their activities. The number of family members is as important as fundamental element of the key of success. They are included in the enterprise as useful resources. The entrepreneur has a strong ethic individualism and a culture of the business which are handed down from father to son. Another type of structure includes what is written above plus other following elements: a low consideration of the school as training tools, a refusal of the external management culture, the need for controlling risks as well as a separation between family and business.

In Italy, education level is associated with presence of nonfamily shareholders, that is, higher educational levels are found in family firms that opened up equity to someone outside the family. Nonfamily investors tend to acquire equity stakes of family firms with qualified family members; on the other hand, investors' entry may act as a stimulus to upgrading family members' skills. In Italy, 4 year is the minimum period to get a "laurea", the Italian "college degree" after high school, although people often take 5 to 6 years. Italian families place a weaker emphasis on children's education. Most of the owners of family business get their education for their business on the job.

Family business guarantees to all stakeholders continuity, integrity and trust for banks and the local community for long periods. Entrepreneurs look after their visibility and identification within the local environment where they work. If the family business is located in a small local community, it is further considered as an authority. In addition, the name of the enterprise and its image are protected in order to avoid speculation and to cloud the opinion that people have about it.

During the start up period the founder considers his own company as a son who needs of everything. His strong commitment guarantees a relationship toward medium/long period. One main motivation of it is to leave something to his children or grandchildren in order to ensure them that they will have a stable source of finance. Consequently, they take decisions for a long length of time. The main advantage of family business is to share profits between the founder and his family members. Each individual person pays his IRPEF tax (Italian Income Tax) contributing globally with a low weight of taxes. The last strengths' point is to transfer a "business view" from the father to his sons when they are young. The company atmosphere during their summer holiday, lunches, dinners and whatever family is brought together formally. On the contrary the

weaknesses are the following. First of all, the members of the family participate in management roles without considering their natural attitude. Consequently, economic performance could get worse, especially when family members do not contribute a lot in the business. Their contributions could be dangerous for reaching unanimity related to decisions which are important. Most of the time, many interpersonal problems are reflected badly on the business. The Human Resource Department is further influenced by the family. The career of family members rises sharply instead of the other employees. This logic disagrees with the company philosophy which requires knowledge and competences. Although profits are shared between family members and the entrepreneur, the latter is blamed for the loss of earnings alone. This negative element is linked to the need of stipulating and depositing constitutional act of the enterprise only by the founder before a notary. Finally, family businesses are accused of either little or none opening to external managers.

First, in Italy family assets are more concentrated in family business equity, making ownership "rigid" (i.e. it is more difficult to liquidate present and future owners that should not be interested in keeping stock). In such situations, family ownership becomes more complex (adding to family owners' differences of opinion about key issues). Family members may be forced to get on well together as co-owners which in turn may increase family owners' numbers and cause differentiation owners' roles between managing and non-managing (often a direct consequence of fragmentation). Second, boards of directors tend to be much less open to outsiders. During the process of succession, however, outside directors may be helpful in a number of ways (e.g. evaluating and training young family members' potential, parent/child communication, etc.) Third, in Italy, key decision-making teams are also less open to outsiders. Qualified outside managers can have a positive impact on the succession process. For example, an outside manager might motivate successors to prepare themselves adequately to enter the family company and, possibly, create a more stimulating environment for their professional growth once they have entered. Finally, Italians anticipate succession issues not much. This point may be critical for the future of the enterprise.

Most of the 3,500 private companies were created as the country rebuilt itself after the Second World War. With their founders now ageing, it is estimated that one third of them will have to find a successor in the next five years. In addition, a series of people between the ages of 35 to 40 are taking the helm at Italy's largest companies. Fiat is a perfect example, where John Elkann, Gianni Agnelli's grandson, is taking over. Benetton is another example. However, the handover is not going smoothly. Most of the time if the founder of the family business is successful, it means he is a strong man with a very elevated ego. Then there is the issue of whether the heirs are capable. The Italian system has an efficient way to do business because the advantages are that family businesses have a very strong culture and brand. Then they are very nimble. They can make decisions quickly because they have to usually just go to one or two people.

Italian family businesses are a fundamental source of employment, economic growth and social progress for the Italian society. They embody strong ethical values (those of the family business owner) which entail advantages to the people working with them and for them.

