

# PREPARATION OF REGIONAL STRATEGIES AND TOOLBOX FOR BUSINESS SUCCESSION

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Final versions of regional strategies for the  
introduction and advancement of business  
succession

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1<sup>st</sup> Version  
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## Table of Contents

<b>INTRODUCTION</b>	<b>2</b>
<b>EXTERNAL ANALYSIS</b>	<b>4</b>
<b>Macro-environment: The Legal Requirements</b>	<b>4</b>
<b>Micro-environment: The Business Succession Process in the FBUs</b>	<b>4</b>
Planning Phase	4
Realization Phase	6
Closing Phase	7
<b>INTERNAL ANALYSIS</b>	<b>9</b>
<b>Activities of the Regional Government</b>	<b>9</b>
Summary	10
<b>Activities of the Regional Supporting Organizations</b>	<b>11</b>
Summary	12
<b>STRATEGIC OBJECTIVES</b>	<b>13</b>
Analytic Overview	13
Strategic Objectives	13
<b>STRATEGIC TASKS</b>	<b>15</b>
Strategic Tasks Summary	18

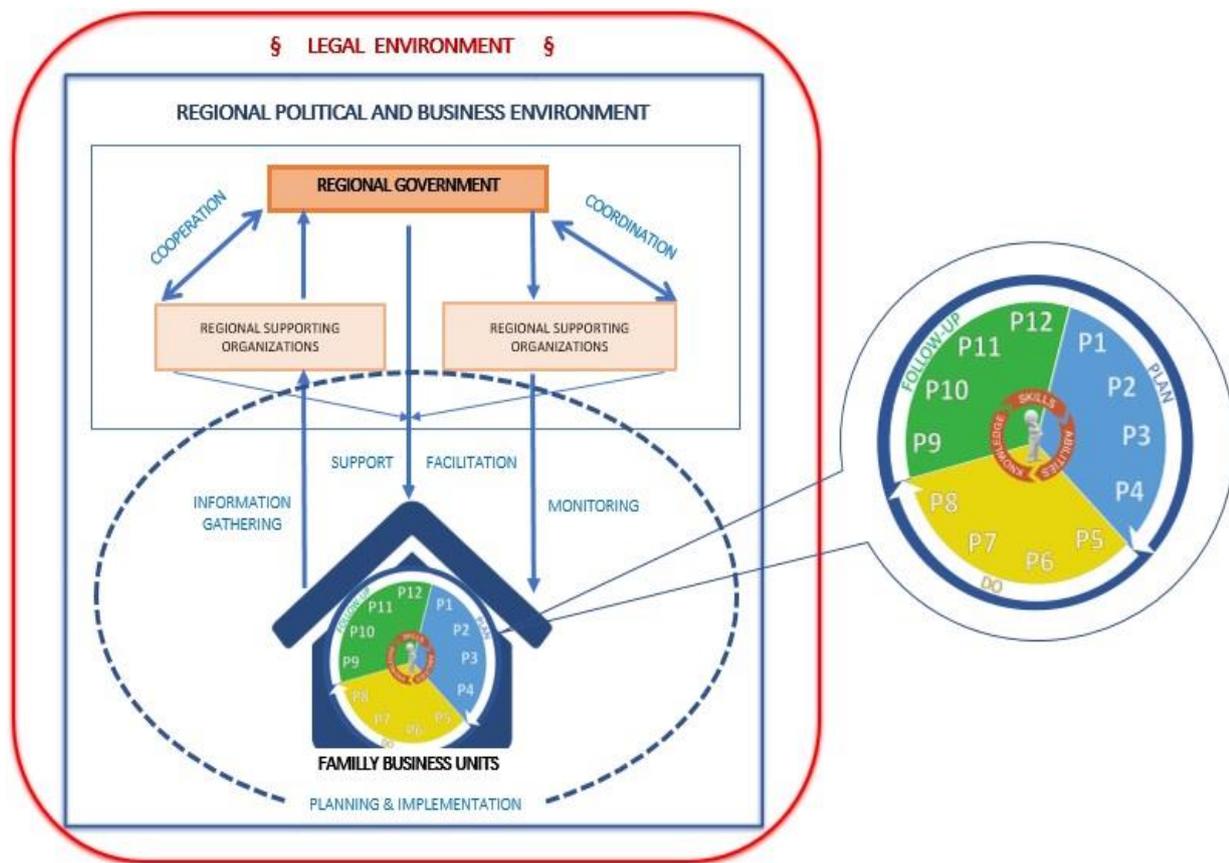


## Introduction

This document is the final version of the regional business succession strategy for the Mazowieckie Region, Poland. The main purpose of the document is to serve as a guide for public authorities for introduction and enhancement of business succession process.

The core and internal logic of the strategy is based on **the following scheme** which integrates the main components of the strategy from the point of view of the regional authorities: (a) the external macro-environment, (b) the external micro-environment, (c) the regional authorities, (d) the family business units, (e) the strategic tasks aiming at support of the FBUs.

### The Strategy Fundamental Scheme



**The macro-environment** consists of the general legislative acts (laws & regulations) which directly or indirectly influence the regional authorities, such as the regional government and the non-profit supporting organizations, and their activities aimed at forming the regional political and business environment and supporting the FBUs. **The micro-environment** is represented by the family business units (FBUs) and the business succession process (BSP) in a form of the Family Business Succession Clock (FBSC).

The FBSC divides **the process** of business succession into 12 phases in 3 quadrants: Plan - Do - Follow-up. These phases are derived from general business succession models, and considered to be vital for a success of the process of family-business handover. Moreover, it incorporates **the resources** which are understood as the business owner's specific management skills & abilities needed for handling the business succession process.



**The internal environment** consists of the various regional authorities, such as the regional government and the non-profit supporting organizations, which form the regional political and business environment and support the FBUs in their activities. The key supporting activities of the public authorities have a form of the strategic tasks.

