

## EFB Directors' Retreat, Ravensburg 6<sup>th</sup>-8<sup>th</sup> October 2022

This year EFB Directors' Retreat took place in Ravensburg, Germany, where we had the privilege of being welcomed by our President, Mr Udo J. Vetter.



Several discussions were held across a variety of topics which EFB deemed important for the current geopolitical climate. The retreat began with a short introduction from Mr Vetter about Vetter Pharma and its history.



**Session one** assessed the **Family Businesses review on inheritance tax relief in Europe** in which Jesús Casado provided an overarching summary of the exemptions across Europe. All the directors agreed that the situation is getting worse. Therefore, EFB's agreed upon action is to:

- **Update the inheritance tax paper which EFB produced a few years ago with new arguments raised from the retreat.**

As part of **sessions two and three** of the retreat we discussed **EFB's current internal and external communication methods**. Each of the respective chapter directors stated what was the best means of communication for their chapters.

- Going forward, when it comes to the **newsletter or newflash, EFB will send the information to the directors and then the directors will pass on the information to their members.**
- **Policy updates: EFB will send the Directors' the information** and they will communicate this to their members while applying it to their national contexts.
- Only when it comes to **EFB summit will EFB connect with its entire database.**
- It was agreed that with the **bi-weekly email updates** from EFB, will be sent also to the **Management Committee, Chapter Directors and Board Members.**
- Many directors noted that EFB needs to be **more opinionated in its social media.** This will be put to the Board for a mandate.

In addition, family businesses being hidden champions is an issue, as citizens do not know just how much family businesses contribute to their local communities.

- As such, it was agreed that following the Directors' retreat, EFB will contact some of its chapters such as AIDAF, Family Business Office Malta and Die

Familienunternehmer to **ask for videos of family business owners and their success stories and contributions to their local community.**

Session four on wealth inequality and family businesses also proved very fruitful. Jill Shipley's article on the perception of wealth proved insightful in beginning the event. EFB then looked at ways to address wealth inequality. It is important that the society sees the contribution of family-owned companies; there is a need to tackle the image of business owners especially now that across the European continent there is yet another crisis.



Ideas on how to change the perception of citizens to include an acknowledgment of the important contributions made by family business owners included:

- The idea of portraying family business owners as **Champions of purpose** emerged. This can be done **by telling the stories of family business owners and the social contributions they make** and put these on our social media to try and display a different perspective on family business owners. Ideally, we would need one per Chapter. Let us take the “hidden” out the “hidden Champions”
- There is a need to also incorporate the NextGen and the current generation to ensure that there is an overall perception of family businesses and their social responsibility.
- We need to ask people who they would rather see own businesses in Europe: big conglomerates or local family business owners?
- **Invite MEPs to follow EFB on LinkedIn.**
- Start with the EFB Chair's business success story.
- **Look forward to the next major EU events that happen all year round, prepare EFB position ahead of time and get it approved by the Board.**
- We should try to **contact FT again** to regain their interest in the right concept of Family Businesses.

During session five on new arguments to demonstrate the economic and societal contribution of family businesses, we reviewed old arguments and tried to come up with new arguments including:

- EFB ought to **develop a study with other organisations to see how family businesses contribute to society.** EFB could potentially do this with KPMG and organise a focus group on social contribution.
- From a lobbying standpoint, **Edelman** have a trust barometer, which is another potential idea. Jose Fernández-Álava knows the CEO in Spain and will contact him.

- EFB also needs to ensure it focuses on the challenges faced by family businesses, but this need not be just Europe-based.
- Other instruments to explore are the **Eurobarometer and “Best place to work”**.
- **We need to change public opinion. Then we will change the mind of the politicians.**

During **session six** EFB discussed the **EU's policy priorities which EFB will be focusing on**. These included the Forced-Labour Directive, the Corporate Due Diligence Proposal, BIFIT, SMEI and the Artificial Intelligence Act, which is currently being debated.

The EU Commission seems to have put far too many policies on their plate at the beginning of their 2019 mandate. However, the geopolitical situation in Europe has changed dramatically. This means that legislative proposals such as the EU's chemical legislation, the waste management framework or the circular economy have been either not considered properly or led to rushing in policy making. As a result, it was stated that:

- There is perhaps an **opportunity to ask for a delay in some proposals to reduce pressure off businesses** (moratorium) and give the European Commission more time to work on proposals and ensure better policy making.
- With the upcoming MEP election of 2024, **EFB needs to start now to create connections with potential new MEP candidates.**

**Session seven** of the Directors' retreat saw an **evaluation of the EFB Summit** in the recent years before COVID-19 and this year. A discussion of the initial aim of this event was reviewed. There was a further discussion on how EFB ought to sell the EFB Summit going forward. There were various ideas explored which will be proposed to the Board. These include:

- **Commitment from the chapters. The larger chapters are to have a proposed commitment of filling 10 seats and buying these tickets; smaller chapters might commit to buy 5 seats, regardless they are finally filled.**
- EFB needs to consider what it offers that is different from other associations.
- Maybe having a **conversation between a business owner and a politician** to ensure that there is more of an entertainment value to the summit.
- There needs to be **more big names in both the business industry and from heads of states.**

- There was some suggestion that if the EFB Summit is not continued then smaller events could take place a few times per year such as: round tables, webinars, annual networking events, etc.
- **Explore doing break-out sessions.**
- There was a suggestion **to do the EFB summit every 2-3 years.**
- Financial implications of continuing with the summit need to be considered.
- EFB ought to **get more sponsors.**
- Maybe EFB could cooperate with FBN international to get big speakers.
- It was suggested that EFB connect with family businesses in other continents as this will ensure that we form alliances with others abroad and it may help to further ensure that MEPs feel the full lobbying force of family businesses.



During the lunch at the Atrium in RVK, there was a discussion regarding how Covid-19 and the Ukrainian war is affecting European businesses.

**Session Eight** addressed the **Mid-Caps state of play and what EFB ought to do next.** Since the SME Envoy Network was meeting at the same time as the Directors' Retreat meeting, there was no detail on the Mid-Cap study commissioned by the EU Commission. There was a discussion about the definition of a Mid-Cap and it was agreed by the directors that potentially **the French definition is too large to be applied as a general definition for the rest of the EU countries.** Therefore, EFB will:



- Explore what a further Mid-Capsized definition could entail in comparison to different EU countries and across different companies of different sizes in terms of turnover and employees. **The definition will be two-fold (small mid-caps and large mid-caps)**
- **Resend the Family Business definition with the Dutch good practices to the Chapters so that they could discuss it again with their respective statistical offices.**

Due to lack of time **sessions nine and ten**, on the **CSDD** and on the **right to privacy of business owners**, respectively, were not discussed.

The meeting ended with a tour of Vetter Pharma and EFB was able to see how it fits into the local community in Ravensburg and the important contributions it makes.

The Directors' retreat ended with an interesting, guided tour around Ravensburg and a visit to the Kunstmuseum, a municipal museum for modern and contemporary art.

