

**Intergenerational conflicts and succession challenges in French
family firms**

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1. DECLARATION OF ORIGINALITY

I hereby declare that I am the sole author of this master's thesis. This work is the result of my own independent research and effort. I confirm that I have been properly informed regarding the normal academic citation rules and that I have read and understood the plagiarism guidelines provided by LUISS University for the completion of this end-of-studies master's thesis.

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3. INTRODUCTION

Family firms are a central pillar of the French entrepreneurial fabric. According to Andrieu, Toubal, and Villanueva (2024), family firms represent 60% of listed groups and 71% of unlisted groups in France (Andrieu, Toubal, & Villanueva, 2024). Their longevity, regional roots, and ability to balance economic performance and transmission make them key players in the national economy. However, the family business model can have some weaknesses, especially when it comes to succession.

Succession is not simply a change of management or a financial transaction. It marks a critical moment that combines family and professional dimensions. It involves a number of strategic, emotional, and legal issues. In France, the process is often rigorously planned through legal, tax, and organizational measures, but it nevertheless remains a delicate phase in the life cycle of a family firm and can lead to certain conflicts.

This raises several questions:

- Is it really possible to "plan" succession in a family firm without taking into account the human and emotional dynamics that come into play?
- Are the formal and informal mechanisms available in France today sufficient to ensure the continuity of a founder's entrepreneurial project and a smooth succession?
- What type of tensions can arise, even when anticipated?
- How do these conflicts take shape and even block the succession process?

These questions highlight a central issue, which is the starting point for this research: some succession processes fail not because of a lack of preparation, but because the tools available do not compensate for the human dynamics that come into play. In other words, the conflicts that arise are not always the result of a lack of formal planning, but rather the emergence of deeper intergenerational tensions. These conflicts can destabilize or even compromise the succession, despite an environment that appears stable at first glance.

This raises the following question: *To what extent can succession processes in French family firms be disrupted by intergenerational conflicts, even if these processes are anticipated?*

To explore these issues, this thesis takes a qualitative approach, focusing on two concrete cases of family succession in France. More precisely, it examines first-generation intrafamilial transitions, where the founder transfers the leadership of a family-owned operating business, as

opposed to a financial portfolio, to the second generation. This scope was chosen because such transitions often represent multiple stakes at once. These cases were gathered through semi-structured interviews with professionals familiar with family firms and the succession process. Their stories reveal recurring and/or invariable mechanisms during succession and provide an in-depth understanding of the causes and consequences of intergenerational conflicts.

In this thesis, we use the terms *founder* and *predecessor* interchangeably to refer to the person handing over the business, and *heir* or *successor* to refer to the person designated to take over. These terms apply from the moment the succession process is considered to have begun, that is, when both roles are clearly defined and actively involved in the transition.

This work is structured in three parts. The first part provides an in-depth review of the literature, positioning and defining family firms, the challenges associated with succession, the nature of intergenerational conflicts, and the limitations of anticipation mechanisms. The second part presents the methodology used and the data collection methods. Finally, the ultimate section offers a cross-disciplinary discussion of the results in light of the theoretical contributions and suggests avenues for future research.

4. LITERATURE REVIEW

4.1. Identifying the specific characteristics of the family firm model

Family firms are well known in the French economic environment, but their definition remains vague and debated in the literature. This gap is not due to a lack of conceptual precision, but to the complexity of their organizational form.

To better understand the characteristics of family firms, it is necessary to go beyond simplistic definitions and adopt a systemic approach that takes into account capital structure and relational dynamics, as well as identity values and intergenerational ties.

This first section also aims to clarify the concept of family firms through three complementary dimensions. We will begin with a summary of the definitions of family firms, then describe their specific structural, legal, emotional, and managerial aspects. We will then highlight their major economic and social role in the French economy. This will provide the conceptual framework needed to address issues of succession and intergenerational conflicts.

4.1.1. Defining the family business: a multifaceted concept

The definition of family firms remains particularly vague and open to debate, even though they represent a very significant part of the French economic fabric. This lack of consensus stems more from the intrinsic complexity of their structure than from any conceptual issues. Family firms exist at the intersection of economic, patrimonial, and emotional spheres, making it particularly difficult to formalize a definition (Allouche & Amann, 2000).

An initial approach adopted by the authors in their early work on the subject is based on a single criterion, generally capital ownership. For Barnes and Hershon (1976), a business is family-owned if it is "*owned by a single family and that ownership is maintained over time*" (Barnes & Hershon, 1976, as cited in Allouche & Amann, 2000). Alcorn (1982) uses ownership as the main criterion too Alcorn (1982). Although this purely patrimonial definition is obvious in its simplicity, it does not allow us to differentiate between family firms where family members are truly involved in the management and running of the company and those where the family is a shareholder with no active influence in the company (Allouche & Amann, 2000).

To supplement this definition based solely on ownership, some authors have preferred to focus on the concept of effective control. Handler (1989) defines a family business as "*an*

organization in which the major strategic decisions and intentions for succession are influenced by family members involved in management or in the board of directors" (Handler, 1989, as cited in Allouche & Amann, 2000). Barry (1975) adopts a similar definition, considering that a business is family-owned if it is *"de facto controlled by a family,"* regardless of the distribution of capital (Barry, 1975, as cited in Allouche & Amann, 2000). These complementary approaches shed light on the understanding of family power but remain insufficient as they do not address the symbolic, cultural, or emotional dimensions of the family-business relationship (Allouche & Amann, 2000).

To address the lack of integration of certain concepts in the definition, Christensen (1953) proposes a new approach, considering that a family business is *"a business where the founder or his family seeks to preserve certain fundamental values and pass them on through the management of the business"* (Christensen, 1953, as cited in Allouche & Amann, 2000). This definition marks a transition towards a more value- and culture-oriented view of the family business, where its identity, mission, and vision are organized around an intangible heritage. This paves the way for further reflection on intergenerational compatibility and the evolution of certain values (Allouche & Amann, 2000).

It is in this context that Beckhard and Dyer (1983) introduce a systemic interpretation of the family business. According to them, it is primarily the product of the interaction between two systems: the family and the business. These systems influence each other in terms of their values, timeframes, and operating methods (Beckhard & Dyer, 1983, as cited in Allouche & Amann, 2000). This openness provides an understanding of the various emotional and identity challenges faced by family firms (Allouche & Amann, 2000). This concept is taken up in more recent work, which emphasizes the importance of regulatory mechanisms such as family councils or intergenerational charters in the governance and sustainability of the family business model (Guimond, 2021).

It is therefore clear that defining the family business using a single criterion would not be relevant, as this concept encompasses several intrinsically linked dimensions. Thus, a majority of contemporary authors agree on the need for a multi-criteria approach, combining capital ownership, involvement in management, and intention to transfer. Davis and Tagiuri (1982) argue that a family firm implies that *"at least two members of the same family influence management through ownership rights, management responsibilities, or family ties"* (Davis & Tagiuri, 1982, as cited in Allouche & Amann, 2000). Rosenblatt et al. (1985) add to this

definition by requiring that the family hold the majority of the capital or control, while being actively involved in the business (Rosenblatt et al., 1985, as cited in Allouche & Amann, 2000).

In addition to these definitions with multiple requirements, there are also notions of transmission and will, which are often central to research. Churchill and Hatten (1987) believe that a business can only be considered family-owned if it has an explicit or implicit plan to pass it on to the next generation (Churchill & Hatten, 1987, as cited in Allouche & Amann, 2000). Ward (1987) emphasizes that *"family continuity is a prerequisite for family ownership"* (Ward, 1987, as cited in Allouche & Amann, 2000). Ward (1987) also emphasizes that *"family continuity is a strategic objective in its own right, distinct from economic performance"* (Ward, 1987, as cited in Allouche & Amann, 2000).

In order to provide a clearer framework for the definition process, some authors have sought to quantify these criteria in order to anchor the definition in reality. The Mellerio report (2009), later taken up by FBN France and MEDEF, defines a family business using three criteria:

- 1) Majority ownership of capital by a family
- 2) Active role in strategy,
- 3) A strong desire to pass on the business (Mellerio, 2009)

In conclusion, while the definition of a family business varies depending on the author and approach, there is a consensus around three key criteria:

- 1) Significant ownership of capital by one or more families**
- 2) Strong involvement in the governance and management of the company**
- 3) An explicit or implicit desire to pass the business on to the next generation.**

We will therefore use the following definition in this paper: *"A family firm is an organization in which one or more families hold a significant share of the capital, exercise direct influence over the governance or management of the business and express an explicit or implicit intention to pass the business on to the next generation."*

4.1.2. Specific characteristics of family firms

Family firms are distinguished by a combination of economic, legal, and emotional factors that influence their governance and performance over time. We have identified six fundamental characteristics that define the specificity of the family model.

A. An extended time frame structured by succession

One of the reasons for the predominance of family firms as a business model can be explained by the fact that their founders build and sustain their businesses with a strategic horizon that often extends beyond their own generation. In other words, intergenerational transmission is not seen as a one-off stage in the company's cycle, but as a fixed objective from the moment it is created (Yezza, 2022).

These long-term choices are also reflected in management practices. The PwC report (2012) reveals that 64% of family business leaders prioritize long-term profitability, and that 57% reinvest between 1% and 10% of profits back into the business, while 17% reinvest more than 25% (PwC, 2012). This vision also applies to succession: while 65% of leaders have not yet established a succession plan, 58% of first-generation leaders reaffirm their desire to pass on the business to the next generation, with the aim of ensuring family continuity (PwC, 2012).

This desire to pass on the business goes beyond the issue of governance alone: it is part of a long-term family project, guided by the idea that *"the relevance and long-term survival of a brand necessarily depend on the presence of a family to manage the personality and values of that brand"* (PwC, 2012). This belief is now reinforced by the increasing structuring of families around the business. As the FBN states, *"families are organizing themselves in an increasingly structured manner"* to anticipate succession, integrate new generations, and maintain sustainable economic momentum (PwC, 2012).

B. Legal structure that support family control

The legal mechanisms put in place in family firms aim to maintain control of capital and governance within the family circle (Guimond, 2021). There are several types of companies that are useful for entrepreneurs who wish to pass on their business at a later date:

- The *Société par Actions Simplifiée (SAS, Simplified Joint Stock Company* in English) is often used for its statutory flexibility. It allows for the introduction of approval clauses, inalienability clauses, or differentiated voting rights, thereby facilitating family governance and the preparation of future transfers (Tandeau de Marsac, 2011).
- In listed groups, the *Société en Commandite par Actions (SCA, Partnership Limited by Shares* in English) allows capital and decision-making power to be separated. The general partners (often family members) retain management, while the limited partners (investors) are shareholders without control (Charlier & Lambert, 2013).

- Holding companies, often in the form of *Société À Responsabilité Limitée* (SARL, Limited Liability Company in English), play a coordinating role between generations, facilitating decision-making and succession planning (Tandeau de Marsac, 2011). They are frequently combined with partnership agreements that set the rules for entry, exit, buyouts, or distribution of rights among heirs (Tandeau de Marsac, 2011).

C. Family identity as an intangible resource

Within family firms, family identity is not only considered a value but also a strategic lever. The Mellerio report (2009) emphasizes that *"The name displayed on the sign embodies a promise of loyalty, continuity, and exemplarity"* (Mellerio, 2009).

The *Revue française de gestion* (2010) also observes that this *"family identity"* influences both the internal culture of the company (employee loyalty) and its external perception (a guarantee of trust for customers, partners, and suppliers) (Richomme-Huet & d'Andria, 2012). This sense of belonging translates into strong employee attachment, increased loyalty, and a corporate culture based on closeness, loyalty, and exemplary behavior (Abouzaid, 2008). The literature identifies this phenomenon as *"emotional capital,"* referring to a set of affective and symbolic resources (commitment, loyalty, trust) that influence the strategic and managerial behavior of the company (Blondel, 2012). However, this dimension can become a constraint when generations succeed one another, and everyone wants to reorient the company or renew its image. It is therefore the complexity of this personal and professional ambivalence that becomes all the more apparent during the succession period, which we will seek to explore in greater depth below (Abouzaid, 2008).

D. Hybrid governance between personal relationships and strict management

Under the management of the first generations of entrepreneurs, the governance of a family firm is mainly based on informal ties: proximity between managers, centralization of decisions around the founders, etc. (Abouzaïd, 2008). Over time, formalized mechanisms were gradually introduced to regulate this governance and ensure that it was not driven solely by emotion.

Different types of family business governance mechanisms can be put in place to structure these relationships: family charters, forums, family councils, etc. These tools are used to fully define

roles, prevent the emergence of various conflicts, and provide a framework for the arrival of new generations within the company (Abouzaïd, 2008; Mellerio, 2009)

E. A logic of transmission influenced by family ties

Analysis reveal that succession rarely relies on formal processes designed to select the successor to the leader (Yezza, 2022). The selection criteria are based more on the emotional relationship between the two parties, their involvement in the company, or even their birth order (Yezza 2022). Although this logic of succession is natural, it can nevertheless lead to tensions during the succession process when several members of the same generation claim a leadership role in the company, or when the leader himself is slow to step down (Louart & Lemière, 2007). Several interviews reveal the ambiguity of the handover, which is often presented as a natural progression rather than a carefully considered strategic choice (Louart & Lemière, 2007).

F. A decision-making culture based on caution and emotion

In family firms, strategic decisions are often guided by caution and risk aversion when it comes to financing or undertaking external projects, the of taking on debt, diluting capital, or partnering with one or more third parties (PwC, 2012). The PwC report (2012) indicates that 84% of the executives surveyed believe that the transmission of values takes precedence over economic performance in their decisions (PwC, 2012).

In addition, around 70% say they do not use standard project evaluation methods, particularly when the project is initiated by a family member (PwC, 2012). Recent research shows that the governance of family businesses can vary between two approaches: an outward-looking economic rationality, and an emotional dimension within the internal sphere. This duality can result in an ambivalent decision-making culture that is rigorous and meritocratic towards external partners but biased and compromised within the family (El Hadri, 2017).

The characteristics specific to family firms allow them to really stand out, but they also have their limitations. According to Ward (2002), family firms derive their strength from an unconventional strategy, driven by a long-term vision of the business, a culture of commitment, and a strong identity based on loyalty, transmission, and reputation. These elements strengthen internal cohesion, attractiveness to third parties, and crisis management (Ward, 2002).

However, the family business model also has certain disadvantages. Abouzaid (2008) identifies three main limitations:

- **Organizational complexity**, linked to the overlapping of economic and family dynamics.
- **Informal processes**, especially during the management of the first generations, which can lead to a certain degree of inefficiency and internal conflicts.
- **Lack of strategic discipline**, particularly in the proper execution of succession and openness to outside talent (Abouzaid, 2008).

These vulnerabilities do not invalidate the advantages of the family model, but they do demonstrate the need for structured and rigorous supervision and good governance to prevent abuse or strategic drift (Abouzaid, 2008).

4.1.3. The economic and social weight of family firms

A. A driving force for the French economy

Family firms occupy an important place in the French economy. Their weight goes far beyond the small business sector: they are an essential piece of the puzzle of value creation, employment, and production stability (KPMG & EFB, 2017). According to the *"European Family Business Barometer,"* a study conducted by KPMG and the EFB in 2017, *"there are more than 14 million family firms representing more than 60 million jobs in the European private sector, and their importance to the economy cannot therefore be underestimated"* (KPMG & EFB, 2017). According to BNP Paribas Wealth Management (2023), 83% of companies in France are considered family firms, based on the criteria of majority ownership, managerial involvement of one or more family members, and an explicit intention to pass the business on to the next generation (BNP Paribas Wealth Management, 2023). This model is not limited to SMEs: nearly 40% of companies with revenues of more than €1 billion are also classified as family firms (BNP Paribas Wealth Management, 2023).