Following such framework, the strategy consists of the following main parts:

1. External analysis
2. Internal analysis
3. Strategic objectives
4. Strategic tasks



## External Analysis

### Macro-environment: The Legal Requirements

The legal requirements represent relatively broad macro-environment influencing the regional authorities and their supporting activities. As the following table shows, the macro-environment consists of various legislative acts which somehow create the general legal framework.

Poland	
Legislative Act	Validity
Administrative Procedure Code USTAWA z dnia 14 czerwca 1960 r. Kodeks postępowania administracyjnego <a href="http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20000981071/U/D20001071Lj.pdf">http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20000981071/U/D20001071Lj.pdf</a>	1960
Civil Code USTAWA z dnia 23 kwietnia 1964 r. Kodeks cywilny <a href="http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU19640160093/U/D19640093Lj.pdf">http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU19640160093/U/D19640093Lj.pdf</a>	1964
Civil Procedure Code USTAWA z dnia 17 listopada 1964 r. Kodeks postępowania cywilnego <a href="http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU19640430296/U/D19640296Lj.pdf">http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU19640430296/U/D19640296Lj.pdf</a>	1964
Labor Code USTAWA z dnia 26 czerwca 1974 r. Kodeks pracy <a href="http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU19980210094/U/D19980094Lj.pdf">http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU19980210094/U/D19980094Lj.pdf</a>	1974
Act on Tax on Inheritance and Donations USTAWA z dnia 28 lipca 1983 r. o podatku od spadków i darowizn <a href="http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20041421514/U/D20041514Lj.pdf">http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20041421514/U/D20041514Lj.pdf</a>	1983
Act on Notary Public Law USTAWA z dnia 14 lutego 1991 r. Prawo o notariacie <a href="http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20020420369/U/D20020369Lj.pdf">http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20020420369/U/D20020369Lj.pdf</a>	1991
Act on Tax on Civil Law Transactions USTAWA z dnia 9 września 2000 r. o podatku od czynności cywilnoprawnych <a href="http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20050410399/U/D20050399Lj.pdf">http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20050410399/U/D20050399Lj.pdf</a>	2000
Code of Commercial Companies USTAWA z dnia 15 września 2000 r. Kodeks spółek handlowych <a href="http://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU20000941037/T/D20001037L.pdf">http://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU20000941037/T/D20001037L.pdf</a>	2000
Act on Succession Management of Sole Proprietorship USTAWA z dnia 5 lipca 2018 r. o zarządzie sukcesyjnym przedsiębiorstwem osoby fizycznej <a href="http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20180001629/T/D20181629L.pdf">http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20180001629/T/D20181629L.pdf</a>	2018

### Micro-environment: The Business Succession Process in the FBUs

The micro-environment consists of the family business units in which the business succession process is realized. Following the logic of the Family Business Succession Clock, this part is aimed at the process-based analysis and the resource-based analysis. The process-based analysis elaborates 12 phases of the FBSC into detail. The resource-based analysis examines the business owner's specific management skills & abilities needed for handling the business succession process.

#### Planning Phase

This phase of the FBSC includes the activities which help business owner to prepare the business succession process and unfreeze a change in business leadership. **The following table briefly describes 4 phases (processes) which are vital for successful planning of the family-business handover.**



Phase Description		Phase Result	Time
P1	Setting main expectation and goals	Clear evidence about preferable state of the business succession process	5 %
P2	Business analysis & communication	Assessment of the internal environment readiness for the business succession process	10 %
P3	Stakeholder analysis & communication	Assessment of the external environment readiness for the business succession process	10 %
P4	Identification of the business succession gap	Identification of the gap between preferable state and the environment readiness	5 %

As the planning process is goal-oriented by its nature, the first step of the planning phase must lie in setting main expectation and goals of the business owner. He/she should take into consideration his/her own motivation to the family-business handover, and set the expected results of the BSP. After that, the set of clear and SMART goals related to the BSP has to follow. Although this phase should not take long, it must not be omitted. It is the only way how the business owner can get a clear picture about preferable state of the business succession process.

The business owner should briefly analyze a readiness of the internal and external environment for the BSP after this opening stage. He/she must confront his/her goals and expectations with business reality of his/her family-business and expectations of its stakeholders. The vital part of this stage lies in communication with all internal and external stakeholders. They must have solid and up-to-date information about the business succession process and have a chance to express their point of view at the same time. The business owner should take the results into consideration carefully and be ready to make some alterations to his/her own goals and expectations.

The last step consists of an identification of the business succession gap. This term can be understood as the gap between business owner's preferable state (P1) and the business environment readiness for a change in business leadership (P2 and P3). It is worth to formalize the gap in a brief written form and think about its roots and weight. This process should help the business owner to set the right steps of the following stages focusing on seeking the best possible successor.

**The following table contains seven management skills & abilities (resources) which are considered to be vital for the planning phase of the FBSC.** The resources are sorted based on an opinion of the business owners who were involved in a survey. The survey had a form of in-depth interviews covering owners from different-size family business units. The respondents evaluated the resources on seven-points scale in a range of "extremely useful" (7) to "extremely useless" (1).

Resources	Average	Median
<b>Communication &amp; negotiation</b>	6,25	6,50
<b>Analyzing</b>	5,75	6,00
<b>Forecasting</b>	4,50	4,00
Logical thinking	3,75	4,00
Critical thinking	3,00	2,50
Diplomacy	2,75	2,50
Goal orientation	2,00	2,00

If we take a look at the average scores, we can distinguish the category of key abilities needed for the planning phase: (a) communication & negotiation skills (soft skills), (b) analyzing & forecasting (hard skills). This combination fits the planning phase purpose which should help the business owner to prepare the business succession process and unfreeze a change in business leadership. The communication & negotiation skills are vital for communication with all internal and external stakeholders. However, the majority of the process requires rather hard skills consisting of analyzing the current situation and predicting the nearest future. Two more hard skills, such as logical and critical thinking, are considered to be useful in this phase. The business owner should use these skills when thinking about his/her goals and expectations, and also in time of identification of the business succession gap.