## 5 Institutional actors and their strategies, policies and initiatives

Recent developments of government policies consider the reintroduction of inheritance and gift taxes, the introduction of family protocols in Italian Civil Law as well as business transfer. The last 2003 Civil law Reform introduced more freedom in by-laws drafting (company statutes). The Financial Act 2007 introduced certain obligations for business transfers. An inherited business that will be registered in a foreign country will e.g. be subject to the Italian national taxation system in the future.

The most important legal actor engaging in the issue of family businesses is the Italian Law with its reforms and financial acts whose fiscal rules are updated. It is dealt with family businesses since the Consolidated act of the 1958.

Taxes on inheritance and donations have been reintroduced in October 2006 after a five-year period hiatus. Transfers made in favour of the spouse or direct heirs will be subject to an inheritance or donations tax, with a 4 per cent tax rate, to be applied on the value of the transfer exceeding 1 million euros. The transfers made to other heirs up to 4th grade will be subject to a 6 per cent tax rate to be applied on the entire value of the transfer, while an 8 per cent tax applies to transfers made in favour of other beneficiaries not previously mentioned. The main exemption is that taxes are not applied if the general heir keeps control and management of the family business for a period over five years. This is part of the Italian legislation related to the Family Business enterprises.

This is the current taxation. In addition, recent development of government policies are the reintroduction of inheritance and gift taxes by Romano Prodi's government. It were abolished by Silvio Berlusconi's administration in 2001. In 2006, the family protocols "patti di famiglia per le imprese" have been introduced in Italian Civil Law. The current owner of a business can now e.g. assign who the heirs will be and what amount of shares they will get. The Financial Act 2007 introduced certain obligations for business transfers. An inherited business that will be registered in a foreign country will e.g. be subject to the Italian national taxation system in the future. The last 2003 Civil Law Reform introduced more freedom in by-laws drafting (company statutes). The owners can e.g. exclude certain people as possible new owners

AIDEA is the Italian Academy of Business Administration that organises annual meetings on specific business theme such as family business that are discussed after having an academic competition in order to chose the best short literary compositions related to the subject at issue. It also publishes papers related to them later AIDEA considers family business issue one of the theme of discussion during its the annual meeting in which are showed research and paper related to the topic chosen for the year. The topic changes every year.

AIDAF is the Italian Family Business Association. It was founded in 1997. Its main aim is to protect and develop values that are specific to family businesses. It fosters different kinds of activities, such as:

- carrying out studies based on innovative proposals, submitting revisions of European and Italian legislative frameworks regarding family businesses and sustaining lobbying activities that support such issues,

- organising workshops, debates and symposia, publishing articles, research reports, newsletters,
- organising training programs and meetings for young family members,
- offering networking opportunities among companies,
- contributing to the GEEF (European Group of Family Enterprises) in building a “better and more extensive promotion and defence of the interests of family businesses in Europe”,
- as Italian chapter, contributing to studies and researches with the Family Business Network (FBN).

Scientific research on family business has been conducted by the SDA Bocconi University, the Catholic University of the Sacred Heart – Milan, the University of Udine as well as the University of Pisa. SDA is the Bocconi University’s Graduate school of Management and the leading Business school in Italy. It has been involved in training and research for family business for over ten years and its partner of Aidaf (Italian Association of family firms). It offers a course in family business. This course is closely related to a family business strategic management chair named Alberto Falck. SDA Bocconi also collaborates with Secofind<sup>5</sup> in order to study the management of financial property of entrepreneurial Italian family business. In addition, a new course entitled “How to Manage an Inherited Company” is offered with the aim to instruct the young heirs to Italian industry on how to avoid suing their parents, assassinating their siblings and squandering the family fortune.

Strengths and weaknesses of entrepreneurial issues are analysed by the Asam (Association of management and entrepreneurial studies of the Catholic University of the Sacred Heart – Milan). Its Centre of research on family business (Cerit) was constituted in 2005 in order to examine in details the relationship between family and enterprise, the economic and patrimonial assets, the business model profile as well as the level of risk linked to their sectors and businesses. A research on family business was conducted by this centre and it was published in the management magazine named Challenge 2000. The website of this centre is still under construction.