A more recent study conducted by Andrieu, Toubal, and Villanueva (2024), based on tax and social data from French companies, confirms this major role. It shows that family firms account for 65% of added value, 67% of turnover, 69% of employment and 69% of hours worked (Andrieu, Toubal & Villanueva, 2024).

These results apply to the entire sample studied but remain very similar in the sub-sample of companies with more than 50 employees: 64% of added value, 67% of sales, 69% of employment and 67% of hours worked (Andrieu, Toubal & Villanueva, 2024).

The consistency of these figures, regardless of company size, highlights that the family model feeds the real economy well beyond small structures alone (Andrieu, Toubal & Villanueva, 2024).

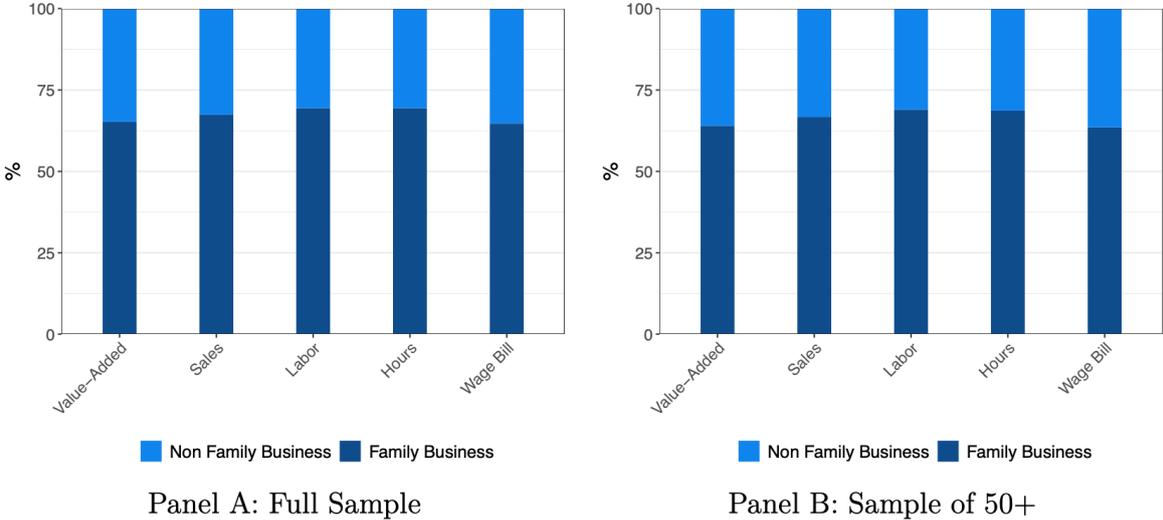


Figure 1: Economic weights of family firms in France

Source: Andrieu, E., Toubal, F., & Villanueva, P. (2024). Family Firms in France: Macro Impact and Micro Insights. Université Paris Dauphine.

But beyond their weight, it is also their economic logic that stands up. Family firms focus on transmission and long-term vision at the expense of maximizing short-term financial returns (KPMG, 2016). They thus represent a model of stability, resilience, and sustainability for the French economy. KPMG (2016) points out that this positioning translates into more cautious growth decisions than non-family firms, limited recourse to external debt, and a strong aversion to risk (KPMG, 2016). The study by Allouche, Amann and Garaudel (2007) highlights a significantly lower level of debt for unlisted family firms compared to non-family firms. The average debt ratio observed is 13.53% for family firms, compared with 20.19% for non-family firms, a difference of 6.66 points (Allouche, Amann and Garaudel, 2007). This difference reflects a greater aversion to risk, often motivated by a desire to preserve family control and by the concentration of family wealth within the company itself (Allouche, Amann and Garaudel, 2007).

B. A differentiated territorial and social footprint

The impact of family firms goes beyond their economic weight, they are also a social and regional driving force (Andrieu, Toubal & Villanueva, 2024). Their presence in France is

often more diversified than that of listed companies. Present in rural, industrial, and urban areas, their multiple locations enable them to play an economic stabilizing role (Andrieu, Toubal & Villanueva, 2024).

This ability to put down roots is particularly evident when looking at their distribution across "commuting zones", as defined by INSEE (Andrieu, Toubal & Villanueva, 2024).

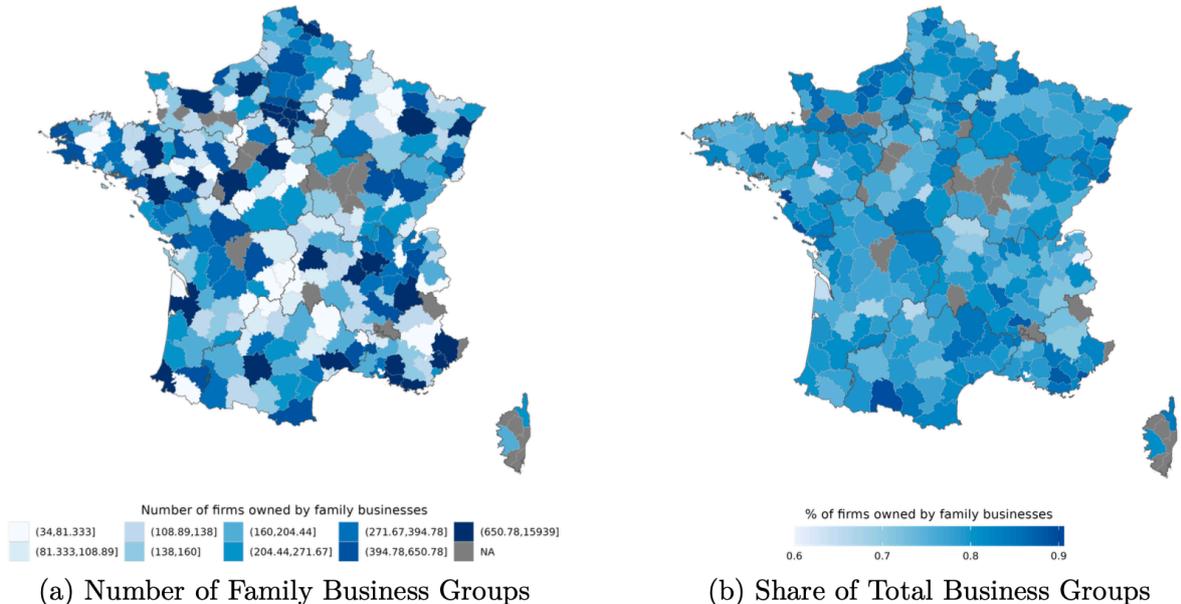


Figure 2 - Geographic distribution of family firms and territorial footprint

- (a) Number of family firms per employment zone
- (b) Share of family firms in all businesses. Data aggregated at the level of *commuting zones* (CZs), as defined by INSEE (2020), allowing for an accurate reading of territorial dynamics in both rural and urban areas.

Source: Andrieu, E., Toubal, F. & Villanueva, P. (2024). *Family Firms in France: Macro Impact and Micro Insights*, Université Paris Dauphine.

Their geographical distribution therefore allows them to be perceived as "employers of choice," sometimes the only ones in environments where non-family actors are increasingly withdrawing (Andrieu, Toubal, and Villanueva, 2024). Their ability to maintain positions and jobs over several generations, even in contexts of economic slowdown or fragility, helps to structure local economies and, more broadly, the national economy (Andrieu, Toubal, and Villanueva, 2024).

This territorial proximity is often combined to a strong social commitment, particularly towards employees. According to Belot and Ginglinger (2024), "*family firms offer greater job security to their employees*" (Belot & Ginglinger, 2024). They are significantly less likely to lay off staff than other companies. This behavior is part of a long-term "*implicit contract*" with employees, in which they sometimes accept wage concessions in exchange for this stability (Belot & Ginglinger, 2024). This logic of loyalty and protection of employees can also be explained by the emotional attachment of the founders to their company and their desire to preserve a strong collective identity, including in wage relations (Belot & Ginglinger, 2024).

This cohesion based on affection and proximity is accompanied by a form of governance that reinforces it. Indeed, the executive management of the company is often maintained by a member of the family (KPMG, 2016). It may be expanded to include a few external advisors, but the original identity of the company is rarely diluted by them. It is a "*home-made*" governance, based on exemplary behavior, autonomy, and proximity, thus creating a stable managerial environment that is less exposed to disruption (KPMG, 2016).

Family firms therefore play an active role in the stability of the French economy, whether in terms of wealth creation, employment or regional development (Andrieu, Toubal & Villanueva, 2024). Their model is based on a specific combination of economic performance, financial prudence, and social commitment to their employees (PwC, 2012; KPMG, 2016). This specificity makes them particularly resilient in an unstable or slowing economy, while placing them on a long-term trajectory aimed at passing on the family business to the next generations (KPMG, 2016). However, this same desire to pass on the business from the moment it is created can also become a source of complexity when expectations and values vary between generations (BNP Paribas Wealth Management, 2023).

4.2. Understanding the challenges of succession

The transfer of a business, which gives rise to succession is not simply a legal or financial transaction, but rather the passing on of a way of life. It is one of the most significant stages in the life cycle of an organization, often quite complex and emotionally charged. Indeed, the next generation not only represents a formal legacy, but also means that the founder's vision undergoes a profound transformation. For this reason, strategic, symbolic, and human processes are involved in this event, raising many challenges that go beyond their scope.

This second part explores the actual succession process. It begins by defining more precisely what is involved in this process and its specific characteristics within family firms. Next, the key players and their respective positions in this field are presented, and the tools, legal levers, and forward-looking measures that can be implemented are examined. Finally, we draw some conclusions about the structural and human limitations of this preparation.

4.2.1. Succession in family firms: beyond the transfer of assets

Succession is undoubtedly the most decisive event in the life cycle of a family business. It cannot be reduced to a transfer of capital, a change of management, or a change of governance: it is the result of a long and rigorous process involving legal, managerial, and emotional considerations. In France, nearly 900,000 businesses are likely to change owners each year, putting around 300,000 jobs at risk (Chabaud, 2013, as cited in Yezza, 2022). However, only a minority of them manage to ensure generational continuity: 30% of family firms make it through to the second generation, and less than 10% to the third (Cadieux & Lorrain, 2002).

It is necessary to make an important distinction between two key terms that will recur throughout this thesis: succession and transmission. In the literature, a terminological clarification has now been established between transfer and succession. Transmission refers to a structured process of transferring assets and responsibilities, organized around two components:

- a **legal component**, relating to the transfer of ownership (capital, shares, assets), with tax implications.
- a **managerial aspect**, concerning the transfer of management, governance, and executive functions (Cadieux & Lorrain, 2002).

Succession, on the other hand, represents the transfer of the business coupled with a generational handover, which is highly symbolic, relational, and emotional. It involves a redefinition of statuses, roles, and identities within the family and the organization. As Chabaud (2013) puts it, it represents an "*eternal return*" in the life of family firms (Chabaud, 2013, as cited in Yezza, 2022). It is this definition of succession that we will use throughout this thesis.

A. A long-term strategic challenge

The phenomenon of succession is considered a fragile stage in the family business cycle. The founder's objective is not simply to pass on the business and its economic activity, but to preserve its family identity by ensuring continuity of power and avoiding any governance conflicts (Caby & Hirigoyen, 2002, as cited in Yezza, 2022).

This ambivalent issue, which concerns both heritage and identity, makes the succession process extremely sensitive. The risk of conflict, or even failure, is all the greater when the procedure is poorly anticipated or treated as a mere administrative process (Belot & Ginglinger, 2024).

B. Phases of succession: models and relational dynamics

Transmission is part of a structured temporal process, which academic literature models in several phases.

The model proposed by Cadieux et al (2002) offers a structured and progressive interpretation of succession in family firms, divided into four main stages:

- **Initiation:** this phase precedes any direct involvement of the successor in the business. The founder begins to think about the future of the structure, without discussing it openly. For their part, the successor develops a mental representation of the family business through stories they hear, informal discussions, or the culture passed on in their private circle (Yezza, 2022). This stage is fundamental because it allows the successor's potential interest to be established at an early stage, fostering an initial identification with the company and even enabling them to project their ambitions or sense of purpose onto it (Cadieux, 2002, as cited in Yezza, 2022).
- **Integration:** the successor joins the company, usually in a low-profile operational role. At this stage, the main focus is on observing, understanding the organization's codes, familiarizing themselves with the family culture, and establishing initial links with the teams. This learning process lays the foundations for their future legitimacy, not through status but through experience. The way in which this integration is carried out often determines whether the successor is accepted by employees (Cadieux, 2002, as cited in Yezza, 2022).
- **Joint reign:** this phase is marked by the rise of the successor and the partial delegation of power by the founder. Both exercise shared or separate power over the company's strategy and management. This pivotal moment can last from a few months to several

years and requires a balance in the distribution of responsibilities. It can be extremely beneficial for both parties, but it can also be a source of tension if their visions diverge or if the delegation is only partial or poorly defined (Cadieux, 2002, as cited in Yezza, 2022).

- **Disengagement:** the founder officially withdraws, ending the managerial cohabitation. This stage can take several forms: retirement, exit from the capital, transfer of the presidency. The withdrawal may be gradual or sudden, but in all cases involves a real transfer of authority, legitimacy, and responsibility (Cadieux, 2002, as cited in Yezza, 2022).

This model emphasizes the importance of a gradual process, where the transfer is not a one-time event but a long phase of transformation involving mutual recognition of roles (Barach et al., 1988).

The timing of the succession highlights the importance of a gradual transition between roles and stages. Initiation, integration, cohabitation, and withdrawal are only effective if they are part of a well-thought-out process in which everyone understands their place and responsibilities (Barach et al., 1988).

This presentation of the dynamics between predecessor and successor over time highlights the fact that the success of the process depends not only on the proper sequencing of steps, but also on the need to supplement it with appropriate legal, tax, and organizational measures.

However, this linear view of the succession process does not highlight its dynamic nature. Although the steps are clearly defined, they do not fully reflect the reality of the interactions between the various actors involved in the succession, nor the diversity of forms that the process can take. As Yezza (2022) explains, the transfer process is affected by various relational, emotional, and organizational factors, making it an unstable and evolving process (YeZZa, 2022). It is "*a sequential process composed of several phases, some of which may be iterative, with the success of one phase determining the success of the next*" (Hirigoyen, 1987).

This observation is based on a conception of succession as both a strategic and intentional action on the part of the leader. It assumes a strong involvement on the part of the latter and an anticipation of family and managerial dynamics (YeZZa, 2022). It is therefore not a series of simple, mechanical steps, but rather a journey exposed to various conflicts. In this sense, the four-step format provides a good basis for analyzing the succession process but remains too

limited due to its lack of consideration of the various frictions and human dynamics that play a part in the process (Cadieux & Deschamps, 2011; Cadieux & Brouard, 2009, as cited in Yezza, 2022).

4.2.2. The figures of succession: predecessor and successor

In most cases of succession in family firms, the configuration is as follows: a founder gradually passes the torch to an heir. This generational duo, bound by family dynamics, is at the heart of the process. Not only do they experience the transfer of managerial roles, but they also crystallize many affective and emotional dynamics. It is therefore particularly relevant to analyze the role of each of these actors in order to understand the complexity of the relational dynamics that connect them.