In addition, the survey was focused on some possible failures the business owner must be aware of when going through the business succession process. He/she must be aware of **the following possible failures** causing him/her some difficulties during the planning phase of the business succession process:

- subjective based business & stakeholder analysis
- inappropriate communication of the change
- unrealistic expectations & unattainable goals

## Realization Phase

This phase of the FBSC includes the activities which help the business owner to perform the business succession process and realize a change in business leadership. **The following table briefly describes 4 phases (processes) which are vital for successful realization of the family-business handover.**

Phase Description		Phase Result	Time
P5	Setting successor's preferable profile	Identification of successor's characteristics needed for closing the business succession gap	5 %
P6	Successor selection	Identification of the most promising successor capable of closing the business succession gap	5 %
P7	Successor training	Improvement of successor profile to be vital in closing the business succession gap	25 %
P8	Successor implementation	Change in business leadership from the business owner to the successor	5 %

The core of this phase lies in implementation of the successor in a way which leads to closing the business succession gap. After analyzing the gap, the business owner has to think about the successor's preferable profile. He/she needs to identify the key successor's personal and business characteristics which meet not only his/her expectation, but also the business reality. In such a way the business owner defines a set of criteria for successor selection. Although the selection process has many forms, all of them have to lead to identification of the most promising successor capable of closing the business succession gap. This rather demanding approach should minimize some future conflicts between new owner and various groups of internal and external stakeholders, and maximize success of the family-business handover.

It is evident that the previous steps have direct link to the results of the planning phase. The next steps are focused on realization of the business succession process. The most time-demanding stage is successor training. From the point of view of the FBSC logic, the training process must be aimed at improvement of the successor profile to be vital in closing the business succession gap. The business owner should help the successor in adaptation process and develop all successor's characteristics which were the key for his/her selection. This stage is a period of time when the business owner is slowly leaving the business and the successor is taking over it. The final successor implementation in the business is the last step of the realization phase. The successor should have all necessary skills and knowledge to run the business solely in this time. The owner leaves the family-business and hands it over to the successor in a role of the new owner of the business.

**The following table contains the management skills & abilities (resources) which are considered to be useful for the realization phase of the FBSC.**

Resources	Average	Median
Motivation	5,50	5,50
Communication & negotiation	5,00	6,00
Organizing	4,50	4,00
Decision-making	4,50	4,50
Critical thinking	3,50	3,50
Empathy	2,75	2,50
Self-discipline	2,25	2,00



The abilities and skills needed for this phase of the FBSC can be sorted into the soft skills and the hard skills categories as in the previous case. The soft skills - motivation, communication, negotiation - play the main role from the point of view of the respondents. They consider these skills useful mainly during the training process and the process of successor implementation. These processes require intensive communication between the business owner and the successor on daily basis. Moreover, the successor must be assured of handling the business succession process. The hard skills - organizing and decision-making - are vital for this phase as well. The owner uses his/her organization skills during the whole phase with more emphasis on the process of successor implementation. The phase of setting successor's preferable profile and subsequent successor selection are based on decision-making theory. Good owner's ability for decision-making is needed for this phase and it is logically considered as useful by the respondents.

The business owner must be aware of **the following possible failures** causing him/her some difficulties during the realization phase:

- self-projection to successor's profile
- inappropriate successor's training
- excessive demands on successor's profile
- lack of confidence
- emotional based selection of successor
- lack of constructive feedback
- influence peddling

## Closing Phase

This phase of the FBSC includes the activities which help the business owner to fix the business succession process and refreeze a change in business leadership. **The following table briefly describes 4 phases (processes) which are vital for successful closing of the family-business handover.**

Phase Description		Phase Result	Time
p9	Legal ensuring of the business succession process	Set of legal instruments fixing a change in business leadership	5 %
P10	Setting a new role for successor	Setting of new relations between the owner and the successor within the business succession process	5 %
P11	Successor counseling	Consultation oriented towards an improvement in adaptation process	10 %
P12	Stakeholders counseling	Consultation oriented towards an improvement in adaptation process	10 %

In spite of the fact that the successor has already run the business, the business succession process should not end in this time. It is quite important for both the business owner and the successor to fix the process of a change in business leadership. The formal way how to fix the process is its legal ensuring. The form of legal ensuring is dependent on particular national legal system. However, the existence of some legal instruments related to the business succession process is highly probable in all countries. The legal ensuring not only crowns the family-business handover by law, it prevents some possible conflicts between the business owner and the successor in future. Moreover, the conflicts can be prevented by proper setting of a new role for the business owner too. This informal way of fixing the business succession process creates new relations between the owner and the successor for future. It is important to clearly set their relationship and define some framework or boundaries to prevent an influence peddling from owner's side.

The last two steps of the closing phase are focused on owner's counseling towards the successor and business stakeholders. The extent of counseling activities depends on the previous step, i.e. owner's new role. Nevertheless, there is a high chance that some informal consultations oriented towards the



adaptation process significantly smooth the path for the successor. That is why the counseling activities are strongly encouraged although they represent additional strain for the business owner.

The following table contains the management skills & abilities (resources) which are considered to be useful for the closing phase of the FBSC.

Resources	Average	Median
Communication & negotiation	6,50	7,00
Awareness of applicable laws	5,00	4,50
Organizing	4,25	5,00
Empathy	3,50	3,50
Self-discipline	3,25	3,00
Delivering effective feedback	3,00	2,50
Mentoring	2,50	2,50

It is evident that the communication and negotiation skills dominate. The respondents see their importance primarily in the phase of successor and stakeholders counseling. They stress a need of in-depth communication during these phases and consider it as a master “umbrella” for subsequent skills of mentoring and delivering effective feedback. The awareness of applicable law is a special skill of the closing phase. The respondents find this skill very useful when making legal ensuring of the business succession process. The organizational skills can be considered as the key skills due to their high average score. However, the respondents’ evaluation varies a lot in this case. Their evaluation is dependent on their experience with the process of setting a new role for the business owner during which the skills are supposed to be useful. Some respondents were able to find a new role for the owner relatively easy without any requirements on their organizational skills. Some of them had an opposite experience causing a high demand on their organizational skills.