Projects on family business issues can be organized jointly by universities such as the co-financed study entitled “Generational transitions in medium-size Italian family firms: successful experiences and best practices”. This research benefited from the financial support of the Italian Ministry of University and Scientific Research, the Bocconi and the Catholic University. It was focused on relations between family business ownership, strategy, structure and functioning of governance system and company performances in family business.

Succession research, including research about the transfer of ownership of the business and of the management are conducted by the University of Pisa. It also offers a Master’s degree course in “Management for Family Business”.

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<sup>5</sup> The Family Office of Zambon Family

The university of Udine organises meeting where chiefs of the most important family businesses of the Region (e.g. Snaidero, Zuzzi of the Jacuzzi Group) are invited in order to incline students toward this topic as well as promote information about it. In addition, it offers an academic course. It is also connected with Bocconi and Padova Universities as well as the International family enterprise research academy (Ifera) for a research group in family business. This association gathers national and international researchers in order to promote development and integration on family capitalism issue. This is a course included in the Business Administration degree.

In the Italian academic sector courses focused on business management, including family business issue are provided.

It is chosen an innovative initiative of the Young Industrial Association of Frosinone Province. A questionnaire was conducted to the leader of the enterprises of this province that correspond to around 650 firms located in this territory. It is an innovative initiative with an open mind view in order to understand how to avoid behaviours that could contribute at squandering of the family fortune and how family could continue to live in a global competitive market using its family skills.

	Explanation
<b>institutional features</b>	
name of the actor	<b>Gruppo Giovani imprenditori della Provincia di Frosinone</b> <b>Industrial Young Association of the Frosinone Province</b>
nature of the actor	<input type="checkbox"/> government <input checked="" type="checkbox"/> employers' organisation a enterprises' 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	Via del Plebiscito, 15 – 03100 Frosinone
contact person	Dott.ssa Stefania Petriglia
telephone	0039 0775 8171 – 0039 0775 817221
web-page	www.confindustriafrasione.it
e-mail	uifr@confindustriafrasione.it
<b>content based features</b>	
name of the strategy/initiative/regulation	Passaggio generazionale nell'esperienza degli imprenditori-fondatori. Generational succession into the experience of entrepreneur – founder

	Explanation
<b>content based features</b>	
type	<input type="checkbox"/> fiscal regulation/tax law <input type="checkbox"/> labour law/social security law <input type="checkbox"/> company law X awareness raising measures <input type="checkbox"/> corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar X education/training measures: seminars and meetings are provided <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 X others, namely: research
objective	It analyses two important themes for the Italian economic system related to family businesses: a behavioural model of family entrepreneurship and its generational succession that is considered an important tool for removing family difficulties that could produce negative effects in the business.
initiation	From 2004 to 2007
contents/description of the initiative/measure	<p>This analysis of family businesses in the Province of Frosinone was conducted to encourage the generational passage from the founder to his heir.</p> <p>It was crucial to know how to cohabit senior and junior entrepreneurs in the same labour environment and how to earn the respect of their common roles for the development of the firms and for a succession that realises positive synergies for the future.</p>
<b>user based features</b>	
eligibility criteria/target group	Family businesses of the Frosinone Province.
Promotion tools/information strategy	The target group is aware of the initiative because they participated in it. They wanted to identify helpful communication and information synergies in order to develop family businesses and avoid negative effects produced during the period of generational succession.
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees X others, namely: Enterprises did not pay. The initiative was related to the budget available of the Association

	Explanation
<b>Performance based features</b>	
evolution	<p>A research on family businesses into the Province of Frosinone (in the Latium Region) was conducted. A questionnaire was distributed to the leader of the enterprises of this province that correspond to around 650 firms located in this territory. Most of them are small and medium size businesses. 80 per cent of these enterprises have less than 50 employees.</p> <p>The establishment year, age of the firm, gender and education analysis, role of the interview, ownership and management assets, social capital kept by the family, the degree of family involvement into the business and their employment as well as managerial positions, ownership processes of family-enterprise relationship, the communication between family and management as well as within the business, roles, cultural and intellectual capitals, succession, generational continuity, the reason for the right heir, instruments for the introduction, founder's opinions about succession were conducted into the analysis.</p>