A. The founder: the main protagonist in the company's history

The founder embodies a multitude of images within the company, which makes their role extremely important in the succession process. The company is the living embodiment of their identity, their history, values, and culture. They are the very essence of the company and have given it everything: their economic, strategic, and emotional vision. For these reasons, it is all the more difficult for him to go through this succession process. It is not just the legacy of an economic model and its activity, it is the handing over of his life's work (Barach & Gantisky, 1995). Several studies emphasize that the founder's departure is not just a managerial step, but a process of identity mourning. For Pailot (1998), succession is akin to a "*symbolic death*" marked by the loss of social recognition (Pailot, 1998 as cited in Fattoum & Fayolle, 2017). Bruneau (2002) also emphasizes the existential dimension of withdrawal, experienced as a gradual erasure from the family and professional sphere (Bruneau, 2002 as cited in Fattoum & Fayolle, 2017).

This difficulty is often exacerbated by the various emotional issues inherent in family succession. The company can represent a narcissistic extension of the founder, or even a relational substitute in which they invest some of their frustrations or unfulfilled aspirations (Malarewicz, 2021). Therefore, handing over the reins does not just mean sharing power: it also means accepting that you are no longer at the center of it (Malarewicz, 2021).

Nevertheless, there are several reasons why a founder might decide to start the transfer process. According to Cadieux (2006), these reasons can be personal, strategic, or family-related: retiring or preserving one's health, devoting more time to one's family, transferring the business

to family members, withdrawing in the face of declining profitability or a sector deemed to be in decline, or simply doing something else (Cadieux, 2006 as cited in Belabbas & Hadji, 2008).

Beyond the personal and strategic reasons that may motivate a founder to initiate the transfer, starting the process early demonstrates a strong intelligence and a sense of responsibility. It enables the founder to pass on their knowledge and leadership, organize the transition, resolve outstanding issues and prevent potential conflicts. By engaging in the process in close collaboration with the next generation, particularly their heir, the predecessor can ensure the continuity of the business and preserve family harmony.

However, these motivations may be compounded by strong mental resistance on the part of the founder. Fear of losing their role, mistrust of their successors, or difficulty in relinquishing control can sometimes make the founder ambivalent or even contradictory in their intentions (Pailot, 1998 as cited in Fattoum & Fayolle, 2017; Malarewicz, 2021).

These tensions are reflected in different behavioral patterns identified in the literature, notably by Sonnenfeld (1988) and Hirigoyen (1987):

- **The Monarch:** refuses to delegate and retains all powers.
- **The General:** announces a withdrawal but remains omnipresent behind the scenes.
- **The Governor:** actively prepares his successor, but sometimes leaves too early.
- **The Ambassador:** smoothly hands over power while continuing to watch over their legacy (Hirigoyen, 1987; Sonnenfeld, 1988, as cited in Malarewicz, 2021).

These positions are not fixed, a founder may change position depending on the timing and circumstances, as well as on their relationship with their successor (Yezza, 2022).

Beyond these attitudes, the predecessor can also influence the succession process based on four main variables. According to Le Breton-Miller et al. (2004), Pyromalis et al. (2009) and Barach and Gantisky (1995), these factors are:

- Their explicit desire to pass on the baton.
- His psychological needs and personality (desire for recognition, fear of abandonment, etc.).
- The quality of their relationship with their successor (trust, support, communication).
- Their demographic characteristics (age, health, length of time at the head of the company) (Le Breton-Miller et al., 2004; Pyromalis et al., 2009; Barach & Gantisky, 1995, as cited in Abdallah & Labaronne, 2011).

Thus, the success of succession does not depend solely on the material situation of the predecessor, but also on how they feel emotionally. One of the major variables remains the quality of their relationship with their successor, the second player in the succession process.

B. The successor: between loyalty and assertiveness

The mirror image of the founding figure of the company is the person who will succeed them. The successor will have to forge their own path during and after the transfer. They do not automatically enjoy legitimacy in the eyes of everyone. They will have to earn it through a winding path aimed at proving the skills and abilities of what they represent: the new generation. The goal is ambivalent: their takeover implies that they will have to distinguish themselves from their predecessor while respecting a strong legacy.

The profile of the successor depends on the family structure of each company, as well as the individual trajectories of each person. The literature identifies several types (Belabbas & Hadji, 2008):

- **The designated heir:** prepared from an early age, sometimes constrained by family expectations.
- **The legitimate successor:** recognized by employees and stakeholders for their skills.
- **The challenger:** wants to break with the legacy to transform the company in a profound way.
- **The default successor:** accepts the role for lack of alternatives or out of family obligation (Belabbas & Hadji, 2008).

These different profiles vary according to each individual's education and personal or professional background. The consequences of accessing power can vary depending on the heir's attitude. Senbel and St-Cyr (2006) distinguish between two main approaches in this regard. The first, described as proactive, is based on a strong personal desire to become an entrepreneur. In this case, the successor voluntarily joins the family business, driven by a desire for independence, a taste for challenge, or an attraction to the role of leader (Senbel & St-Cyr, 2006, as cited in Hirigoyen, 2024). They see taking over the business not as an obligation but as an independent and motivating project. In contrast, a reactive approach emerges when the successor accepts the role under pressure: parental pressure, implicit expectations, or a lack of professional alternatives (Senbel & St-Cyr, 2006, as cited in Hirigoyen, 2024). In this scenario, the commitment is more hesitant, often marked by conflicts of loyalty or a sense of obligation that can undermine the successor's involvement.

Beyond these attitudes and different dynamics observable among successors, there are various motivations that will also have an impact on the continuity and sustainability of the business once the succession process has begun and been completed. Cadieux and Brouard (2006) identified several recurring reasons that strengthen commitment to taking over a family business:

- The desire to perpetuate the family tradition: taking over the business is seen as a duty to remember the past or a natural continuation.
- The desire to preserve jobs: a strong motivation in locally based companies.
- The desire to work in a familiar or valued sector: the business itself may be of interest.
- The desire to quickly take on entrepreneurial responsibilities: some see succession as a personal strategic opportunity (Cadieux & Brouard, 2006, as cited in Hirigoyen, 2024).

However, there may be many motivations, which do not necessarily guarantee recognition of the heir. Legitimacy is built over time, bringing together a set of criteria that Barach et al. (1988) group into four complementary dimensions:

- **Acceptability:** the successor is perceived as aligned with the values, culture, and norms of the company.
- **Credibility:** their technical and managerial skills are recognized by their professional peers.
- **Social legitimacy:** they are accepted in their role by family members, employees, and partners.
- **Leadership:** they are capable of articulating a clear vision, bringing teams together and rallying them around a plan for the future (Barach et al., 1988, as cited in Fattoum & Fayolle, 2008).

In addition to earning legitimacy, the successor must demonstrate their ability to lead the company into a new era by adapting it to changing markets and challenges while respecting its legacy. This capacity is often shaped by their education and preparation for the role, and through the transmission of responsibilities and values they have received. Such preparation can provide the successor with a strong foundation, enabling them to combine respect for the past with a clear vision for the future.

It is therefore the combination of the heir's attitudes, motivations, and skills that theoretically ensure the success of the succession process and the stability of intergenerational relationships

once it is underway. As seen previously, the same is true for the founder of the company. Once again, the link is made between two actors who may have very different motivations and attitudes.

C. A decisive relationship in the success of the process

As seen above, the quality of the relationship between the founder and the successor is a determining factor in the success or failure of succession. Passing the torch is not a linear process: it involves the strengths and weaknesses of each person, mixing issues of power and recognition.

The success of succession obviously depends on several factors, but it is intrinsically linked to the quality of communication between predecessor and successor in order to understand each other's motivations and maintain "*cooperative relationships*" (Katz, 1955, as cited in Yezza, 2022). Everyone must do their part to set aside their fears and personal desires in order to build on a consensus of "*mutual agreement on the place to be given to the other*" (J.-P. Bruneau, 2002, as cited in Fattoum and Fayolle, 2008). Succession therefore requires mutual recognition of roles. The founder must agree to part with the company they consider an extension of themselves and face their fears, such as the idea of "*symbolic death*" and "*loss of social recognition*" (Pailot, 1998, as cited in Fattoum and Fayolle, 2008). The heir, for their part, must gradually assert themselves and build their legitimacy throughout the process.

In conclusion, the predecessor and the successor are the two central figures in any family business succession. Each plays a distinct role, shaped by personal history, motivations, and expectations, yet their relationship is what ultimately determines the success of the process. Although the handling of these interpersonal relationships in succession is not really integrated into the tools that are supposed to provide a framework for it, several mechanisms are put in place to facilitate this decisive moment in the life cycle of a company.

4.2.3. Anticipating and organizing succession: mechanisms and challenges

As we have explained above, succession in family firms goes beyond the simple transfer of assets. It is a complex process involving operational, emotional, and strategic issues. However, although everyone recognizes the importance of this step in the continuity of the company, the figures do not reflect this: 65% of managers have not put a succession plan in place and only 33% have identified a likely successor (PwC, 2012). This lack of foresight is all the more alarming when you consider the age of business leaders. More than 25% of business

leaders are over 60 (Andrieu, Toubal, & Villanueva, 2024) which means there is a pressing need to prepare for succession.

Several factors already mentioned may prevent the predecessor from beginning this preparation: refusal to consider their own departure, fear of family conflict, emotional attachment to the company, or an obsession with control (Mellerio, 2009). As the leader occupies a central position within the company, he or she is the person most concerned and therefore the only one who can initiate the process and structure the transmission of the business (Mellerio, 2009).

This process must be initiated gradually, seriously, and in a structured manner, as planning that is too late or too informal poses a risk to the continuity of the family business. Indeed, this transfer must be properly anticipated because, in the event of a fatality such as the incapacity of management, the succession could not be fully completed.

However, a well-prepared succession requires in-depth work based on open family dialogue and finding solutions to alleviate any psychological tensions that may arise at that time (Mellerio, 2009). This anticipation is not only useful for countering the negative consequences of succession, but it also serves to develop the heir's "*affectio societatis*," i.e., it allows them to commit to the company as its main shareholder (Mellerio, 2009).

Planning for succession is therefore just as important as the succession itself and must be organized around various stakeholders and tools that reduce uncertainty and prepare for the handover in a more peaceful environment.

Nowadays, various legal and tax instruments are available to support those involved in the transfer and structure the process. These tools can be put in place before or during the succession. They do not always have a strong legal scope but nevertheless provide a framework for the procedure and the structure of the transfer. Two key tools stand out: the family charter and the Dutreil pact. Other mechanisms complete this framework.

A. The family charter - a moral tool:

The family charter is a document of a moral nature, drawn up collectively by the family members involved in a business. It aims to structure family relationships over time and prevent potential conflicts by setting out on paper the common objectives and internal governance rules of the business (Profession CGP, 2023). This document can be used prior to or in addition to a

business transfer and is particularly relevant when several generations overlap and the interests of each individual may diverge in the future.

The charter may contain various sections, depending on the depth of reflection when the document is drawn up:

- The conditions for acquiring a stake in the company or joining its management.
- The investment policy for income derived from the family business.
- Confidentiality and conduct commitments within and outside the company.
- Conflict resolution procedures, sometimes based on mediation.
- Criteria for evaluating family candidates for key positions (Profession CGP, 2023; Mellerio, 2009).

By providing clear and precise guidelines on every major decision that may arise during the company's life cycle, the family charter plays a key preparatory role by setting out the company's values and rules (Mellerio, 2009).

Although it has no legal value in itself, it can be backed by a partnership agreement (a legally binding contract between shareholders that defines their rights, obligations, and procedures for resolving disputes), which then gives it a certain legal dimension. The two tools, when used together, allow for the imposition of sanctions and prevent conflicts from arising in the future.

The charter is often part of a broader family governance system structured around:

- the **family assembly** or "forum," a place for information, discussion, and training on shareholder life, bringing together all members defined as "family".
- and the **family council**, a smaller, decision-making body responsible for preparing meetings, arbitrating certain disagreements, and issuing opinions on major policy directions (Barré, 2025).

The complementary nature of these moral, legal, and regulatory bodies ensures a certain level of protection for the company through regular communication with the family. These tools bridge the gap between emotional ties and share ownership, enabling better anticipation of the major stages of succession. The drafting of the charter by those involved in the succession process establishes a starting point for dialogue and the resolution of potential conflicts. It is

therefore more than just a symbolic tool, as it carries a moral implication that paves the way for the transfer of ownership.

B. The Dutreil pact - a formal tool:

While the family charter is the moral tool of choice for preserving intra-family cohesion, the Dutreil pact is an essential legal and tax lever in preparing for succession. Designed by the French government to encourage the transfer of family firms between generations, it reduces the tax cost of such transfers. Governed by Article 787 B of the French General Tax Code, the Dutreil Pact allows for a 75% exemption from transfer duties on gratuitous transfers (BOFiP, 2021). Certain conditions must be met in order to benefit from this exemption:

- 1) The signatories must enter into a collective commitment to retain at least 34% of the shares if the company is not listed, or 20% if it is listed (Althémis, 2017). This commitment, which must be for a minimum of two years, must be signed before the transfer. (Bonduelle & Terrier, 2003, as cited in Chalençon, & Rocher, 2015).
- 2) Each heir or donee must sign an individual commitment to retain the shares received for at least four additional years from the end of the collective commitment (Bonduelle & Terrier, 2003, as cited in Chalençon, & Rocher, 2015).
- 3) One of the signatories (often a family member) must effectively hold a management position in the company for at least three years from the date of transfer. This requirement reflects a desire for managerial continuity (Bonduelle & Terrier, 2003, as cited in Chalençon, & Rocher, 2015).

This mechanism was designed to promote the stability of family firms by keeping ownership within families and thus avoiding the sale of the business during its transmission. By encouraging legal planning for transfers, it encourages families to think long term, organize their governance accordingly, and gradually integrate successors (Andrieu, Toubal, & Villanueva, 2024). The Dutreil Pact encourages intergenerational coexistence by involving founders and heirs in the business.

This tool can also be combined with other tools such as charters, but also with more complex arrangements such as Family Buy Outs (FBOs), which allow an heir who is taking over the business to buy out the shares of other family members via a debt-financed holding company.

This type of arrangement may be particularly suitable in our case, where there is a single heir in the eyes of the predecessor.

Although, unlike other tools, the Dutreil Pact has tax and legal implications, it nevertheless allows the authors to formalize the transfer and ensure communication within families. It encourages the family to build a common governance structure and lay the foundations for the company's continuity strategy. It is therefore not only a tax measure but also one of the most comprehensive tools for wealth and management transfer, encouraging founders to anticipate and prepare for the passing of the torch.

C. Other complementary measures (summary presentation)

- **Shared donation:** allows the founder's assets to be distributed during their lifetime, definitively setting their value and avoiding joint ownership of the estate (Barré, 2025).
- **Dismembered donation:** transfers bare ownership of securities while retaining usufruct, thus ensuring income for the donor (Barré, 2025).
- **Transgenerational shared donation :** facilitates direct transfer to grandchildren, with a view to long-term planning (Barré, 2025).
- **Family pact/adapted bylaws:** can set binding rules on capital contributions, the transfer of securities or voting rights (Barré, 2025).
- **Family holding company:** useful for centralizing governance and organizing financial flows and transfers as part of an overall strategy (Andrieu, Toubal, & Villanueva, 2024).

D. External support and role of third parties

A succession plan for a family business goes beyond the skills of each of the people involved in the business. It often requires the help of specialized external stakeholders who can assist with the legal, relational, and strategic aspects of the process. Notaries, lawyers, family business coaches, and governance specialists play crucial roles as third-party mediators, particularly in easing tensions and structuring intergenerational dialogue (Mellerio, 2009).