Once again, there might be **some possible failures** causing the business owner troubles during the closing phase:

- negligence of the mandatory legal acts
- putting too much pressure on the successor and business stakeholders
- breaking new successor’s role
- offensive way of the counseling process



## Internal Analysis

The regional authorities can be considered as the subjects of the internal environment directly influencing the FBUs and the business succession process. Although their number, scope and activities differ significantly in every region, we can distinguish two broad categories: (a) the regional governments and (b) the non-profit supporting organizations.

The following table contains **basic information about the regional authorities** which are allocated in the Mazowieckie Region. The organizations are subject of the follow-up analysis. Its aim is to map their supporting activities and assess how intensively the activities cover the business succession process, and help the FBUs to overcome their issues at the same time.

Poland: Mazowieckie Region	
<b>Regional Government</b>	
Office of the Marshal of the Mazowieckie Voivodeship <a href="https://www.mazovia.pl/en/the-office-of-the-marshal-/general-information">https://www.mazovia.pl/en/the-office-of-the-marshal-/general-information</a>	
<b>Regional Supporting Organizations</b>	
<b>Chamber of Commerce and Industry of the Radom Region</b> <a href="https://radomskibiznes.pl">https://radomskibiznes.pl</a>	The objectives of the Chamber of Commerce and Industry concern the promotion and support of entrepreneurship and economy, carrying out information activities and the provision of information, organizational, advisory and legal assistance to the Chamber's members. According to the Statute, the Chamber of Commerce: <ul style="list-style-type: none"> <li>• Contributes to the creation of conditions for the development of the economy and support the economic initiatives of members</li> <li>• Organizes or creates conditions for resolving disputes through amicable and conciliation proceedings and participate in court proceedings related to the business activities of its members</li> <li>• Gives opinions about existing business practices</li> </ul>
<b>Chamber of Crafts and Small Entrepreneurship in Radom</b> <a href="http://www.izbarzemiosla.radom.pl">http://www.izbarzemiosla.radom.pl</a>	The Chamber's task is to represent associated organizations in relation to administration and institutions, providing them with instructional and advisory assistance and conducting qualifying examinations. The Chamber's tasks include in particular: <ul style="list-style-type: none"> <li>• Running and developing socio-economic activities for affiliated organizations</li> <li>• Providing comprehensive assistance to associated organizations in the implementation of their statutory tasks and members of these organizations, primarily in the form of instruction and advisory activities</li> <li>• Organizing various types of trainings for young people and adults in the areas of taxation, financial affairs, program training, in the extracurricular system preparing for journeyman and master examinations</li> </ul>
<b>Family Enterprise Initiative Mazowieckie Region Office</b> <a href="http://firmyrodzinne.pl">http://firmyrodzinne.pl</a>	Family Enterprise Initiative promotes and supports the business model based on family ties and organizational culture with a deep social dimension. In particular, the association's aims are: <ul style="list-style-type: none"> <li>• Integrating the environment of family businesses</li> <li>• Supporting the activity of family businesses</li> <li>• Supporting and promoting ethical standards in running a business</li> <li>• Supporting and promoting the idea of economic freedom</li> <li>• Supporting and promoting the idea of the rule of law and civil society</li> </ul>

### Activities of the Regional Government

The aim of the survey is to map how intensively the regional government pays attention to specific problems of the family business units when forming general economic environment in the region.

#### I. General knowledge about the family business units in the region

<b>Do you know how many family business units operate in your region? Do you have any information about their size and field of their business activity?</b>	
Assessment	Comment
Partially	The government has some general information about the number of FBUs, their size and field of activity.
<b>Do you know what are the main problems the family business units are facing with? Could you name some examples of the most significant problems?</b>	
Assessment	Comment
Partially	The main problems: rising labor costs, political uncertainty, increasing competition on a market, uncertainty about FBU's position on a market after a change in its leadership



## II. Strategy for development of the family business units in the region

<b>Are the specific issues of the family-owned business incorporated in the strategy of (economic) development of your region?</b>	
Assessment	Comment
No	Issues regarding family businesses are not specifically included in the Development strategy for the Mazowieckie Voivodeship until 2030 nor in Regional Innovation Strategy for Mazovia until 2020.
<b>Do you have any specific (formal) strategy for development of the family-owned business in your region? If so, could you name it?</b>	
Assessment	Comment
No	There is no specific strategy for the development of family businesses in the region.
<b>Is there any department / organization / unit which is responsible for implementation of the strategy for development of the family-owned business in your region?</b>	
Assessment	Comment
No	There is no department/organization/unit in the region that deals solely with the development strategy of family-owned businesses. The Polish Craft Association, which also operates in Mazovia, represents the interests of crafts and micro and small enterprises, as well as organizations associated in the Union towards authorities, government administration and local government units, courts as well as trade unions and employee organizations. It is an organization that may have associated family businesses in its structures, but it does not deal only with this type of enterprise.

## III. Support of the family business units in the region

<b>Do you (regularly) realize any activities / projects aimed at support of the family-owned business?</b>	
Assessment	Comment
Yes	Activities: various activities under the Interreg Europe project "Increasing competitiveness and sustainable development of European SMEs through procedures and models" which main goal is to prepare and manage changes in the succession of manufacturing enterprises.
<b>Do you (regularly) offer your supporting activities (projects) to family business owners? How do you communicate your supporting activities?</b>	
Assessment	Comment
Yes	Communication: direct communication at the Office of the Marshal of the Mazowieckie Voivodeship, websites of the regional government and subordinate units, mailing list (e-mails), participation in specific events, social media.
<b>Do you have some key future intentions in the sphere of support of family-owned business in your region?</b>	
Assessment	Comment
Yes	Business Environment Institutions as part of the 'Modeling System of Offers for Innovation' project implemented under ROP WM 2014-2020 will create and implement new services that will help in the development of SMEs (including family enterprises) in accordance with the region's development trends identified as smart areas specialization.