	Explanation
<b>institutional features</b>	
name of the actor	<b>AidAF – Associazione Italiana delle Aziende Familiari (Italian Family Business Association)</b>
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) <input type="checkbox"/> others, namely:
address	Via Bigli, 15/A – 20121 Milano
contact person	Prof. Paolo Morosetti
telephone	39.02.76015237
web-page	www.aidaf.it
e-mail	p.morosetti@aidaf.it

	Explanation
<b>content based features</b>	
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 checked="" 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 type="checkbox"/> information/advice <input checked="" type="checkbox"/> business transfer support instruments <input type="checkbox"/> financial support <input type="checkbox"/> marketing <input checked="" type="checkbox"/> networking <input checked="" type="checkbox"/> others, namely: research, lobbying
objective	<p>Its main aim is to protect and develop values that are specific to family businesses. It fosters different kinds of activities, such as: carrying out studies based on innovative proposals, submitting revisions of European and Italian legislative frameworks regarding family businesses and sustaining lobbying activities that support such issues; organising workshops, debates and symposia, publishing articles, research reports, newsletters; organising training programs and meetings for young family members; offering networking opportunities among companies; contributing to the GEEF (European Group of Family Enterprises) in building a “better and more extensive promotion and defence of the interests of family businesses in Europe”. As Italian chapter, contributing to studies and researches with the Family Business Network (FBN).</p>
initiation	Set up in 1997
contents/description of the initiative/measure	AldAF develops and provides educational services to its members also in collaboration with third parties, promote the values of the family capitalism in the society, support advocacy initiatives at Italian and European level, provide opportunities.
<b>user based features</b>	
eligibility criteria/target group	<p>The target group is Italian Medium-Large Family Businesses.</p> <p>Affiliation Criteria:</p> <ol style="list-style-type: none"> <li>1) only family business,</li> <li>2) companies with over 30 employees, with a shareholders’ equity at least of 2.5 ml euro,</li> <li>3) at least two generations in the ownership structure or in governance bodies,</li> <li>4) no criminal punishment.</li> </ol>
Promotion tools/information strategy	Web site, newsletter, and emailing, one to one communication

	Explanation
<b>user based features</b>	
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input checked="" type="checkbox"/> membership fees <input type="checkbox"/> others, namely:
costs for participants/members	2.700 euro/per year per family business
<b>performance based features</b>	
evolution	<p>AldAF member base consists of about 180 members representing 11% of the Italian GDP. During the first ten years, the Association has been strongly committed in advocacy activities (e.g.: it was able to promote some changes in succession law and in the relevant tax issues). AldAF has also funded the AldAF-Alberto Falck Chair in Family Business at Bocconi University to foster the research on family business.</p> <p>Preserving the social and economic value of family business and the family continuity are two main long term objectives of the Association. Meritocracy, competitiveness and internationality are the main areas of interest for the future. In that prospective, many resources have been redirect to support the development of the next generation (training, national and international networking). Advocacy and lobbying will become more and more important at European level.</p>

	Explanation
<b>institutional features</b>	
name of the actor	<b>Cattedra “AldAF – Alerto Falck” di Strategia delle Aziende Familiari (AidAF Chair in Family Business)</b>
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 checked="" type="checkbox"/> others, namely: Course at University and Research on Family Business
address	Via Roentgen – 20135 Milano
contact person	Prof. Guido Corbetta – Prof. Paolo Morosetti
telephone	39.02.58362534
web-page	www.unibocconi.it
e-mail	guido.corbetta@unibocconi.it, paolo.morosetti@unibocconi.it
<b>content based features</b>	
name of the strategy/initiative/regulation	Chair on Family Business Issue