The cost of this specific support is significant (around €20,000 per year for 3 to 4 years), which in this case is justified by its ability to prevent conflicts and design tools tailored to the family situation (Mellerio, 2009). It is particularly crucial to build long-term family business governance based on documents such as family charters or static pacts.

Family business associations such as the Family Business Network (FBN) and ASMEP-ETI also contribute to this by promoting and advocating good practices and raising awareness among business leaders about succession (Mellerio, 2009).

Finally, the government has encouraged the transfer of family firms for tax purposes since 2003 with the Dutreil pacts and gifts of full ownership before the age of 70, while maintaining minimal tax barriers (Direction Générale du Trésor, 2023). On the other hand, the growing complexity of the legal and tax system creates disparities in access to legal and tax advice, which is more often the case for poorly equipped SMEs (Mellerio, 2009).

An analysis of transfer tools shows that, beyond the objectives, there is a coherent and comprehensive set of tools that integrate timing, governance, and even taxation. Family firms can rely on well-established lines of succession, advanced legal arrangements, and the assistance of specialized professionals. It seems that we have everything in place to facilitate succession.

But putting these instruments in place is not enough to guarantee a smooth and seamless transition. They are only effective if the family can truly commit to integrating, embodying, and applying them. And even when these tools are implemented seriously, they may not be able to completely avoid tensions and potential conflicts. This gap between the formal framework outlined above and reality requires reflection on the limits of formal preparation and the nature of the obstacles that arise.

4.2.4. The need to factor in the human dynamics

We have sought to demonstrate the importance of rigorous advance planning for succession. Today, governance, legal, and tax tools are in place to facilitate this preparation by the founding leaders of French family firms. However, despite their implementation, some transfers fail. This observation highlights the limitations of formalized preparation that does not take into account other crucial factors that influence transfers within families. As Mellerio (2009) points out, "*passing the torch to the next generation is the result of a long process of maturation*" (Mellerio, 2009). However, this work cannot be reduced to a formal procedure, as studies have shown that "*technical reasons are no longer the main cause of poor family business succession in France*" (Mellerio, 2009). This openness to more diverse causes, focusing on the psychological and human aspects of succession, calls into question the latter as a normative procedure. Families may have formalized everything and yet fail to pass on the baton under

favorable conditions. It is therefore necessary that the tax and legal steps taken be coupled with discussion and communication with the family members concerned in order to defuse sources of conflict as quickly as possible (Mellerio, 2009). But this raises the question of why the tools do not cover all aspects of succession.

Malarewicz (2021) points out that when the succession process begins, *"irrationality takes over; meaning that the usual benchmarks of profitability and efficiency are abandoned [...] in favor of an emotional and short-term view of each person's interest."* (Malarewicz, 2021). These mechanisms cannot be included in the various technical preparation tools we have seen above because they do not respond to formal logic, can vary greatly depending on each case, and do not follow a professional logic but rather an emotional one. We can therefore talk here about *"resistance"* to the succession process, which disrupts the effectiveness of the tools to the benefit of the human being.

Handler and Kram (1988) identify four forms of resistance: *"individual, interpersonal, organizational, and environmental"* (Handler & Kram, 1988, as cited in Guimond, 2011).

- **Individual resistance** refers to the psychological barriers of the founder or successor: reluctance to relinquish authority, fear of failure, or feelings of uncertain legitimacy.
- **Interpersonal resistance** expresses the tensions that can arise in relationships between those involved in the transfer: unexpressed discomfort, implicit expectations, and misunderstanding between generations.
- **Organizational resistance** refers to factors that hinder development within the company itself, such as a lack of delegation procedures, unclear governance, or a lack of formal communication.
- **Environmental resistance** includes all external constraints, including economic instability, tax pressures, or an emergency resulting from any unforeseen disaster" (Handler & Kram, 1988, as cited in Guimond, 2011).

These different types of resistance are not linked to purely professional aspects and are not major scenarios that can be formalized. Resistance varies according to each person's sociological profile and the complex dynamics of each family. This invisible or unspoken resistance gradually disrupts the succession process and weakens the impact of the measures previously put in place. There is therefore an inevitable conflict between planning and reality, which exposes the limitations of formal tools, which can no longer prove their effectiveness when human beings their interests and their fears take over.

This gradual shift between rigorous, formal planning and the emergence of emotional friction and conflict is also reinforced by the strong emotional attachment of the founder, which we studied earlier. For him, the company is not simply an economic asset to be passed on, but an emotional heritage to be preserved. This personal relationship with the company, intertwined with the concept of *socioemotional wealth* (emotional capital specific to family firms, which drives managers to prioritize family continuity, loyalty, or short-term harmony, sometimes at the expense of economic rationality or managerial efficiency) is both a strength and a weakness (Belot & Ginglinger, 2024). It is through this feeling that the entrepreneur has perpetuated his company and made it what it is today, but it also represents the very limit of his willingness to pass it on. This emotional dimension thus eludes formal tools, disrupting decisions and slowing down or even freezing the process. It is therefore a direct illustration of the limitations of technical mechanisms in the face of the human dynamics that are inevitable at the time of transfer.

Given this observation, one would assume that there is a clear place for analyzing failures, particularly those that occur despite rigorous preparation. However, even though, as we have seen, many studies emphasize the importance of anticipating succession, few authors question what to do when anticipation is not enough and conflicts arise. Mellerio (2009) takes a rather pessimistic view, noting that *"the sale of the company is most often the price to pay if the family fails to overcome its internal divisions"* (Mellerio, 2009). This observation implies that if succession fails, it is not due to a lack of planning, but rather to a failure to anticipate solutions to human conflicts. Misunderstandings between generations can undermine a previously well-prepared process in an instant. In the studies analyzed, this issue and its effects on corporate governance and continuity are often mentioned but never really studied as a systematic factor. These gaps therefore open the way for new research, particularly on the effect of *"intergenerational"* dynamics. This is precisely the question that this thesis seeks to answer: to what extent do intergenerational conflicts disrupt succession processes, even when they have been anticipated and formalized? The following chapter will provide a detailed review of the research devoted to these tensions, their causes, their forms, and their consequences.

4.3. Analyzing intergenerational conflicts

While the literature emphasizes the importance of anticipating and structuring succession in family firms, it underestimates the impact of intergenerational dynamics on succession. Nevertheless, family leadership cannot be transferred without alignment on various issues

between the generations concerned. When this common ground does not materialize, new or long-buried intergenerational tensions can reach a certain level and trigger conflicts that jeopardize the entire succession of the process.

This third part therefore refocuses the analysis on intergenerational conflicts as both a professional and emotional phenomenon. We will begin by examining the causes of these conflicts, whether they are related to values, attitudes, or different managerial visions. We will then look at the concrete forms these tensions can take and analyze their effects on the governance and continuity of the family business.

4.3.1. Origins of intergenerational conflicts

Intergenerational conflicts refer to lasting or recurring tensions between members of different generations within the same organization. As Mauger (2009) explains, it is necessary to distinguish between "*genealogical*" generations, rooted in the family sphere, and "*social*" or "*historical*" generations, shaped by significant collective experiences (Mauger, 2009, as cited in Quéniart & Hurtubise, 2009). It is this first definition of "*genealogical*" generations, defined by parent-child relationships, that we will use in this section.

The importance of intergenerational conflicts is even more noticeable when we are talking not just about families but family firms. These conflicts can arise throughout the life cycle of a business, but they can emerge or escalate during the succession process.

This increase in intergenerational tensions as the succession process progresses has been modeled by Yezza (2022), who illustrates the possible breaking points between generations at each key stage. The diagram below highlights the central role of dynamics in the emergence or escalation of conflicts, as well as the possible consequences of a lack of mediation, which can lead to the breakdown or liquidation of the business.

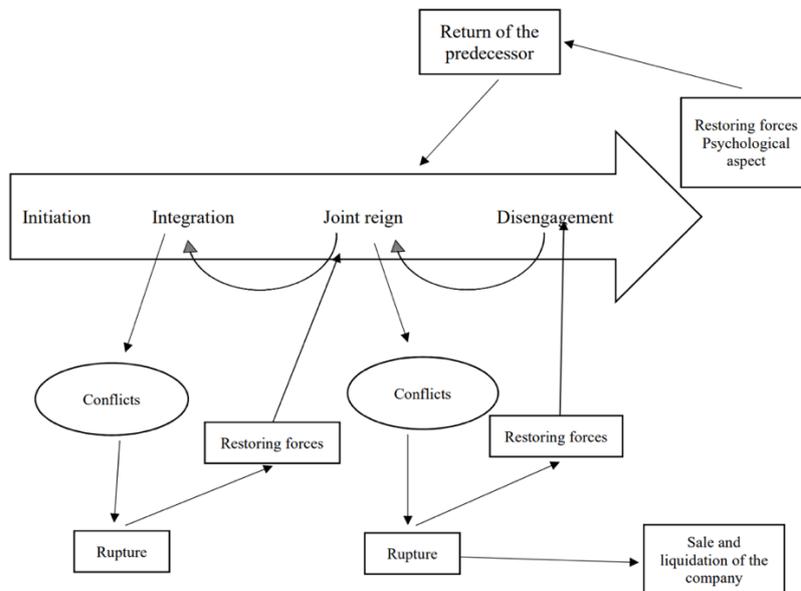


Figure 3 - The dynamics of family succession and conflict.

Source: Yezza (2022), Intergenerational tensions in family business succession: A typology of conflicts

While this model helps visualize the possible trajectories of a family succession process, it is still necessary to understand what actually triggers these tensions between generations. We will now examine this by identifying the main causes of intergenerational conflict in family firms.

A. Conflicts related to values

One of the main causes of misalignment between generations can be a difference of values. As we have seen previously, successful succession is based in principle on "*prior agreement between the owner's desire to transfer ownership and management to their children, who themselves wish to succeed them and ensure the generational handover*" (de Freyman & Richomme-Huet, 2012). Under the influence of economic, social, and cultural changes, the differences between the value systems of each generation are becoming increasingly pronounced. Indeed, the transition from a collectivist society to a more individualistic society has reinforced these differences (*Association Travail Emploi Europe Société*, 2021). The younger generations are "*breaking free from their parents' control*" (Malarewicz, 2021) and demanding greater freedom in their life choices and a growing desire for decision-making autonomy, thereby changing their attitude towards succession (Malarewicz, 2021). This development is not necessarily an obstacle to success, but it does require a redefinition of the process itself in order to incorporate everyone's wishes.

B. Conflicts related to relationships and attitudes

These intergenerational tensions are all the more intense when they arise within family firms, at the intersection of the patrimonial, professional, and family spheres. These tensions are revealed in power relations, especially since power is symbolically inherited and therefore emotionally charged. The founding CEO is not only the head of the company but also an important family figure. Their position therefore complicates the redistribution of roles during succession (Malarewicz, 2021; Mellerio, 2009) and their behavior can become a source of tension during this decisive stage. The Mellerio report (2009) emphasizes that "*resistance to preparing for one's departure can be explained by psychological factors*" linked to the fear of losing one's status, usefulness, or even identity (Mellerio, 2009). The founder fears losing recognition if they hand over the business and may therefore delay the process to prevent this from happening, even if the opposite had been planned. These questions and fears are all the more intense as succession can be a divisive and disruptive time for family unity, especially with the designated heir.

The pressure is similar for the successor. Their legitimacy is tested throughout the succession cycle, both by their predecessor and by colleagues or other family members (Yezza, 2022). Their legitimacy does not depend solely on their technical skills or operational results, but also on how they are perceived by others (Yezza, 2022). If their legitimacy is perceived as "*given*" rather than "*earned*", the transfer of responsibilities is hampered.

Another key factor is communication and the quality of dialogue between the predecessor and the successor (Guimond, 2011). This communication enables the transfer of knowledge, mutual recognition, and acceptance of change (Guimond, 2011). In its absence, unspoken issues and misunderstandings accumulate and can become a source of conflict. However, it is important to remember that succession is an extremely taboo subject in families because it raises many fears among those involved: "*No one in the family will dare to talk about succession*" (Colla, & Coville, 2017).

C. Conflicts related to managerial visions

Yezza (2022) identifies also several managerial factors that can create friction and hinder the process from its early stages, including:

1) *Lack of a shared vision*

This refers to the inability of both parties to agree on a common direction for the family business, whether in terms of management style, strategic priorities, or transformation. In the absence of this consistency, each generation pursues divergent objectives, which causes resistance and decision deadlocks and reduces trust between the parties (Yezza, 2022).

2) *Asymmetry of expectations*

When there is a gap between what the founder expects from their successor (often loyalty, continuity, and caution) and what the latter hopes to embody (innovation, autonomy, and recognition), intergenerational dialogue can be severely limited and create conflicts within the predecessor-successor relationship (Yezza, 2022).

These tensions can turn into conflict and escalate very quickly into what we have previously defined as the "*joint reign*" phase (Yezza, 2022). This period, which is supposed to bring the predecessor and the chosen heir closer together, can also bring to the surface latent tensions that had not previously been mentioned. The sharing of power, and therefore of authority and decision-making, leads to overlapping roles and thus disrupts governance (Yezza, 2022). These situations greatly disrupt the process and can even cause it to regress (Yezza, 2022). This critical phase must therefore be accompanied by a clearly defined allocation of tasks and very good relations and communication between the two stakeholders (Yezza, 2022).

Beyond individual obstacles, tensions can also result from systemic incompatibility between generations. Misalignment between a predecessor focused on sustainability (PIC leader) and a successor focused on innovation and growth (CAP leader) is common (Marchesnay, 1988, as Colla, & Coville, 2017). This conflict of priorities becomes particularly critical when the personal, family and managerial spheres overlap without any formal mediation mechanism (Yezza, 2022).

Intergenerational conflicts within a family business usually stem from differences in values, time, objectives, but also from asymmetrical relationships in the division of tasks or a lack of dialogue. Of course, other factors can fuel these conflicts, but the ones we have presented here seem to be the most common and relevant based on the available sources. In this context, which is both highly symbolic and emotional, underlying tensions can manifest themselves in a variety of ways, including blockages, power struggles, and rivalries, which we will discuss in the next section.

4.3.2. Forms and dynamics of intergenerational conflicts during succession

If we were to follow a linear and perfect model, succession would proceed smoothly and in a structured manner as soon as the successor was appointed (Yezza, 2022). However, this overly theoretical view has its limitations, as certain tensions can arise which, if not anticipated, can escalate to the point of jeopardizing the continuity of the business (Yezza, 2022). These conflicts take various forms and can be just as diverse, given the complexity of each family structure.

A. Professional and strategic conflicts

The first tangible conflict concerns *task conflicts*, which relate to the strategic objectives and long-term direction of the family business (Jehn & Mannix, 2001, as cited in Yezza, 2022). When the two main actors in the transfer, the founder and the heir, do not share the same vision of the company's development and its long-term strategic direction (Jehn & Mannix, 2001, as cited in Yezza, 2022). This type of conflict can include tensions around growth, market positioning, or future investments (Calabrò, Campopiano & Basco, 2017, as cited in Yezza, 2022). These differences of opinion can be particularly constructive if they are managed properly, as they can help establish consensus on certain points and open new strategic axes for the company. However, they can also become an impasse when no solution can be found between the two parties. At this point, the transfer process, which is supposed to bring compromise and fluidity, becomes a battleground for conflicting viewpoints and backtracking in the advancement of the family business strategy.

B. Conflicts over methods and practices

A second type of conflict, *process conflicts*, concerns ways of doing things, management styles, tools, schedules, and working methods (Jehn, Northcraft & Neale, 1999, as cited in Yezza, 2022). These conflicts can arise when the heir, trained in new, often more structured, digitized, or innovative business management methods, proposes major changes to a founder who is sometimes rooted in the past and prefers informal, "*home-made*" management.

