

Special Session Proposal

Business successions during troubled times: impact on the local economy

Special session Organisers:

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Abstract

Business succession means a major upheaval in the history of a company and is one of the greatest survival risks for any business. If the generational change fails, the local economy loses already existing, valuable entrepreneurial resources and structures. This problem challenges especially family businesses and SMEs, which form the backbone of regional economies.

Due to demographic change, the number of companies facing a handover is expected to increase in the coming years. At the same time, the Corona crisis has hit companies of all sectors and sizes, creating an uncertainty that will also affect succession behaviour. As a result of the pandemic, companies are faced with the dual challenge of securing the business succession while handling economic uncertainty. Generally speaking, it applies that the sooner a company develops a succession strategy and prepares for the handover, the more likely it is to succeed. During uncertain times, however, this rule is challenged by the following question: to what extent can companies develop long-term strategies that are robust against external shocks and simultaneously leave enough room for flexibility? During this time of economic upheaval, it is more important than ever to identify factors influencing the successful handling of disruptions and impacting succession outcomes. What is the role of knowledge transfer between generations? How can younger generations be encouraged to become entrepreneurs?

In this context, this Special Session aims to discuss the field of research examining factors influencing family business and corporate successions outcomes. The session is addressed to researchers, policy-makers, and all those who have an interest in discussing the importance of family and corporate successions for local economies during times of crises.