## Summary

The results indicate relatively low interest which the government pays to the specific issues of the family business units (FBUs) in the Mazowieckie Region. The government declares just a small piece of knowledge about the FBUs' number, size and field of their business activity. It is aware of the main problems the family business units are facing with to some limited extent. The main problems include political uncertainty, rising of labor costs, increasing competition on a market, and uncertainty about FBUs' position on a market after a change in their leadership.

Any of the regional development strategies do not cover the issues related to family-owned business. Moreover, there is neither specific development strategy nor some department / organization purely responsible for the development of the FBUs in the region.

The Mazowieckie Region government has been implementing the Interreg Europe project "Increasing competitiveness and sustainable development of European SMEs through procedures and models" under which scheme it realizes some supporting activities focused on SMEs / FBUs. The FBUs are informed about the activities mostly via direct communication at the Office of the Marshal of the Mazowieckie Voivodeship and by the social media.

The Mazowieckie Region government is planning to support the FBUs by implementation of EU project called "The Modeling System of Offers for Innovation" under which it will implement new services that could help the FBUs.



## Activities of the Regional Supporting Organizations

The primary aim of the survey is to map what kind of support the regional organizations provide to family-business owners during the business succession process. The secondary aim is to identify problems the FBUs and supporting organizations are facing with. The respondents of the survey are the representatives of the supporting organizations described in the micro-environment analysis.

### I. Support of the family business units in the region

The questions below are focused on activities that can help family-business owners within the business succession process (BSP). Each question is focused on a support of specific management skill & ability which the successors identified as useful for the BSP. The activities are ranked on a scale which indicates how the respondents perceive a level of satisfaction of the clients, i.e. family-business owners, with the particular supporting activity. Scale range: 1 = the lowest level of satisfaction, 5 = the highest level of satisfaction, NU = not used.

Supporting Activities / Regions	Q1	Average
<b>1. Do you promote legal knowledge of family-business owners related to the BSP?</b>		
Through the organization of educational events	2	2,0
By ensuring the offer of educational events of other entities	3	3,0
By our own consulting activities	NU	-
By ensuring the consulting activities of other entities	2	2,0
By providing continuous information support	3	3,0
<b>2. Do you promote communication skills of family-business owners related to the BSP?</b>		
Through the organization of educational events	1	1,0
By ensuring the offer of educational events of other entities	1	1,0
By our own consulting activities	NU	-
By ensuring the consulting activities of other entities	2	2,0
By providing continuous information support	2	2,0
<b>3. Do you promote motivation skills of family-business owner related to the BSP?</b>		
Through the organization of educational events	3	3,0
By ensuring the offer of educational events of other entities	4	4,0
By our own consulting activities	NU	-
By ensuring the consulting activities of other entities	3	3,0
By providing continuous information support	4	4,0
<b>4. Do you promote analytical skills of family-business owners related to the BSP?</b>		
Through the organization of educational events	NU	-
By ensuring the offer of educational events of other entities	NU	-
By our own consulting activities	NU	-
By ensuring the consulting activities of other entities	NU	-
By providing continuous information support	NU	-
<b>5. Do you promote organization skills of family-business owners related to the BSP?</b>		
Through the organization of educational events	3	3,0
By ensuring the offer of educational events of other entities	4	4,0
By our own consulting activities	1	1,0
By ensuring the consulting activities of other entities	4	4,0
By providing continuous information support	4	4,0
<b>6. Do you promote decision-making skills of family-business owners related to the BSP?</b>		
Through the organization of educational events	NU	-
By ensuring the offer of educational events of other entities	1	1,0
By our own consulting activities	NU	-
By ensuring the consulting activities of other entities	2	2,0
By providing continuous information support	1	1,0

Do you provide any other supporting activities to family-business owners which should help them with handling of the business succession process?	
Q1	Companies associated in IPHZR receive information twice a month in the form of a newsletter which often contains legal aspects of doing business including BSP. The Chamber is also a place of information exchange between entrepreneurs, sharing good practices and contacts.



**II. Problems of the family business units in the region**

Do you know what are the main problems the family business units are facing with? Could you name some examples of the most significant problems?	
Q1	The main problem in family business is the lack of proper business profitability. Labor costs are very high and many companies lose their profitability. Small enterprises do not know marketing tools and the only solution is price struggle. They lower prices for their products / services, because it often forces the market and customers, and as a consequence have a problem with the profitability of the business. There is a lack of conscious branding and value for which the customer wants to pay. In small enterprise, the owner is often the person who contributes to the development of the company and at the same time its biggest brake. The owner in a small enterprise has a problem in transferring competences to employees and delegating tasks.

**Summary**

The results of the survey show that the issue of family-business handover is reflected by the supporting organization in the Mazowieckie Region in a limited way. The continuous information support and various educational events represent the most popular tools for supporting the FBUs. Contrary, the consulting activities are almost completely missing. Moreover, the supporting activities do not cover all the management skills & abilities. The supporting organization also provides some additional information to the FBUs in a form of newsletters of direct information exchange / sharing good practices.

If we take a look at the average quality scale, we can see very low scores oscillating from 4 points to 1 points. The results rank among the poorest when comparing with all Interreg partner regions. These scores stand for very low level of satisfaction of family-business owners with the activities of the regional supporting organization. The worst scores can be found in developing the communication and decision-making skills.

Although the above mentioned pitfalls, the supporting organization well-perceives the problems of the FBUs in the Mazowieckie Region. It is aware of the following main problems: (a) lack of proper business profitability, and (b) uneasy delegation of the owner’s business responsibility to employees or future successor.



## Strategic Objectives

The following part describes **the strategic objectives** which are derived from the analytical part of the strategy. They can be interpreted as the main areas to which the regional governments have to pay their attention. Each strategic objective reacts on analytical information summarized in the Analytic Overview. The objectives are analyzed by the simplified version of **Force-Field Analysis**. The core of the analysis lies in identification of the factors positively (**driving forces**) or negatively (**restraining forces**) influencing a possibility to reach the strategic objectives.