These differences manifest themselves in purely managerial disagreements: rejection of a new organizational chart, refusal to adopt an IT system, resistance to the formalization of processes (Yezza, 2022). The conflicts are not primarily technical in nature, but rather part of a war of legitimacy between two logics: an identity logic based on emotional ties, family heritage, and the transmission of practices and skills, and an entrepreneurial logic oriented toward innovation,

resource rationalization, and economic performance (Basco, Calabrò, Campopiano, 2019, as cited in Yezza, 2022).

The existence of these two logics within the family business can become conflictual if the entrepreneur and the heir have different points of view, or if the succession does not allow these visions to be articulated in such a way as to find a consensus between the two (Basco, Calabrò & Campopiano, 2019, as cited in Yezza, 2022).

C. Relational and emotional conflicts

When professional conflicts between family members are not resolved in family firms, they can take on an emotional dimension, which Jehn calls *relationship conflict*. These are unresolved tensions that are no longer based on technical disagreements but on personal resentments (Jehn, 1997, as cited in Yezza, 2022). These conflicts come from long-standing family dynamics: the search for validation, sibling rivalry, and conflicting loyalties. They may originate from what Hirigoyen (2009) describes as "*biased altruism*", i.e., a preference for one member over another because he or she is liked, rather than applying a competence-based approach, which leads to injustice and frustration (Hirigoyen, 2009, as cited in Missonier, & Gundolf, 2017). These tensions may remain underground but nevertheless persist.

D. Intra-family conflicts after designation

We started from the assumption that an heir is designated by their family predecessor, but it is also important to take into account the feelings of other family members, who may be siblings or the wider family. The designated successor can sometimes become a figure of discord, perceived as the predecessor's favorite, creating resentment among other members of the family business or the family as a whole (Yeza, 2022).

In some cases, the successor encounters resistance: implicit criticism, withdrawal of certain members, or passive conflicts (Yeza, 2022). These tensions do not legally call into question the transfer, but they do represent an obstacle to its execution by giving rise to ill will or mistrust toward the designated heir. Le Vigoureux and Aurégan (2010) emphasize that these conflicts are common in large structures such as cousin consortia, where the rules are vague and tensions between family groups are often deeply rooted (Le Vigoureux & Aurégan, 2010, as cited in Missonier, & Gundolf, 2017).

E. Wider conflicts

Finally, some conflicts go beyond the binary predecessor-successor relationship we have seen above. To understand the different roles in the family business and how each actor can interfere, Evans (1994) proposes a three-circle model: family, business, and ownership. These spheres include a multitude of actors, each with different interests and statuses within the company. This can therefore create a multitude of potential conflicts when these spheres intersect and rub against each other.

When roles are not defined, the boundaries between positions are unclear, and the rules of the game are not known, reactions to conflicts can go beyond those directly involved in the succession, and the entire organization can suffer (Yezza, 2022).

Hirigoyen (2009) reaffirms that this is typical in family firms, given that their functioning is based on informal and poorly formalized emotional logic (Hirigoyen, 2009). The blurred boundaries between spheres in the family model and the lack of clear regulation make them particularly prone to confrontation within the system (Hirigoyen, 2009, as cited in Missonier, & Gundolf, 2017).

A longitudinal case study conducted by Yezza (2022) illustrates how intergenerational conflicts emerge, evolve, and sometimes resolve depending on the stages of the succession process. The table below summarizes the types of conflicts observed in six different cases, according to the period, their origin, and the actors involved.

Cases	Succession process	Sources of conflict	Types of conflicts					actors concerned
			Before 2015	2016	2017	2018	2019	
1	Joint reign	Professional family	Tasks and relational conflict	Tasks and process conflict		Resolved conflicts	Official retirement of predecessor	Predecessor - successor
2	Integration	Professional family	Relational conflict		Relational and process conflict		Resolved conflicts Death of predecessor	Predecessor - successor
3	After disengagement	Professional family	Absence of conflict (predecessor supervises his children)	relational, tasks, and process conflict				Among successors, successors and stakeholders
4	After disengagement	Family	Relationship conflict (company dissolved before 2015)					Among successors
5	Joint reign	Professional	Conflict of process and tasks (between the predecessor and first successor who left the company in 2014)	No conflict (between predecessor and 2nd successor)				Predecessor - successor
6	Joint reign	Professional	Tasks and process conflict with 3 successors, only with successor M we note the absence of conflict					Predecessor - successors

Table 1 - Summary of intergenerational conflicts studied according to the phases of the succession process

Source: Yezza (2022)

The results show that conflicts often shift in nature across the phases: during integration, tensions are mainly relational between predecessor and successor, while in the joint reign phase they are mainly professional and structural, with a stronger focus on tasks and process-related disagreements. Even after the predecessor's disengagement, conflicts persist among successors, indicating that the withdrawal of the founder does not eliminate tensions but can even open new arenas of confrontation. This underlines how intergenerational conflicts are not a punctual crisis but rather a dynamic phenomenon accompanying the entire succession process.

The types of conflicts that have been identified (strategic, practical, relational, intra-family, and broader) are intertwined, and each one merges and adds to the others when tensions, sometimes long-standing, crystallize and erupt. This is clear evidence in family firms of the complexity of the succession issue beyond the best intentions to do things right by putting in place formal and informal tools designed to support the process.

Instead, what matters is how these tensions are managed, or not. Such conflicts, when they become entrenched, undermine relationships, disrupt governance, and jeopardize business continuity (Yezza, 2022).

This section will therefore discuss the impact that these unresolved issues have on the family business at the structural level.

4.3.3. When tensions block succession

As explained above, succession in family firms goes far beyond the tax, legal, or governance tools that are supposed to support and simplify it. It is above all a human moment for the family organization, regardless of its size and the size of the family. This moment of great vulnerability is marked by a great deal of questioning that undermines the family and professional balance at the levels of governance, human relations, and entrepreneurial continuity.

A. Structurally exposed family governance

Unlike traditional managerial governance, which mainly organizes the relationship between power and countervailing power, family governance aims to strike a balance between emotional, patrimonial, and strategic issues (Mellerio, 2009). It is based on a dual requirement: maintaining the cohesion of the family group while ensuring the continuity of the business. In most cases, this ambition requires the implementation of mechanisms such as family charters or family councils, designed to anticipate conflicts. However, as Baulenas, Gimeno and Vilanova (2003) point out, these tools are only truly effective when they are part of a collective dynamic based on communication, mutual recognition and the regulation of expectations (Baulenas, Gimeno & Vilanova, 2003, as cited in Hirigoyen, 2024).

However, most French family firms do not even have such mechanisms in place: 74% have no charter or shareholder agreement, and 81% have no family council (Generali, 2021). The Mellerio report shows that the transition from concentrated governance to governance shared between several branches requires a renegotiation of the balance between shareholders and managers (Mellerio, 2009). However, even if these mechanisms are put in place, they are not enough to prevent deadlocks. As Malarewicz (2021) points out, a family charter is above all a moral commitment, it cannot claim to cover all potential conflicts and must be periodically updated (Malarewicz, 2021). It certainly has a mediating role, but it cannot be expected to provide solutions to all conflicts that may arise. Intergenerational tensions therefore directly affect the quality of strategic dialogue and destabilize governance bodies, even as this type of tool is weakened by its own limitations: the emotional and intergenerational dynamics that it is unable to capture.

B. Managerial legitimacy under pressure

Beyond the tools themselves, the issue of intergenerational transmission raises problems of positioning and recognition. In this case, the successor is weak as long as they are not truly granted legitimacy by all parties.

As Joule and Beauvois (1987) note, this is based on shared responsibility: the founder must guarantee family cohesion, while the successor must ensure business continuity (Joule & Beauvois, 1987, as cited in Barrédy, 2008). This dual commitment creates an area of potential vulnerability, where everyone fears failure or betrayal.

The literature highlights the relational biases at the heart of this process. Doubts about the successor's ability to "*take charge*" of the family business are widespread in structures where governance mechanisms do not provide mutual guarantees or solutions to clarify the situation (Barrédy, 2008). This lack of legitimacy is even stronger when selection criteria are rarely, if ever, codified.

Succession is about more than just skills. It is about relationships, emotional balance, and expectations that, in some cases, the founders fail to see (Barré, 2021). Many say that a lack of recognition, combined with the weight of the founder's gaze, is a major obstacle to leadership transfer (Yezza, 2022). Even when ready, a successor may still find themselves diminished by the shadow of their predecessor. This blurs decision-making, generates misunderstandings, and precipitates a reign of division (Yezza, 2022).

C. Family continuity undermined

Over the years, as tensions take root, they fundamentally change what the company means in relation to the initial vision that laid the foundations for its creation. As Hirigoyen points out, "*never has the desire to survive been as intense as it is now, and yet never has the risk of disappearing been as great*" (Hirigoyen, 2024). This paradox illustrates the fact that the transition from one generation to the next, if not supported, can end in open conflict: the heir leaves the company, blocks the process and, in the worst cases, the company is sold.

This discontinuity is exacerbated as the family grows due to increasingly diverse expectations. According to Berrone et al. (2012), the participation of several generations in the company has a significant impact on governance (Berrone et al., 2012, as cited in Meddeb, 2021). This is the first unit followed by divergent interests, conflicting visions, and conflicting logics. Litz and Kleysen (2001) also suggested that such differences in perspective are not simply personal

preferences, but rather the representation of a change in the nature of strategic orientations as generations succeed one another (Litz & Kleysen, 2001, as cited in Meddeb, 2021).

The problem is not so much the failure of the will to transmit, but rather the inability to maintain collective coherence around it. As de Freyman, and Richomme-Huet (2012) states, when predecessors and successors cannot agree on any option, the company reaches an impasse that can lead to its destruction (de Freyman, & Richomme-Huet, 2012). Inertia becomes destructive, and it propagates transmission but fails to actually implement it.

This last section of the review therefore illustrates an area that has been little studied: the extent to which intergenerational conflict can disrupt succession, not because of a lack of preparation, but rather because it goes beyond the formal and informal instruments designed to contain it (Yezza 2022). By crossing the planes of governance, human dynamics, and family continuity, we open up a reflection on the limits of traditional mechanisms when confronted with the structural and emotional conflicts that can emerge in family business contexts (Yezza, 2022).

This literature review has provided a solid theoretical framework that can help us understand the unique characteristics of family firms and the challenges that succession can bring.

The first part highlighted the structural characteristics of these businesses: territorial roots, emotional capital, long-term vision, and ongoing coordination of family, patrimonial, and entrepreneurial plans. The form of governance assumed here is closely linked to the personal history of the founder and their desire to perpetuate their creation and their work.

The second part attempted to illustrate how successors are trained and demonstrated that this cannot be reduced to a simple transfer of assets or a legal transaction. Although family charters, the Dutreil Pact and family councils play a structuring role both informally and formally, their effectiveness continues to depend on long-term work on representations, commitments and intergenerational dialogue. However, these formal procedures are not enough in the face of uncertainties, individual interests or latent conflicts.

Finally, the third section explored the forms, dynamics, and effects of generational conflicts, which proved here not to be a kind of isolated "*anecdotal*" episode. Whether based on differences in values, conflicts of legitimacy or decision-making deadlocks, these tensions have

a direct impact on governance, leadership succession and family continuity in the company. Even the most resilient configurations can experience risky succession or silent failure.

However, despite all the work on success factors, there are key aspects that the literature still does not shed light on. What happens in practice when succession fails despite having been rigorously planned? How can the human factor be addressed within the framework of succession planning? What types of tensions, sometimes invisible or underlying, disrupt a process that is nevertheless structured? To what extent do governance tools really help to contain power dynamics or generational rifts? And how can we explain that mechanisms designed to pacify family relationships sometimes become themselves objects of dispute or conflict?

These questions, which have yet to be explored systematically, reveal a major limitation in the current approach to family firms. Too often, succession is thought of as a linear transfer, governable by different tools that are applied in the same way in all companies where a family is involved in management. However, the very principle of a family is that it is not driven solely by professional logic, but also by emotional and affective logics that cannot be captured by traditional frameworks. So how can this ambivalence, at the crossroads of the business world and the power of family ties, be managed? It is precisely this gray area that this thesis aims to investigate: *To what extent can succession processes in French family firms be disrupted by intergenerational conflicts, even if these processes are anticipated?*

5. DATA AND METHODOLOGY

5.1. Research objectives

This thesis takes an exploratory approach to understanding the intergenerational tensions that emerge in French family firms at the time of succession, even when it has been anticipated. Although, as we have seen above, the literature emphasizes the importance of rigorous preparation using legal, tax, and organizational tools, many realistic cases suggest that these measures are not always sufficient to ensure a smooth transfer of power, governance and responsibilities. This study therefore aims to understand what hinders the success of a succession that has been carefully prepared.

The approach adopted to conduct this study is based on the idea that intergenerational conflicts are not just professional and strategic disagreements, but moral tensions deeply rooted in the family. These conflicts are therefore linked to affective and emotional phenomena that formal tools struggle to capture. In this sense, our objective is to analyze the limitations of succession planning mechanisms through general and specific case studies of transfers in which tensions arise despite anticipation of the process.

This research has two main objectives:

- On the one hand, to understand the nature and forms of intergenerational conflicts that emerge in the context of prepared succession.
- Second, to identify the gaps between planning mechanisms and the reality of human and family dynamics in order to better understand why some successions fail.

5.2. Methodological approach

In order to address the issue at hand and reflect the complexity of intergenerational dynamics in the context of family succession, this thesis takes a **qualitative approach** based on a comprehensive and interpretative logic. This methodological choice is necessary insofar as *"it is not a question of testing theories, but rather of understanding a given phenomenon based on interpretations, testimonies, or opinions gathered."* (Claude, 2020).

To better understand which method is most compatible with the nature of the study, it is important to understand the specificities of qualitative and quantitative studies and what differentiates them.

The researcher will choose qualitative research when the following characteristics are met:

- It is difficult to predict in advance which concepts and results will be relevant to the research. (Claude, 2020)
- *"The research is carried out in 'real' environments."* (Claude, 2020)
- It is preferable for the study to construct a theory rather than undertake theoretical tests. (Claude, 2020)

This work therefore follows an interpretive qualitative approach, focused on the meaning that actors give to their experience. As Mays and Pope (1995) point out, *"The goal of qualitative research is to develop concepts that help us understand social phenomena in natural (rather than experimental) contexts, emphasizing the meanings, experiences, and perspectives of all participants."* (Mays and Pope, 1995). In this sense, succession will not be understood as a linear process, but as a journey marked by emotional issues, resistance, and power.

The challenge is therefore to go beyond purely legal or structural explanations and pay particular attention to the actors' narratives, their representations of succession, underlying or overt tensions, and symbolic power relations between generations.

The qualitative method also makes it possible to take into account elements that are difficult to objectify, such as feelings and emotions, which play a decisive role in the success or failure of succession but are not taken into account in governance tools. This method is particularly well suited to the study of long-term social processes with a strong symbolic dimension, such as the transfer of power in family firms.

In concrete terms, the research will therefore be based on two in-depth semi-structured interviews with interviewees who have direct or indirect expertise in the analysis of family succession. Each interviewee was invited to narrate one or more concrete cases of anticipated succession that nevertheless gave rise to intergenerational tensions. The semi-structured format was chosen to allow both a structured discussion around key themes and the freedom to multiply case narratives where relevant.

The decision to use two interview-based case analyses enables a comparison of two distinct trajectories and perspectives while allowing to better identify:

- The mechanisms by which tensions arise.
- How the actors experience them.
- The practical limitations encountered with planning measures.

