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INSIGHTS

FAMILY BUSINESSES
IN ITALY AND
GERMANY: A
COMPARATIVE LOOK



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Family businesses in Italy

People often consider family business synonymous with a small, artisanal enterprise. It is a mistake. Consider companies such as Ferrero (founded in 1946), Bauli, Barilla, or, in the fashion sector, Benetton or Gucci. They are all examples of companies where the control is held by a family. Family businesses – which are often much smaller than the large companies mentioned above and sometimes controlled by a single individual – represent the backbone of the Italian economy.

What are the key characteristics of a family business? In terms of control of the company, owners of the corporate capital (or its majority) are generally a single family or few families connected to each other by family relations. In terms of governance, key roles are typically entrusted to members of the family/families owning the majority of the corporate capital. In the context of listed companies, thresholds are obviously lowered: a company where one or more families hold 25% of the corporate capital can also be considered a family business. These are resilient businesses, in some cases, very long-lived (for example, the Antinori family founded the winery in 1385, the Barovier & Toso glassworks opened in 1295), capable of adapting better to systemic crises.

Some figures

About 87% of Italian companies are family businesses (source: Foundation for Family Business), with a growing figure between 2018 and 2022 (+ 5.5%, source: Istat). The structure of family business is particularly widespread among micro-enterprises (83.3% of cases), while it decreases as the size of the company increases: in small enterprises (turnover between 20 and 50 million) are 74.5% while in medium-large enterprises (turnover over 50 million) are 61% (source: Osservatorio AUB promoted by AIDAF, UniCredit, Bocconi). In terms of employment, it is estimated that about 58% of Italian family businesses have fewer than 10 employees, while in terms of sectors, the manufacturing comprises about 49% of all Italian family businesses.

The privileged trade relationship between Germany and Italy

Germany is the primary commercial partner for Italy and its family businesses: both as a destination for Italian exports (in the period January/October 2024, the value of Italian exports to the German market amounted to approximately EUR 60,362 million) and as a country of origin for Italian imports (in the period January/October 2024, the value of Italian imports from Germany amounted to approximately EUR 71,061 million). On the other hand, Italy is the fifth market acting as supplier of the German market and the sixth market receiving German exports (data: Italian Government).

Italian family businesses are more numerous and generally smaller than the German family business. This shows a greater fragmentation and a lesser tendency of the Italian system to create medium-large entrepreneurial conglomerates. It is estimated that considering the ratio between German and Italian GDP, in Italy we should have at least one-third more companies with revenues exceeding 1 billion euros.

Conclusion

The challenges facing family businesses, both Italian and German, are many and often similar. In our next publications, we will address these challenges: opening to the capital market, internationalization and industrial aggregation processes, the importance of virtuous governance, managing generational transitions or the main tax drivers.

Valentina Dragoni
valentina.dragoni@crccdlex.com

Martino Liva
martino.liva@crccdlex.com

For a comparative look on the family business in Germany, please refer to the Insight of Bettina Wirth-Duncan on the blog/web site of Flick Gocke Schaumburg (click [here](#))

This document aims to provide general information on the topic discussed and should not be considered legal advice nor an exhaustive analysis of every aspect related to the subject matter.