### Analytic Overview

The results show that the government of Mazowieckie Region puts low interest to the specific issues of family business units (FBUs). The government declares just a small piece of knowledge about the FBUs' number, field and size of their business activity. The FBUs' issues have no specific strategic attention from the side of the regional government. There is neither specific development strategy nor some department / organization responsible for implementation of a strategy and coordination of the supporting activities. Due to the lack of interest about the FBUs, the government is not very aware of the problems to which these units have to face. The supporting organizations perceive the problems of the FBUs in greater extent. They are aware of the following main problems: (a) lack of proper business profitability, (b) uneasy delegation of the owner's business responsibility to employees or future successor, and (c) uncertainty about FBUs' position on a market after a change in their leadership.

The government supporting activities are realized within the EU project "Increasing competitiveness and sustainable development of European SMEs through procedures and models". The activities of the regional supporting organizations do not cover all the management skills & abilities. Moreover, some of the supporting activities are almost completely missing. The average quality scale shows very low scores which stands for very low level of satisfaction of family-business owners with the activities of the RSOs. The FBUs are usually informed about the activities only via direct communication and by the social media. The supporting organization also provides some additional information to the FBUs in a form of newsletters.

### Strategic Objectives

The objectives are analyzed by the **Force-Field Analysis**. The core of the analysis lies in identification of the factors positively (**driving forces**) or negatively (**restraining forces**) influencing a possibility to reach the strategic objectives. The following tables contain result of the Force-Field Analysis for all partner regions. They include the various driving and restraining forces having an impact on the strategic objectives fulfilment. Moreover, the tables include two variables: (a) **Rate of Impact** (RI - the intensity of the force's impact on reaching the strategic objective), and (b) **Need to Improve** (NI - the need to improve the current state of the restraining force and thus to reduce its negative impact).

The evaluation is made by the following scale: very low (1) - low (2) - strong (3) - very strong (4). The mark (-) indicates the force which is considered not to be relevant in particular region.

#### Strategic objective 1: Monitoring the FBUs' activities

<b>Driving Forces</b>	<b>RI</b>	<b>Restraining Forces</b>	<b>RI</b>	<b>NI</b>
Precise specification of the FBUs in any legislative act	2	Insufficient financial and human resources for monitoring activities	3	4
Cooperation with any regional entity in monitoring activities	-	Lack of any valid statistics or information about the FBUs' activities	-	-
Existence of any work position responsible for monitoring activities	2	Poor-quality cooperation between the regional government and other regional entities	3	4
High-quality information sharing between the FBUs and the regional government	-	FBUs unwillingness to share information with regional government	-	-



**Strategic objective 2: Developing a plan aimed at overcoming the main issues of the FBUs**

Driving Forces	RI	Restraining Forces	RI	NI
Existence of any manual describing recommended structure and content of the plan	-	Insufficient financial and human resources for developing the plan	3	4
Existence of any database of good practices how to help the FBUs to overcome their issues	-	Lack of solid information about the FBUs and their issues needed for developing the plan	3	4
Existence of solid information about the FBUs and their issues needed for developing the plan	-	Poor-quality cooperation between the regional government and the FBUs in solving FBUs' issues	3	4
Well-established participatory planning - involving various regional entities to planning	-	FBUs unwillingness to share information with regional government	-	-

**Strategic objective 3: Supporting the FBUs in their business activities**

Driving Forces	RI	Restraining Forces	RI	NI
Existence of any plan defining preferable structure of supporting activities	2	Legislative restriction of direct support of the FBUs' business activities	-	-
Availability of financial and human resources needed for supporting activities	-	Insufficient financial and human resources for supporting activities	2	3
Existence of solid information flow between the regional government and the FBUs	-	High level of bureaucracy related to supporting activities	-	-
High-quality cooperation between the regional government and the RSOs in supporting the FBUs	-	Poor-quality cooperation between the regional government and the RSOs in supporting the FBUs	3	4

**Strategic objective 4: Facilitating the FBUs in the business succession process**

Driving Forces	RI	Restraining Forces	RI	NI
Existence of any manual describing recommended facilitating activities	-	Lack of information about the BSP and its typical pitfalls	-	-
Existence of any database of good practices how to help the FBUs to provide the BSP	2	Lack of information about the FBUs' future intentions in the BSP	3	4
Availability of skilled human resources needed for facilitating activities	-	Underestimation of the BSP's importance for sustainable development of the FBUs	3	4
High-quality cooperation between the regional government and the RSOs in facilitating the FBUs	-	Poor-quality cooperation between the regional government and the RSOs in facilitating the FBUs	3	4

**Strategic objective 5: Providing coordination of the supporting / facilitating activities**

Driving Forces	RI	Restraining Forces	RI	NI
Involvement of coordination activities in the plan for the FBUs development	-	Insufficient financial and human resources for coordination activities	3	4
Existence of any public entity suitable for providing coordination activities	-	Absence of any formal specification of responsibility for coordination activities	2	4
Availability of financial and human resources needed for coordination activities	-	Lack of previous experiences with such coordination activities	2	4
High-quality relationship between the regional government and the FBUs / RSOs	-	Poor-quality cooperation between the regional government and the FBUs / RSOs	3	4



## Strategic Tasks

The following strategic tasks reflect the Analytic Overview and the results of the Force-Field Analysis. They represent the main tasks for the regional government which have to be accomplished to meet the strategic objectives. The tables include the sets of sub-tasks which decompose the particular strategic task. The need of sub-tasks accomplishment is shown via the following indicative color scale: yellow (moderate) - orange (high) - red (severe). In addition, the tables include some good practices from other partner regions which can be used as an inspiration in meeting the strategic tasks.