This approach allows us to explore a subject that has been little addressed in the literature from this angle: the failure or weakening of a well-prepared succession due to intergenerational conflicts.

5.3. Selection of participants

The participants in this research were selected based on a carefully considered strategy aimed at gathering rich, nuanced testimonials directly related to the issue under study. The goal was to select interviewees capable of recounting concrete cases of family succession that had been rigorously prepared but nevertheless gave rise to intergenerational tensions, while also providing an overview of the dynamics of succession:

- Direct or indirect experience of the succession process in a French family business.
- A privileged position of observation or support, allowing for a detailed understanding of the relational, strategic, and emotional dynamics at work.
- The ability to draw on a specific, documented case study to support the analysis.

Two profiles have been selected at this stage of the research, with a view to ensuring a diversity of perspectives.

First interviewee: strategic and operational profile

Victoire Newman is a founder of a Multi Family Office platform. She is sitting on the board and advisory committee of multiple international companies. She is an experienced investor in public and private companies.

She worked for several years at a leading French family office, she is now also advising founders and families on governance, transition and restructuring.

Her position gives her a cross-functional view of the tools available, as well as hands-on experience of deadlock situations where human issues come into conflict with established legal frameworks.

Second interviewee: narrative and emotional profile

Vanessa Schneider is an author, journalist, and specialist in power dynamics and inheritance within influential French families. As part of her publications, she has conducted dozens of interviews with successors, founders, and members of entrepreneurial families facing the issue of succession.

Her work is distinguished by its particular focus on the psychological and narrative dimensions of succession: how conflicts arise in family narratives, how legitimacy is expressed, and how silences or unspoken words affect the transfer process.

These two participants and their respective cases were chosen for their analytical approaches. This allows for a comparison between:

- A **technical approach** (implementation of tools, structure of governance),
- A **sensitive approach** (emotions, family stories).

This combination provides a more nuanced understanding of the limitations of existing mechanisms and raises questions about what planning cannot control: rivalries, conflicts of values, emotional inheritance, and relationships with power.

5.4. Design of the interview guide

The interviews conducted as part of this research are based on a semi-structured method, which allows for a balance between structure and freedom in the conversation.

The interview guide was designed as a flexible tool, structured around major themes that recur in the literature on succession, but leaving plenty of room for digressions, free exploration, and personal reflections. The aim was not to validate preconceived hypotheses, but to explore the subjective experience of situations of transfer, by gathering coherent, contextualized, and sensitive accounts.

Each interview was structured in two parts:

- 1) The first part was devoted to a general discussion on the issue of succession in family firms, existing preparation levers, recurring intergenerational tensions, and perceived limitations in support.
- 2) A second part focused on one or more specific cases chosen by the interviewee, presented freely. When multiple cases were brought up, time was allocated to develop each vignette sufficiently.

5.5. Conduct of interviews and data processing

Conduct of the interviews

The interviews were conducted in conditions that ensured the availability, confidentiality, and freedom of expression of the participants. They were conducted face-to-face or remotely

(via video), depending on the respective constraints of each interviewee. Each interview lasted between **60 and 90 minutes** and was **audio-recorded** with the explicit consent of the participant.

The framework for the discussion was clearly presented in advance:

- nature of the research (final year of studies thesis),
- confidentiality of comments,
- the option to interrupt the interview at any time.

The aim was to establish a climate of trust and allow sufficient space for rich and sincere stories to emerge, without time pressure or the need for verbal performance.

Data processing

The interviews were transcribed in full, faithfully respecting the participants' turns of phrase.

The data were processed using an inductive thematic approach in three stages:

1) Identification of units of meaning

Each interview was explored line by line to identify significant discursive segments, whether descriptions, emotions evoked, dilemmas, or judgments made about the cases described.

2) Thematic grouping phase

The units of meaning were grouped into intermediate categories, such as: "tension around the role of the founder," "failure of a governance tool," "conflict of strategic vision," "weight of intergenerational differences," etc.

3) Cross-cutting analysis and perspective phase

Finally, a cross-reading of the two interviews revealed convergences, but also points of divergence or tension between the narratives. This step made it possible to identify certain recurring elements in the dynamics of intergenerational conflicts and to illustrate in concrete terms the limits of succession planning when it comes up against complex human dynamics.

5.6. Methodological limitations

Like any qualitative approach based on individual accounts, this research has a number of limitations that should be acknowledged.

The two interviews conducted do not allow us to claim statistical representativeness of succession situations in French family firms. These are specific cases, chosen for their interpretative richness, their relevance to the issue at hand, and their ability to illustrate structural tensions.

The material collected is also based on subjective, partial accounts reconstructed from the memories of the interviewees. Each interview draws on a personal point of view, filtered through the interviewee's professional history, values, emotions, and possible biases. It would have been interesting to use observation of interaction situations to triangulate the results, but this was unfortunately impossible. The research therefore does not access the facts directly, but rather reconstructions of these facts.

Ultimately, this methodological approach aims to study the limitations of succession planning mechanisms in family firms through two case studies, presented by professionals with complementary perspectives. The objective is not to produce a typology or to generalize, but to analyze in depth two succession trajectories that were planned using well-known tools but nevertheless gave rise to intergenerational conflicts.

These two case studies, presented in the following section, will illustrate in concrete terms the gaps between formal preparation and reality, and highlight the emotional and affective mechanisms that resist formal planning.

6. DISCUSSION

After setting out the theoretical and methodological framework, the analysis now turns to the insights drawn from the two interviews. Their perspectives are examined thematically, following the main dimensions identified through the coding process: preparation and use of formal tools, the relationship between founder and successor, the origins of tensions, the effects on governance and continuity, approaches to conflict management, and the limits of the mechanisms employed. This thematic reading does not present two separate cases, but rather highlights convergences and contrasts in their testimonies, which serve as a foundation for the broader discussion developed in the next section.

This discussion synthesizes the insights gathered from two complementary perspectives. Victoire Newman, head of a multi-family office, offers a practitioner's view drawn from her experience advising entrepreneurial families, highlighting recurring issues around values, stakeholders, and governance challenges. Vanessa Schneider, Grand Reporter at *Le Monde*, provides a journalistic angle, based on in-depth interviews with members of emblematic French family firms such as Rothschild, Pinault, Lagardère, Ricard, Decaux, Mulliez, and Hermès. Together, their testimonies shed light on both the structural and human dynamics that shape succession processes. The discussion is constructed in six stages: the role of tools and preparation (6.1), the relationship between the founder and his successor (6.2), the origins of intergenerational tensions (6.3), their impact on governance and continuity (7.4), ways to anticipate and manage these tensions beyond formal tools (6.5), and finally, practical lessons and limitations of the study (6.6).

6.1. The role of tools and preparation

Preparation and formal mechanisms are often regarded as indispensable in family firms' succession, providing legal and fiscal safeguards as well as a structural framework. As Victoire Newman points out: *"We rely on existing legal and financial tax rules. [...] We are obliged to rely on what already exists."* But in practice, these tools only produce results when combined with other levers. *"By combining these tools, we do our utmost to give ourselves the best possible chance, so it is essential to do so,"* adds Newman, specifying that the legal and tax aspects must always be complemented by an *"intangible and moral"* dimension of *"equal importance."*

This connection is clearly illustrated by the example of Rothschild Bank. Vanessa Schneider describes a *"very well-prepared, very well-organized"* succession, *"with a mentor who is not the founder [...] responsible for providing feedback to monitor progress."* She also recalls how Alexandre de Rothschild, the current CEO, *"always heard about the bank"* as a child and was later sent abroad to train in other institutions before returning. This type of preparation, according to Schneider, helps give heirs legitimacy in the eyes of partners and employees. She also notes that this dynamic is not limited to one case: families such as the Saadés have implemented similar forms of immersion by combining internships, summer jobs, and gradual familiarization with managers and company premises. Here, the tool takes on a tangible form: outside parties accompany the successor(s) and guarantee their legitimacy. According to Schneider, this figure of the mentor is almost always present: *"Very, very often, there is a mentor... in whom the founder has complete confidence, who acts as a tutor, but who knows that the company will never be theirs."* This role reassures the founder while reinforcing the successor's credibility inside the company.

The question is therefore not only about putting instruments in place, but also about ensuring that they are experienced and appropriated in the right way. The Mulliez family is a case in point: *"There are about 800 of them, they organize summer camps and they meet up by generation. They have an internship exchange, where everyone offers internships [...] It's called 'affectio societatis'."* Here, the tool is not only intended to designate a successor, but also to maintain a common culture and prevent attachment to the company from eroding over generations.

On the other hand, negative cases show how superficial or rigid preparation can be counterproductive. Newman reports a case where family councils had been set up, but where the heirs *"were integrated, but without any freedom within the company. And without any possibility of action, without any possibility of anything at all."* She describes this scenario as a *"sham,"* intended to *"tick boxes"* for the outside world, but without any real desire to pass on the business.

In other cases, preparation can even become a source of tension when applied rigidly. This is why Newman warns against overly rigid mechanisms, such as family charters: *"A charter is something quite rigid,"* she says, preferring more open forums, where *"there is dialogue and a much more flexible dialectic."* She sums up this idea with a metaphor: *"We are on magma, the company is in constant motion [...] we must systematically evaluate and question."* In other

words, the effectiveness of tools depends on their ability to adjust to the changing nature of family life and entrepreneurial and human dynamics.

These observations are consistent with Cadieux and Deschamps (2011) who underline that linear or rigid preparation models do not capture the evolving and unstable reality of succession (Cadieux & Deschamps, 2011, as cited in Yezza, 2022). Empirically, these examples suggest that tools and preparation are essential, but rarely sufficient. They can enhance the effectiveness of the transition when accompanied by educational values, legitimization practices (such as mentoring), and flexible governance. When absent, superficial, or rigid, they can fuel mistrust and become causes of conflict. Preparation is therefore a necessary condition, but its effectiveness depends entirely on the sincerity of the approach and the ability of families to adapt.

6.2. The founder-successor relationship

As we have seen, the relationship between the founder and his successor is the real linchpin of the transfer process. Whereas the literature described succession as a set of technical and organizational mechanisms, our cases highlight that these mechanisms are only valuable through the relational dynamic that binds the heir and the founder.

Victoire Newman emphasizes the fundamental role of education and the values transmitted from childhood: *"Succession, the transfer of ownership by the founder, involves a number of extraordinarily important factors. It involves education and values, among other things."* The legitimacy of the heir is therefore not built solely at the moment of their official appointment, but well in advance, in everyday family life, through an introduction to the company, proximity to it, and a culture passed on by the founder. Vanessa Schneider observes the same logic. In other words, the founder-successor relationship prepares the ground long before the transfer begins.

Preparation cannot be reduced to a set of rules: it must be embodied in educational practices, in the transmission of values, and in the establishment of human relays. Indeed, according to the two authors, educational practices, and the values derived from it, play an extremely important role in ensuring that succession runs smoothly and is properly prepared. This is what both speakers have observed. *"Succession is partly about education, it's about values,"* says Newman, while Schneider adds: *"There's the preparation, the company culture [...] and then we've seen the difference between successful and unsuccessful successions, and it really comes*

down to education. When I say education, I mean values, the values that are passed on." She illustrates this rigor with the case of Bernard Arnault, who, despite his considerable fortune, strictly controlled his children's pocket money and required them to justify each expense, even restaurant bills, in order to instill discipline and the value of money.

Beyond values and education, another decisive factor lies in timing. As Newman stresses: *"The earlier the decision is made, the smoother the transition. An entrepreneur who has spent his entire life and commitment, his entire being, in creating his business, finds it difficult to let go."* Here again, the founder's resistance becomes a direct source of intergenerational tension, with children being kept at a distance and deprived of autonomy. She insists that anticipation remains central: *"To sum it up, the sooner the entrepreneur or founder realizes that they need to hand over the reins and that one day, while they are still alive, there will be a transfer of ownership, the better the transfer will go."* She adds that this realization can occur at any time: *"There comes a point when, despite everything, he or she realizes that it is never too late, it is never too late to have this realization and to say, 'Now is the time.' And regardless of age, even if it's at 80, if it's done at that point with the help of the entrepreneur themselves, we can say that it will have an extraordinarily positive contribution."* This emphasis reinforces the idea that timing and awareness are decisive in making preparation effective.

However, even if the founder thinks he wants to pass on the baton, his relationship with his heir is rarely linear. In several of the cases discussed, education and closeness to the company are not enough to guarantee a smooth transition. The founder remains the only one in control: his explicit recognition or refusal to delegate is the key that opens or blocks the succession. Newman confirms this risk through the case of heirs who are *"integrated, but have no freedom within the company. And without the possibility of action, without the possibility of anything at all."* Behind a *"false"* transfer, the founder can maintain his power intact and deprive his children of any real responsibility.

Ego is often a determining factor here. Schneider notes that *"among entrepreneurs and company founders, there are a lot of egos, because I think that to build something, you need to have a lot of self-confidence, an ego, it's a driving force."* But this driving force becomes an obstacle when it comes time to step aside: *"That's the downside of ego. You have an ego that energizes you, that drives you to take action, and then you also have the ego that makes you unable to realize that it's time to hand over the reins."*

She illustrates this with cases such as Dassault, where the founder *"spent his time humiliating his children, belittling them, telling them they were useless,"* systematically undermining their legitimacy. The examples cited are particularly revealing: Dominique de Seigne, who refused to step down until he was taken to court by his son, or Jérôme Seydoux, described as a *"successor killer,"* who ousts any designated heir. Here, the ego is not only an obstacle, it becomes destructive to the intergenerational relationship.

The ego also expresses itself on a symbolic level. Schneider reports that Michel Leclerc, who became Michel-Édouard, was accused by his father of *"taking everything, even [his] name."* Succession then becomes an identity conflict, where the heir is perceived as a rival threatening the very existence of the founder. Literature has already evoked the difficulty for former leaders of stepping down from their role, and testimonies confirm that this withdrawal can be experienced as a true symbolic death. Behind the act of transmission, therefore, lies an existential experience: the founder must accept his own social and professional disappearance.

This psychological dimension explains why some founders oscillate between professed and false willingness. Newman warns: *"There must be genuine willingness."* Family councils or charters may give the illusion of a transfer in progress, but if the founder does not actually step down, the exercise remains superficial. This causes mistrust, deprives the heirs of legitimacy, and give rise to tensions within the family.

She also states that trust is of the utmost importance: *"I know that this is the first time I have mentioned the word trust, but it is obviously key here. At that point, there is no trust, and the lack of trust between the entrepreneur and his children creates something terrible within the siblings themselves, which leads to terrible mistrust, etc., and that is where tensions arise."* This statement highlights how fragile the intergenerational bond remains: without genuine trust, even the most carefully planned succession can collapse.

On the contrary, adjustments are possible when the relationship is marked by trust and love. The Pinault case illustrates how a transfer can be accompanied by symbolic gestures but also by continued inclusion: François-Henri ensured that his father remained involved in recruitment, was consulted on decisions, and remained integrated into the daily life of the company. The founder-heir relationship is then conceived not as a substitution, but as a re-composition of roles. The founder retains a different but recognized place, which allows the successor to assert himself without denying the founder.

