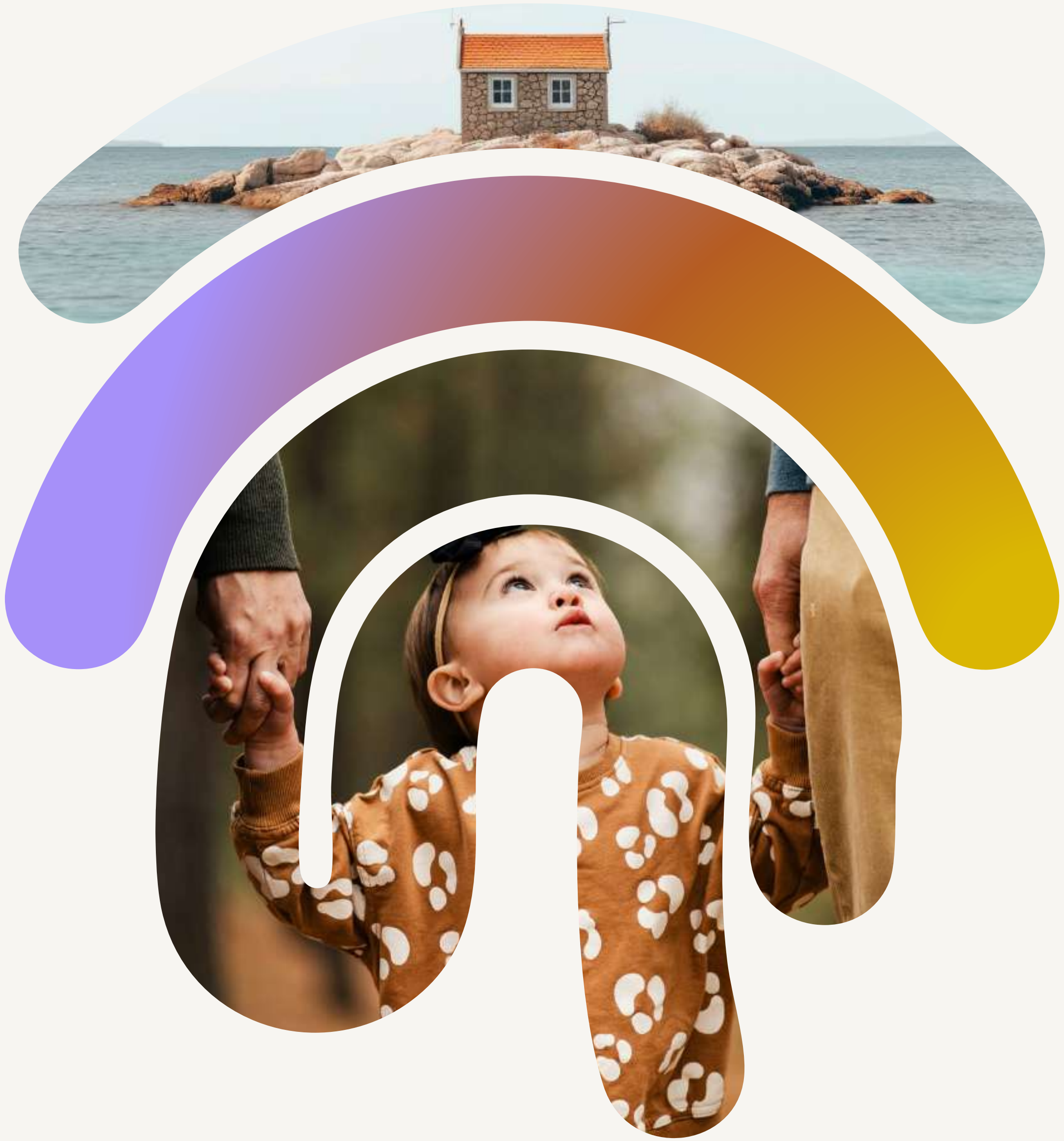

THE FAMILY BUSINESS PARADOX: BELOVED IN THEORY, RARE IN PRACTICE

Executive summary and practitioner insights by Angèle Marinelli, PhD Candidate, and Cécile de Lisle, Executive Director, HEC Paris Dieter Schwarz Foundation Family Business Center, based on Lombard Odier France & HEC Paris Junior Conseil (2026). Le paradoxe de la pérennité des entreprises familiales françaises : un modèle plébiscité mais menace; with the scientific contribution of HEC Paris Dieter Schwarz Foundation Family Business Center and a foreword by Dr Cécile de Lisle.

This summary draws on the core elements of Lombard Odier France & HEC Paris Junior Conseil (2026), with interpretation and application developed independently by Angèle Marinelli and Cécile de Lisle for a family business audience.

Family businesses make up close to 65% of French GDP and 70% of employment, yet only 14 to 20% of them are actually passed on within the family, compared with more than 50% in Germany and 60% in Italy. The gap does not seem to stem from lack of desire, as 69% of leaders see their family identity as a competitive advantage, 60% want to keep the business in the family, and 82% say they trust the next generation to maintain and grow it. Yet, belief in the model doesn't translate into confidence in the outcome: fewer than half of respondents currently believe a family handover is certain. The leading reason seems to be aspiration: 68% of next-generation members simply want to pursue a different professional path, dwarfing internal disputes as a cause. Meanwhile preparation lags conviction, only 39% of families have a complete succession plan and 35% have formalized nothing at all, even though a quarter of SME and mid-sized family business leaders were already over 60 in 2023, and more than half of these firms will face a transmission decision within the next decade.

BUT WHAT DOES THIS MEANS FOR YOUR FIRM?

Continue reading to learn **three key levers to help you** and **questions** to ask in your family firm!

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THREE KEY LEVERS TO CLOSE THE GAP

DIALOGUE

Succession has to be a choice built through conversation rather than a mere given. Internal conflict is a marginal cause of failed handovers; the dominant one, cited by 68% of next-gen members, is simply the wish to pursue a different path. Families that open an honest conversation about what heirs actually want arrive at a shared choice instead of a forced one.

PLANNING

Legal and financial structuring is already strong: 83% have separated personal and professional wealth, 76% have protective legal devices in place. Succession planning itself lags far behind, with only 39% holding a complete plan and 35% having formalized nothing. In other words, firms protect the balance sheet years before they prepare the human handover.

GOVERNANCE

81% of leaders recognize the value of a structured governance framework, yet fewer than half of families have formalized one. Tools like a family charter, a family council, or a gradual integration process for the next generation turn stated intent into an actual mechanism for building trust and shared values across generations.

THE BOTTOMLINE

France's family business paradox therefore does not seem to be a crisis of belief but more of a crisis of preparation. Leaders are proud of the model and confident in their heirs, but that confidence hasn't been translated into plans, structures, or conversations robust enough to carry it through. With a quarter of leaders already over 60 and more than half of family firms facing a transmission decision within a decade, the window to close this gap is now. Firms that treat succession as a shared, ongoing choice, built through dialogue and formal governance rather than assumed by legal default, are the ones most likely to keep what they built in the family.

QUESTIONS TO ASK WITHIN YOUR FAMILY FIRM

? Are we assuming our heirs want to take over, or have we actually asked them?

? Have we created room for the next generation to say no, or would that conversation feel like a betrayal?

? Do we have an actual family charter or family council, or is our governance still just an idea we agree with?

? If succession became urgent tomorrow, would our family have a shared answer, or five different ones?