### Task I: Information Gathering & Monitoring

<b>Sub-tasks</b>	<b>Description / Importance</b>	Yellow	Orange	Red
	Develop a platform for effective information sharing between the regional government and the FBUs			Red
	Motivate the FBUs for sharing information about their BSP intentions and specific business-related issues	Yellow		
	Build an information database enabling to search up-to-date information about the FBUs in a region anytime		Orange	
	Analyze information from the FBUs at regular intervals and monitor their course in cooperation with the RSOs		Orange	
<b>Good Practices</b>	<p><b>Round tables</b>                      South Bohemia Region                      Round tables of the FBUs representatives and the representatives of the Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic (AMSP) which are organized on regular basis. They create a platform for sharing experiences and issues related to the topic of business succession, and for giving the consultations from the AMSP side.</p> <p><b>Information sharing website</b>                      Dubrovnik-Neretva Region                      The website of the Centar za poduzetništvo which enables providing the FBUs relevant information and information gathering from the FBUs at the same time. Thus, the website is a tool for sharing information between the FBUs and regional supporting organization and for creating an up-to-date information database.</p> <p><b>Information database</b>                      Dubrovnik-Neretva Region                      Information database which includes up-to-date information about business units in the region and enables to sort the information when searching. The database is updated on regular basis based on the existing databases, as well as information obtained through personal contact with the FBUs.</p> <p><b>Interviews with the representatives of the FBUs</b>                      Linz-Wels Region                      Face-to-face interviews with the representatives of the FBUs are strong motivation for the FBUs for sharing information. The interviews enable to obtain "real-life" information about the FBUs issues and gather some examples or good practices about business transfer process. Moreover, they enable to monitor FBUs activities on regular basis.</p> <p><b>Research on family business</b>                      Presov Region                      The Slovak Business Agency realizes research studies on family business and its issues in Slovakia. The studies are published on regular basis. The most recent one is called "Barriers of Family Entrepreneurship in Slovakia".</p>			



### Task II: Planning & Implementation

Sub-tasks	<b>Description / Importance</b>	Yellow	Orange	Red
	Involve the RSOs and FBUs to elaboration of the plan for FBUs development with respect to the principles of participatory planning			Red
	Elaborate the plan devoted to FBUs development and support as an integral part of a regional economic / development strategy			Red
	Integrate the issues related to business succession process into the plan		Orange	
Good Practices	Establish any unit or appoint any employee which / who will be responsible for activities connected with implementation of the plan	Yellow		
	Strategic approach to the FBUs development as a new priority of the Development Plan South Bohemia Region The strategic approach to the FBUs support & development in a form of purpose-based strategic plan has its basis in two priorities of the South Bohemia Region Development Plan for 2021 - 2027: (1) Smart region and competitive regional economy, (2) Regional competitiveness and support of business activities.  Existence of the strategy for SMEs and FBUs support & development Linz-Wels Region The chamber of commerce (WKO) follows The Strategy for SMEs and family businesses Upper Austria 2030 which aims at supporting the SMEs and the family businesses throughout their business life cycle.			

### Task III: Cooperation & Coordination

Sub-tasks	<b>Description / Importance</b>	Yellow	Orange	Red
	Establish any unit or appoint any employee which / who will be responsible for coordination of the supporting / facilitating activities and developing cooperation between regional government and the RSOs			Red
	Develop a platform for an effective three-way information flow between the RSOs, the regional government and the FBUs		Orange	
	Cooperate with the RSOs in developing the business environment in a way that helps the FBUs to overcome their main issues and handle the BSP at the same time			Red
Good Practices	Pay enough attention to RSOs activities and needs, and support them in return for building a mutual trust	Yellow		
	Conference on family businesses South Bohemia Region Annual conference aimed at networking between the representatives of regional supporting organizations, regional government, representatives of academia and representatives of regional family business units. Each participant has an opportunity to share information about his/her activities or issues. Each contribution is followed by a live discussion with the suggestions of all participants.  Joint projects Dubrovnik-Neretva Region Centar za poduzetništvo has long-standing cooperation history with the regional supporting organizations in terms of mutual support and implementation of joint projects. In such a way the Centar cooperates with the RSOs in developing a business environment in a way that helps FBUs to overcome their major issues while addressing BSPs. Thus, in collaboration with the RSOs, it receives timely information relevant to the current situation and business transfer process.			