These observations are consistent with what we have seen previously: formal tools and mechanisms can only guarantee a successful succession if the founder-successor relationship is based on recognition, delegation, and trust. When marked by ego and control, the relationship leads to blockages, when built on a genuine desire to pass on the business, it allows the founder to better handle this tense process while enabling the successor to assert himself. This echoes Cadieux (2007) as seen in the literature review, who emphasized that trust, communication, and recognition between founder and successor are decisive factors in ensuring a smooth transfer (Cadieux, 2007, as cited in Yezza, 2022). It also gives consistency to the ideas of Allouche and Amann (2000), who showed that emotional capital, when based on respect, can strengthen cohesion but, when undermined, becomes a source of conflict (Allouche & Amann, 2000).

6.3. Origins of tensions

Tensions in family successions rarely come from a single cause. Instead, they emerge from a complex mix of human dynamics. They constitute what Newman describes as a *"moving matter,"* which cannot be stabilized through legal tools or formal frameworks alone. As she explains, complete prevention of tensions is illusory: *"No, it's not possible because we're dealing with something that's constantly changing, we're on quicksand, the company is constantly changing, so the asset that is supposed to be transferred is constantly changing, and let's call it the family, the heirs, the founder, everyone is in constant motion, so it requires adaptation, and we need tools that are very flexible."* Tensions therefore come from less from isolated conflicts than from the constant evolution of both the business and the family system.

A primary source of tension lies in the difficulty heirs have in coming to terms with their parent's legacy. Schneider emphasizes the psychological burden that accompanies the handover: *"You have to live up to your father, do as well or better, but at the same time, you can't tarnish your father's legacy, so these are extremely complex issues, psychological ones too."* The symbolic weight of the founder then becomes a source of ambivalence: having to continue his work while asserting one's own legitimacy.

Added to this weight is the way in which values and education have been transmitted. Schneider points out that in families where *"it is always remembered that money is the product of something, that things are fragile, that things can turn around,"* succession is built on a foundation of responsibility and continuity. Conversely, in families where parents are less involved in their children's education, the heir may lack guidance, which weakens their position in relation to the company and can erode their motivation to join and work for it. For Newman,

this intangible legacy is equally decisive: *"Succession is partly about education, it's about values [...] this is where the foundations that the children will have when they are old enough to take over will come from."*

As we have seen before, the founder himself may also be a source of tension when he struggles to recognize or legitimize his heirs. Schneider talks about *"the feeling of immortality that some leaders have, which also goes hand in hand with ego,"* this *"reverse side of ego"* that sometimes prevents them from handing over the reins. Newman illustrates this situation with the case of a succession marked by *"superficial willingness,"* where *"he tried to make sure the rules were followed. Everyone knows the rules, everyone. But then there's the implementation and thorough execution of the transfer,"* which remained unfinished. In this case, the framework exists, but it is not embodied by a real will, which complexifies the succession.

Schneider describes a similar situation with Arnaud Lagardère, presented as *"the foil for all families"* because *"he had prepared nothing"* and his son found himself at the head of an empire when he had *"no skills and, above all, no taste"* for leadership. Another example is that of Paul Ricard, who, by publicly announcing that his son Patrick would take over the company, created a premature and unorganized transfer. The father, who remained omnipresent, *"criticized all of his son's choices,"* to the point that the latter ended up resigning, and *"father and son never saw each other again."* In this case, the inability to stand down turned succession into an impasse.

Finally, these tensions must be placed in the broader context of unequal access to educational and cultural resources. Newman notes that *"it's not the same thing when your educational environment doesn't give you a few keys to begin with. In Anglo-Saxon countries, they give you keys [...] but how do you manage when you don't have any keys at all and you're in a family environment where there's not much [...] you learn it yourself, but from the dark side of the force."* The lack of preparation or initial guidance thus reinforces misunderstandings when responsibilities are transferred.

The source of tensions therefore lies in the interplay between how the founder passes on or retains control, the influence he exerts over heirs and company, and the educational and cultural capital available to ensure continuity. This corresponds to what Pailot (1998) and Malarewicz (2021) emphasized: that fear of losing one's role, mistrust of successors, or difficulty in relinquishing control can make the founder ambivalent or even contradictory, thereby creating fertile ground for intergenerational tensions (Pailot, 1998; Malarewicz, 2021). Intergenerational

conflicts are therefore not isolated incidents, but dynamics rooted in family history and in the founder's choices, or non-choices.

6.4. Impact of intergenerational conflicts on governance and continuity

Intergenerational conflicts in family firms do not merely disrupt family relationships, they directly reshape governance structures and threaten the continuity of the business. Although the literature highlights regulatory instruments (Dutreil Pact, family charters, councils, or forums) that are supposed to secure succession, the testimonies collected reveal that their effectiveness remains dependent on how they are experienced and integrated by the different actors involved.

Victoire Newman illustrates this paradox in the case of a large family where, despite the existence of family councils and a formal organization, succession resulted in complete paralysis: *"They were led to believe certain things, given the appearance of freedom in certain areas, but these were extraordinarily superficial."* Deprived of legitimacy and decision-making power, they were unable to engage in governance, which, according to her, led to *"a total and very destructive failure, both humanly and extraordinarily destructive."* This case shows that formal tools, when applied solely "to do it" become an aggravating factor: they crystallize tensions and freeze the conflict rather than resolve it.

These examples confirm that the continuity of a family firm does not depend only on legal or organizational mechanisms, but they are still necessary for the proper preparation and execution of the latter. Agreements and charters, when experienced as an external constraint or a facade, do not prevent blockages or tensions. On the contrary, when they serve as a basis for dialogue or are enriched by flexible practices (mentoring, power sharing, collective rituals), they reinforce listening and adaptability and make it possible to overcome or avoid certain tensions.

This reflects what Baulenas, Gimeno and Vilanova (2003) emphasize: governance mechanisms such as charters and family councils can only contribute to continuity when they are rooted in communication and mutual recognition (Baulenas, Gimeno & Vilanova, 2003, as cited in Hirigoyen, 2024). Similarly, Malarewicz (2021) underlines that these tools remain moral commitments rather than binding guarantees, which limits their capacity to secure governance over the long term (Malarewicz, 2021).

The impact of intergenerational conflicts on governance and continuity therefore appears ambivalent. They can render tools meaningless, turning them into empty shells incapable of protecting the transmission of knowledge when not combined with open discussion and

mediation. But when recognized and integrated, conflicts can encourage new solutions and even give rise to original forms of governance.

6.5. Anticipating and managing tensions beyond formal tools

Family succession is never a smooth or linear process. It is inevitably filled with tensions which, although difficult to eliminate entirely, can be anticipated and managed. Victoire Newman puts it clearly: *"It's not possible [to prevent all tensions] because we're dealing with something that's constantly in motion, we're dealing with magma."* This image of magma as noted before, highlights the idea that neither the business, nor the individuals, nor the family relationships are fixed. In an environment that mixes professional and personal life, formal tools can only be part of the succession support process. What really determines families' ability to overcome their conflicts is how they organize themselves to communicate, open up discussion, question themselves, and constantly adjust.

One key lever is the ability to maintain spaces for interaction that are not purely professional. Vanessa Schneider emphasizes the importance of informal arrangements, citing the example of the Mulliez family, who organize *"summer camps"* and intergenerational meetings, as well as an *"internship exchange"* for family members. The objective is clear: maintaining *the affectio societatis*. Developing this concept is not only about preserving family history, but also about diffusing a sense of belonging and reminding the younger generation of the values of work, encouraging them to contribute to the family business. These initiatives help to reduce individualism and non-communication, which are frequent sources of conflict.

On similar example is Decaux's governance which illustrates how an appropriate organizational structure can defuse rivalries: *"the presidency rotates every three years."* Here, potential tensions are absorbed by a simple but inclusive mechanism that prevents the concentration of power and requires ongoing cooperation.

Mediation can also take the form of symbolic gestures which, even if they have no organizational significance, can have a strong impact on human dynamics. The Pinault case is also particularly relevant here: when the father handed over the reins to François-Henri, he organized a special ritual, handing over the keys to his office, while physically disappearing into the night, a powerful moment that reinforced the heir's legitimacy while facing the psychological cost of transmission. But the experience was painful: *"Six months later, he told us, 'I had a monumental depression.'" The solution here was found by maintaining the*

relationship between the two parties involved in the succession: François-Henri chose to consult his father on a daily basis, introduce him to new recruits, and keep him involved in major strategies. This compromise illustrates an implicit rule: to prevent tensions, it is necessary not only to transfer power, but also to preserve the symbolic place of the founder when he or she is faced with the various psychological blows mentioned above.

In this context, succession only works when it reflects the founder's true willingness. As Newman states: "*However weak the initiative may be, it must come from him, and it must come from his own awareness of the desire to pass on the business.*" Without such sincerity, tools remain hollow. She also stresses that fairness is decisive: "*It is the entrepreneur who decides whether there will be fairness or unfairness. I think it's still a goal that is generally sought after.*"

She also highlights the centrality of open dialogue: "*So he needs to be supported by the founder, this heir, because he needs to be involved in discussions with the other heirs, where these other heirs want to do different things, where they want to participate in the business, each with their own skills and expertise. That's right, and that's despite everything, these communications, these discussions, putting everything on the table as much as possible, even things that aren't very pleasant, but it's about sharing, it's about sharing. And if someone around the table helps with this function, it's to ensure that everyone has a say, that everyone can express their objectives, and I obviously start from the principle that there is a desire for fairness in all this.*" This vision underscores that mediation and inclusiveness, are as decisive as organizational and financial tools in managing intergenerational tension.

Another key lesson is that conflict prevention requires a subtle balance between the formal and the informal. Agreements, charters, and legal mechanisms are necessary to protect the "*working tool*" and guarantee a minimum level of fairness, but they are not enough. Transmission must also be embodied in educational practices, in a familiar narrative, and in mutual recognition and respect between generations. Only by combining these dimensions can tensions be transformed into opportunities for constructive improvement.

Ultimately, the cases studied show that the question is not how to eliminate conflicts, but how to integrate them into the functioning of governance. When they are recognized, discussed, and supported, they become a driving force for cohesion and a test of resilience for the family firm. When they are denied or frozen, they become omnipresent for both the family and the business. The true success of a succession is therefore not measured by the absence of conflicts,

but by the family's ability to give them a place that does not threaten the continuity of the business and to adapt its functioning and governance to encourage listening, mediation, and the search for solutions.

6.6. Lessons learned and limitations

The two interviews highlight a fundamental point: family succession is a blurred process for everyone. Victoire Newman emphasizes a structural limitation: *"The truth is that, unfortunately, entrepreneurs themselves are not trained for this."* In other words, the skills needed to create and develop a business are not the same as those needed to transfer it. Succession therefore faces a lack of personal preparation on the part of the founder, who is rarely trained in this exercise.

Schneider recalls that beyond governance mechanisms, succession in France is also shaped by a cultural imaginary: *"You don't want them to just pocket the dividends and then go find a CEO somewhere else, so there's always the temptation to want to create a lineage, there's that blood thing, and then we're in a country that was a monarchy for a long time, you see, there's a kind of dynastic thing, creating a dynasty, it's not necessarily conscious, but we realized that in fact many wanted to create a dynasty. "*

Added to this vision is the question of sincerity. Newman responds to the question of supporting a founder during his succession: *"I will agree to help them [...] if I know or feel that they are ready to see the process through to the end, otherwise it's a waste of their time and mine."* A mere declaration of intent is not enough: only a genuine intention, embodied in concrete actions, can give meaning to the tools and the mechanisms.

The relational dimension also requires respect as a guiding principle for succession. Newman states: *"The notion of respect is absolutely essential."* This respect must be mutual: from the founder towards their heirs, their ideas, and their differences, and from the heirs towards their parent's history and creation.

Finally, Vanessa Schneider points out that conflicts cannot be eliminated: *"No, because you're still dealing with human beings."* Succession affects family relationships marked by history, emotions, and the fragilities and fears of each individual. As such, tools can only partially frame these dynamics: they accompany, but do not eliminate, the complexities and irrationality of human beings.

Succession mechanisms appear necessary to protect a family firm and provide a framework for governance, but their effectiveness depends on many intangible conditions: the sincerity of the founder's commitment, mutual respect between generations, and the acceptance of conflict as inherent to the process. Success does not depend on the absence of tensions, but on how they are recognized, accepted, and integrated into the functioning of the family firm.

7. CONCLUSION

This thesis sought to answer the following question: *To what extent can succession processes in French family firms be disrupted by intergenerational conflicts, even if these processes are anticipated?*

The results show that anticipation and the use of formal tools (tax frameworks, family charters, councils, or forums) are necessary conditions for a smooth succession. These instruments provide structure and protection, but often struggle to neutralize the human and relational dynamics at play within family firms, where the personal and professional spheres are intertwined. Interviews with Victoire Newman and Vanessa Schneider confirm that succession can fail or be affected, even in the most prepared cases, if intergenerational conflicts are not anticipated and addressed.

The real pivot of the transition is the founder-heir relationship. The testimonies collected show how much the ego, the founder's difficulty in "*letting go*," and the symbolic weight of his figure influence the trajectory of the succession. Transition can be experienced as a symbolic death and as long as the founder does not explicitly recognize the legitimacy of the successor, the succession risks remaining superficial. On the contrary, when things are done with trust and respect, the relationship between the actors can become a lever for continuity and cohesion, and ultimately a strength for the company.

The origins of conflicts are very diverse: the psychological burden of "*having to measure up*" for the heir, a clash of values, the lack of professional education and values transmission, or the founder's refusal to relinquish power. These tensions are not isolated incidents, but dynamics inherent in family firms. They directly affect governance and can sometimes even lead to its paralysis and threaten the continuity of the business. However, when they are recognized and integrated, they can also open up dialogue and lead to innovative forms of collective governance.

The central contribution of this work is to show that intergenerational conflicts can disrupt succession regardless of the degree of preparation. Anticipating and preparing for succession reduces risks, but never eliminates the human dimension. The success of a succession is not measured by the absence of tensions, but by the family's ability to give them a place that does not put at risk the continuity of the business.

Beyond these findings, several practical recommendations can be formulated. First, families should consider appointing a trusted external mentor or advisor early in the process. This figure, who is not in competition with the heir, can reassure the founder and also help to legitimize the successor in the eyes of employees. Secondly, family values should be made concrete by translating them into tangible practices, such as rotating leadership responsibilities, instilling financial discipline, or exposing heirs to operational experience at the earliest possible stage. Symbolic gestures, such as ceremonies or rituals that clearly mark the transfer of responsibility, can also reinforce the successor's legitimacy while helping the founder to accept the transition. Finally, governance mechanisms should remain flexible and inclusive. Even if charters and councils can provide structure, open forums and spaces for dialogue allow disagreements to be expressed and facilitate conflict management. Above all, attention must be given to the quality of the relationship between the founder and his heir, since trust and recognition between the two are often decisive in determining whether preparation will lead to an effective succession. These practices do not eliminate tensions but help transform them into solutions based on adaptation, and more importantly, dialogue.

This research has its limitations. Based on two interviews and a review of existing literature, it does not claim to cover all possible scenarios, or the diversity of each family's experiences. Future work could extend the comparison to other cultural contexts or analyze differences in succession across several generations. It could also explore the possibility of creating new family governance tools in France that more explicitly integrate the human dynamics involved in succession.

All things considered, family succession appears to be a profoundly human process. Humans must be an integral part of succession, and the management of their emotions, fears and flaws cannot be reduced to mechanisms that, by their very nature, are beyond their control. Recognizing conflicts, accepting their existence, and learning to regulate them therefore appears to be a fundamental requirement for ensuring the continuity of family firms across generations.

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9. APPENDIX

1. Interview guide

As explained in the Methodology and Data section, this guide was used for the interviews.