	<b>Explanation</b>
<b>content based features</b>	
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 X corporate governance codes, family governance, family protocols, family constitution, family council, family assembly or similar X 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 X others, namely: Family business, strategy, organisational behaviours in family business
objective	Centre for research on Family Business issue. It has been founded with the aim of carrying out researches in this field.
initiation	November 2003
contents/description of the initiative/measure	The centre is focused on: teaching, organising meeting and workshops, research activity, organising students advisory groups as well as collaborating with AIdAF.
<b>user based features</b>	
eligibility criteria/target group	Four courses are provided for students of Bocconi University related to this issue. One is provided for students of the Graduate school in Management, another for undergraduate students of Business Administration Course and the latter is offered for students of the Master's degree in Small Enterprises. In addition, a seminar on family business is offered for students of the Master in Business Administration.
Promotion tools/information strategy	Web site, newsletter, and emailing, one to one communication.
source of funding	<input type="checkbox"/> EU-funds <input type="checkbox"/> national funds (governments) <input type="checkbox"/> membership fees X others, namely: student fees
costs for participants/members	Costs depend on the type of course attended. The General Management Graduated course costs 9.833,34 euro per year, the Master's degree for Small Enterprises costs 23.000 euro, the MBA course costs 29.800 euro and the Undergraduate course in Business Administration has different fees (4.288,24€ - 6.073,24€ - 7.863,24€ - 9.648,24€)
evolution	Research is an important activity of the centre as well as teaching for students of the Bocconi University. This initiative is particularly suited to foster family businesses because this university is one of the best about business in Italy so that many entrepreneurs first of all have enrolled their sons in it. Secondly, the University gets them used to provide data for research in this field.

	Explanation
<b>institutional features</b>	
name of the actor	<b>Università di Pisa, Economics department</b>
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 type="checkbox"/> network/family business specific organisation (including interest groups/representative organisations/lobbies) <input checked="" type="checkbox"/> others, namely: University course
address	Via Cosimo Ridolfi, 1 – 56124 Pisa
contact person	Dott.ssa maira Rita Battaglia
telephone	0039 050 3157348
web-page	www.mastermafab.it
e-mail	master.mafab@ec.unipi.it
<b>content based features</b>	
name of the strategy/initiative/regulation	Management for Family Business – Master di II livello (Master's degree in Family Business)
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 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 type="checkbox"/> others, namely:
objective	The course analyses the institutional and organisational characteristics of family firms, which are the most widespread form of enterprise in Italy, both in small-medium and large firms.
initiation	For the Academic Year 2007/2008 it started on 1st October 2007 and it finishes on 31 <sup>st</sup> October 2008.

	Explanation
<b>content based features</b>	
contents/description of the initiative/measure	<p>The course is divided into the following modules:</p> <ul style="list-style-type: none"> <li>- entrepreneurial family and international economic scenarios,</li> <li>- decision making process, economic brain and management of conflicts in family business,</li> <li>- Financial balance sheet and economic communication,</li> <li>- family business strategy and organisation,</li> <li>- management and strategic elements in family business,</li> <li>- law for family businesses,</li> <li>- finance, credit and funds for enterprise,</li> <li>- information and information technology for enterprises.</li> </ul> <p>Each module is provided by teaching lessons, seminars and direct evidences. Exercises on methodology are also verified during the lessons.</p>
<b>user based features</b>	
eligibility criteria/target group	<p>Students who are graduate in economics, law, engineering in Italy or a foreign country. Students who are going to get those qualification before the ending of the academic year. Students with different qualification also can apply if they have worked in enterprises, legal or professional office as well as family office.</p>
Promotion tools/information strategy	<p>Newspapers, job meeting, local consortium, local advertising, university communication, student website.</p>
source of funding	<p><input type="checkbox"/> EU-funds  <input type="checkbox"/> national funds (governments)  <input checked="" type="checkbox"/> membership fees  <input type="checkbox"/> others, namely:</p>
costs for participants/members	<p>5.800 euro</p>
<b>performance based features</b>	
evolution	<p>It also organises the Long Life Family Business Award 2008 for family business which are characterised for longevity, vivacity, and entrepreneurial spirit. Enrolment is carried out online from the 15<sup>th</sup> June to 31st July 2008. Going to the website it is possible to enrol free. Participation is open to all Italian Family Business respecting the following eligibility criteria: enterprises at their third generation, with an either high local social environment (industrial district) or international view, they have had over 25 employees.</p>

## **6 Future issues**

The Italian family business system requires a future reform in the fiscal and financial legislation as well as company law. In the meanwhile the generational passage between parents and their children is considered as an important issue in order to continue the business. In addition, it also looks at the global market improving its "Made in Italy" with high quality, increasing cultural and managerial growth of the employees and the owners and investing in human capital in order to compete against competitive markets.

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