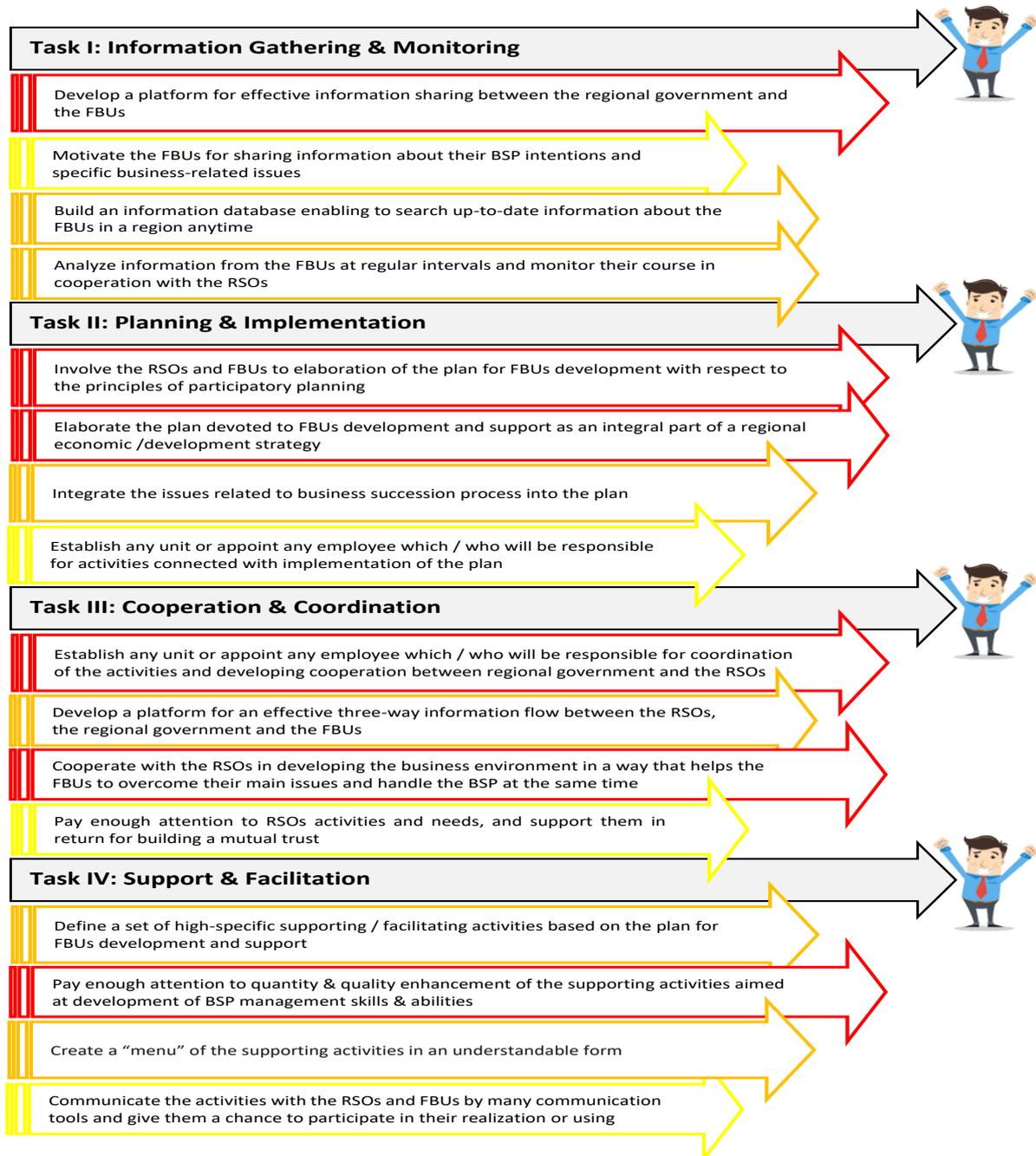
## Task IV: Support & Facilitation

	Description / Importance			
Sub-tasks	Define a set of high-specific supporting / facilitating activities based on the plan for FBUs development and support			
	Pay enough attention to quantity & quality enhancement of the supporting activities aimed at development of BSP management skills & abilities			
	Create a “menu” of the supporting activities in an understandable form			
	Communicate the supporting / facilitating activities both with the RSOs and FBUs by various communication tools and give them a chance to participate in their realization or using			
Good Practices	<p><b>ENTER-transfer Toolbox</b> South Bohemia Region</p> <p>The web tool which serves as an environment supporting the business succession process. The tool indicates the possible ways of business succession in the company, and topics and tasks that must be completed within the succession process. In addition, it evaluates the degree of readiness of individual participants in the succession process and the degree of agreement on the chosen solution among participants.</p>			
	<p><b>ENTER-transfer Matchmaking Tool</b> South Bohemia Region</p> <p>The web platform enabling and facilitating the establishment of contact between business owners and potential investors in the process of business succession. It mediates those interested in taking over the company and those interested in handing over the company in an unrestrictedly accessible virtual environment.</p>			
	<p><b>Consultations on business succession process</b> South Bohemia Region</p> <p>Due to its active participation in the ENTER-transfer project, the South Bohemian Science and Technology Park is ready to consult on possible problems of family business owners related to the preparation of the family business succession and is able to direct the business owner to support this process (competence consultants, relevant grant sources, supporting electronic tools and digitization issues, academic consultants, etc.).</p>			
	<p><b>Workshop on planning for SMEs and crafts</b> Dubrovnik-Neretva Region</p> <p>The Centar implements the project "Improving the Competitiveness of SMEs", within which the education activity "Planning and Procedure for Conducting Business Transfers" is realized. The workshop goal is to assist the small and medium-sized business and craft owners in planning business future after their retirement. The participants can discuss the possible ways of business transfer and learn how to choose the best solution for all parties involved in the business succession process.</p>			
	<p><b>Online communication with the FBUs</b> Dubrovnik-Neretva Region</p> <p>The FBUs or RSOs obtain information through several communication channels. The special emphasize is devoted to active postings on the web sites of Centar and Dubrovnik Neretva County, and Centar's Facebook page, as well as on direct e-mailing through a contact database. Thus, the Centar regularly informs on supporting / facilitation activities and provides RSOs and FBUs with the opportunity to participate in their implementation or use.</p>			
	<p><b>Good practice database</b> Linz-Wels Region</p> <p>The Gründerservice provides an online collection of good practices in a form of testimonials of successors, start-ups and franchise projects, in order to learn about the real experiences with the business succession process: <a href="https://www.gruenderservice.at/site/gruenderservice/testimonials/Testimonials-Archiv.html">https://www.gruenderservice.at/site/gruenderservice/testimonials/Testimonials-Archiv.html</a></p>			
	<p><b>Travel expenses reduction</b> Presov Region</p> <p>The representatives of the family business can attend various conferences, seminars, trade shows and other international events while their travel expenses (transportation, accommodation), and participation fee are fully or partially covered by the Slovak Business Agency.</p>			



## Strategic Tasks Summary

The following comprehensive scheme summarizes the strategic tasks needed for meeting the strategic objectives.



The bullets indicate the main challenges for the Mazowieckie Region government in its effort to support the FBUs activities and enhance the business succession process:

1. Develop an effective and productive information sharing platform between the regional government and the RSOs / FBUs, and connected information database collecting up-to-date data about the FBUs in the region.
2. Gather and analyze information from the FBUs in cooperation with the RSOs on a regular basis.



3. Strengthen the strategic approach to the FBUs development by drawing up a plan devoted to the FBUs development and support as a part of a regional development strategy.
4. Utilize the principles of participatory planning when drawing up the plan devoted to the FBUs development.
5. Analyze the FBUs problems connected with the business succession process and integrate the following strategic actions into the plan.
6. Improve the assistance to the FBUs by establishing some entity responsible for coordination of the supporting activities and developing cooperation between the regional government and the RSOs.
7. Make the RSOs support more intense following their needs and issues, communicate with the RSOs and the FBUs intensively, and thus help the FBUs to overcome their main issues more effectively.
8. Improve a quality and range of the supporting activities for the FBUs aimed at development of BSP management skills & abilities.
9. Increase the amount of the supporting activities which precisely react on the FBUs needs and issues, and which cause a minimum bureaucratic burden for the FBUs at the same time.