Themes	Issues	Questions
Introduction and background	Understanding where the interviewee comes from, their course and angle of view on the issue.	<ul style="list-style-type: none"> - Can you introduce yourself and describe your connection to family firms? - What led you to work on this topic?
Success factors / obstacles	Identify the perceived criteria for success and failure in succession	<ul style="list-style-type: none"> - In your opinion, what factors contribute to a successful succession? - Conversely, what can weaken or block a succession?
Roles and actors	Clarify the role of founder, successor, and other family members	<ul style="list-style-type: none"> - What are, in your view, the respective roles of the founder, the successor, and other family members? -
Tools and dispositifs	Assess the effectiveness and limits of formal and informal tools	<ul style="list-style-type: none"> - Do you think that preparation tools (family charters, support, Dutreil pacts, etc.) are sufficient to prevent tensions? - What are their limits ?
Concrete case: context	Access a specific situation, understand the environment and actors	<ul style="list-style-type: none"> - Can you describe one or several succession processes you have observed?
Concrete case(s): preparation and tools	Explore how succession was anticipated and which devices were used	<ul style="list-style-type: none"> - How was the/these succession(s) prepared? - What tools (legal, fiscal, family charters, forums, governance) were used? - Were they effective ?
Concrete case(s) : roles and tensions	Analyze interactions, emergence of conflict, family dynamics	<ul style="list-style-type: none"> - What was the role of the founder and the heirs in this process?

		<ul style="list-style-type: none"> - At what stage did tensions emerge (before, during, after the transition)? - What were the main causes (founder's blockage, sibling rivalry, equity, tools)?
Concrete case: consequences and lessons	Assess outcomes for family and business	<ul style="list-style-type: none"> - What were the consequences for the business (continuity, governance)? - What were the consequences for the family (cohesion, division, trust)?
General recommendations	Gather practical advice for future successions	<ul style="list-style-type: none"> - What advice would you give to a family preparing a succession today? - If you had to insist on one or more key levers, which would be the most decisive?

2. Interview transcript (translated from French) - Victoire Newman

L: Could you introduce yourself and describe your connection to family firms?

V: My name is Victoire Newman. I work between London and Geneva, and I set up my multi-family office many years ago. I worked for 15 years at one of the largest French family offices, which wasn't called a family office at the time—that term came much later in the terminology and definition of this function. So I spent 15 years working in this family office and then set up my own company, which brings together three large families. What do I do for them today? I manage all of their assets, which are financial assets, and I have carte blanche in this regard. Obviously, there is very strict governance, extremely strict and detailed reporting, and constant communication with the family members. Why did I become interested in this after a fairly successful career in finance? For a long time, I felt that these structures lacked governance and professionalism. With my knowledge and background, I felt that this was something I could contribute, bringing structure and rules. Both internal and external rules, because banking is a highly regulated profession. What we now call family offices, and I don't like the definition, were until very recently, and still are today, very poorly regulated, which is a problem because

from that point of view, when families are in the hands of professionals, they are fairly unprotected.

L: The subject of the thesis is succession in family businesses, so I imagine that during your career, you have had to manage the entire life cycle of certain companies and therefore inevitably deal with issues of transfer and succession. Am I right?

V: No, I have been actively involved in setting up these rules and processes, which are two different things. Obviously, one of the difficulties in this thesis is that each case is completely unique. It is almost impossible to generalize, as we will see later in the specific cases. The case must be clearly defined, but we rely on existing legal and financial tax rules. We rely on, and especially as we talk about, I understand, essentially France, each country has its own rules, each country in Europe has different rules, etc. The Anglo-Saxon countries are even more different. Each country reacts according to its history, the history of the country, the history of the Constitution. All of this goes back a long way. These rules are embedded in the heritage, the DNA of each country's history. So there is a great deal of diversity in the way transmissions are viewed. So yes, I was involved in that. When you're in a family office, even the most powerful families, and I was one of them, don't have the power to change the laws. So we have to rely on what exists. Even if that involves in-depth discussions with the authorities, whatever they may be, and discussion, dialogue, communication, and I've been talking about this for some time, but it's still true today. There is very strong communication between the Department of the Treasury and the Department of Justice. When I say Treasury, I mean both its dual role and taxation, which, as we know, is a fundamental part of all this. And so this communication is very important. So we rely on that, and the key to all this is to see which pillar we can rely on to make a succession successful. So, what I have just described is really the very general part, and then we will move on to more specific elements, top-down, as they say.

L: We've talked about succession in general and what accompanies succession, which is a bit complicated to define, but could you tell me what you think could be a factor for success or, conversely, an obstacle to succession?

V: Well, I'll address that now. As we know, your thesis focuses on operational transfer. But there are two types of situations. One is the transfer of financial assets in the strict sense, managed by professionals who are not part of the family. With family governance, possibly, but managed by professionals. That's one case. I'm not saying it's simpler, but it's a first case that we're not going to go into. The other case, which is obviously more complex, as you can imagine, is the

transfer of industrial assets, whatever they may be. And so, again, this applies regardless of the generation. But tell me again, does it mention whether it's the first generation or the second generation?

L: In this thesis, I'm talking about transfer from the first generation to the second generation, so we're talking about founders and successors.

V: So, specifically, this is the transfer of an asset, which is new for everyone, i.e., it's new for the founder, who, as an entrepreneur, has developed his business as he saw fit, and we've now reached the point where it needs to be transferred. This raises two questions, and we almost need a decision tree: are we considering transferring the business to our children, and if so, when? Does this mean that we thought about it very early on, that the entrepreneur thought about it very early on and therefore acted on it, based on that vision, that strategy; I prefer vision to strategy, by the way; Or do we have children who are almost adults, who have developed their own life choices, let's say they are adults, and we see the founder building with them the possibility or not of them being at the head of the company, or in the company, and not necessarily with the highest responsibility. so there is that choice, and because the very positive alternative is that these children will in one way or another be shareholders, presumably shareholders in the company, and therefore will be able to be directors to hold different types of positions, and will be able to put a professional at the head of this company if they wish. And all of this should be done over time in good agreement, in good discussion with the founder.

L: In this thesis, I focused mainly on the case where an heir was chosen even among siblings, and that would take over, let's say, most of the founder's operational functions, so the founder would transfer their functions to them, and so we are talking about taking on a position that is mostly one of high responsibility or, in any case, a somewhat strategic function, which can combine shareholding and executive function, presence within the company as a decision-maker and not just as a shareholder. We have seen that succession involves several phases of integrating the heir into the company, including a phase of joint reign where the heir begins to take on more and more responsibilities, eventually sharing them almost equally with the founder. The authors identify this phase as a point of emergence of tensions. Do you think that personal and interpersonal tensions can arise from the very beginning of the intention to transfer ownership?

V: So, before answering this extremely precise and detailed question, I would like to take a step back and say that succession, the transfer of ownership by the founder, involves a number of extraordinarily important points. It involves education, it involves values, and there is no judgmental aspect to it. Entrepreneurs, entrepreneurs who start their own businesses, work 24 hours a day. That's how it works; there's no other choice. That's true today, and it was true in the 16th century and in the Middle Ages. It's perhaps the only criterion that hasn't changed. But that's the first factor. Then there's the way in which he himself transmits all his values, his entire *modus operandi*, etc. That's also his decision, whether conscious or unconscious, voluntary or not, and everyone does what they can. So here again, I think we really need to avoid any judgment in all these discussions, in this thesis, etc. And that's where we'll start from. I don't want to say "success" because it's not binary, but that's where the foundations will come from for the children when they're old enough to get involved. And that, of course, is the foundation, what I call the emotional foundation, and the entrepreneur will have done everything they can and done the best they can. And we'll have to live with that, and that's what we'll have to deal with when it comes to passing it on. So I took a step back to say that where we start from, there is this element that is the foundation, and then, as time goes by and catches up with us all, there comes a point when there is an unconscious awareness of one's children. We then have to decide to help them do exactly what they want, which may not be to take over the business at all, and choose to give them free rein to develop, or decide to guide them and try—I don't like the word "influence," but still—to give them the necessary educational foundation to go into the family business. So there you have it, that was just a perspective.

L: So perhaps more generally, do you consider that, let's say, we were talking about clashes of values, different upbringings too, where children also follow their own path in life, which is not necessarily in the footsteps of their parents, who are the founders of the business. They may join the company with their own personality, values that have been instilled in them by their parents, but which are now their own because they are adults. Do you consider that these clashes of values and personalities can occur throughout the transfer process, whether during the preparation, during, or after it?

V: Yes, well, I wouldn't call them clashes, it's just that we are human and so we have to take this aspect of things into account, and everyone has their own personality, their own life cycle... And I can't help thinking about Young, I can't help thinking that this should be included in there, there should be modules that explain this. And that everyone will have reactions that are more or less violent, more or less unfair, throughout their lives, until the death of their parents. That's

inevitable, it's not specific to a question of inheritance or the inheritance of assets, it's a universal truth. And so to that question and a clear answer, yes, there will always be that and that's what will have to be managed, but there will be several things to manage. Indeed, you asked the question before I came back to the top, in more detail, saying that one of the children is chosen. So here we have a double constraint, that is, there is the entrepreneur's relationship with this child and then there is this child's relationship with the rest of the siblings. So how do we manage that? Will the entrepreneur explain it himself, and will he do it well? What does that mean? How will he do it? Will he simply do it, or not even do it at all? Which is entirely possible. So all of these are factors that will determine how things turn out. It is certain that age is a key factor here, without a doubt. It is certain that if the entrepreneur does not do it, and many of them do not, it will certainly be up to the chosen child to communicate this to the rest of the siblings themselves. But we don't say that, it's not something that is explained.

L: Very good. So we can say that when we think about succession, we inevitably think about the founder, the heir, the predecessor, and the successor, but in fact there are other players who may have a slightly less important role but who will also have an impact on how the succession unfolds.

V: There is this concept that is complicated to manage, which is the concept of fairness. Whether it is valid or not, it is the entrepreneur who decides whether there will be fairness or not, but I think it is still a goal that is generally sought after. If we start from the premise that it is sought, there are different ways of achieving it. There is financial fairness, and that is what needs to be discussed between the children, if possible, separately with the children and the heirs. Everything is done within the framework of the law, because inheritance law imposes a certain framework and we have to work within that framework, which also means that we need to be familiar with it.

L: Speaking of frameworks, I assume you are familiar with all of this: in France, there are several tools available to French entrepreneurs to facilitate and/or support the transfer of operational assets. These can be legal and tax tools such as the Dutreil Pact, but they can also be more informal tools with a moral or even emotional scope, such as family charters, forums, and other such tools. Today, they exist, but they are not used by most French entrepreneurs, even though the Dutreil Pact is still quite widely used, but moral tools are used a little less, and informal tools a little less. Do you think that by combining these tools, we can prevent certain tensions from arising?

V: By combining these tools, we are doing our utmost to give ourselves every chance of success, so it is essential to do so, and it would be important to include them in regulations or recommendations—I'm not sure at what level—not rules, but recommendations. Someone would have to draft these proposals so that they could be made into recommendations. I don't know, even by obligation for notaries in France, I don't know, at an upstream level, by an authority. I'm not talking about regulations because we're not in banking, we're not in that field, and we can see that we're talking about things that are quite intangible as well. There's the tangible part that you mentioned, which is the legal and fiscal side, which are the rules we rely on, so that's there, but again, we might hope for slightly more creative proposals, but in France there are still these different tools that are widely used. We could dream of better, we could dream of more, we have references in Anglo-Saxon countries, we have references, but this is what exists here at the moment. On this intangible part, which is more intangible and relates to the moral aspect, it is absolutely clear that it must be given equal importance. Because yes, we want to reduce taxes, of course, for several reasons, the main reason being that the money must remain in the company and therefore we do not want to damage the working tool, and this notion of the working tool appeared in a decree which, if I am not mistaken, was linked to François Pinot, in the 2000s I think, So this concept of the means of production, if it is burdened by inheritance and by a tax that becomes astronomical in this case, the means of production is damaged, so when you damage the means of production on French territory, you damage the entire inheritance that you know about in terms of employees, investment, etc. So it's the contribution, it's the contribution to French economic growth that comes into play, and it doesn't matter what size it is, it doesn't matter if it's a company with 10 people or 3,000 people, it's the same thing. So I mentioned the work tool, so there's that part, and on top of that, whatever the nature of the company and the industry, we're in tune, we're directly involved in family relationships, we are directly involved with human relationships, whether internally within the family with the entrepreneur and his heirs and/or with the rest of the company, which is made up of human beings. So it's a shame not to use everything we have at our disposal to try to anticipate intra-family human relationships. And so that's where we talk, we don't even talk about the company anymore, we simply talk about human relationships, and so there are some very great psychotherapists—and let's not get into psychoanalysis—who have dealt with these subjects, and I am deeply convinced that we need to integrate this into our general thinking. It will never be perfect, it will never be perfect, but it seems to me that it may be a well, in any case, it's a possible building block on which we can build and on which we can achieve communication, so that the heirs, so that everyone can be heard, and then everyone's life is

different, and so everyone's sensitivities are different, even if we take what you suggested, that there is one heir and the other children are not, it's this dialogue and it's about accepting, it's about accepting things, but obviously in order to accept, in order for the heir to accept, they also need to be supported by the founder. So he needs to be supported by the founder, this heir, because he needs to be involved in discussions with the other heirs, where these other heirs want to do different things, where they want to participate in the business, each with their own skills and expertise. That's right, and that's despite everything, these communications, these discussions, putting everything on the table as much as possible, even things that aren't very pleasant, but it's about sharing, it's about sharing. And if someone around the table helps with this function, it's to ensure that everyone has a say, that everyone can express their objectives, and I obviously start from the principle that there is a desire for fairness in all this, of course, and that it is fairness, that's it, that it is fairness.

L: Very well, so we use the conditional tense a lot when we say that all these tools prevent conflicts and tensions as much as possible, and that communication is extremely important. Nevertheless, can we have all these tools, can we meticulously prepare for the transfer of ownership as entrepreneurs and completely prevent tensions from arising?

V: No, it's not possible because we're dealing with something that's constantly changing, we're on quicksand, the company is constantly changing, so the asset that is supposed to be transferred is constantly changing, and let's call it the family, the heirs, the founder, everyone is in constant motion, so it requires adaptation, and we need tools that are very flexible. We're not going to change the framework of the tools, but to a somewhat binary question, I answer no, but I explain why no, because with this constant movement, we have to be like in an earthquake, we have to be responsive, we have to anticipate, we have to know ourselves, know our own family, know ourselves, and accept that there is in all of this. For the eldest, there is an acceptance that must be made, which is fundamental, and that acceptance of oneself can possibly be done more easily later in life. It's about accepting things, and that's what you have to work on. It's this constant movement of magma that you have to adjust to, and if you explain it that way to children and entrepreneurs to raise awareness, you need to be constantly aware of how interactions take place.

L: Perfect. So we've talked in fairly general terms, reviewing what we've seen and observed overall within companies. As a professional in the sector, have you observed any cases that illustrate what we have said so far, namely the effective use and leveraging of tools, the proper use of tools, and good succession planning, yet where the company has nevertheless seen the

emergence of certain tensions between generations or a deterioration in the quality of communication between the two main players in the family?

V: So the question is incredibly difficult because every case is different, and I've seen estates of all sizes. To sum it up, the sooner the entrepreneur or founder realizes that they need to hand over the reins and that one day, while they are still alive, there will be a transfer of ownership, the better the transfer will go. When there is this awareness, the transfer goes much more smoothly. However, this is quite rare, but again, no judgment on that. It's quite rare because an entrepreneur who has spent their entire life and commitment, their entire being, in creating their business, finds it difficult to let go. So the examples we have that are more difficult are those where the entrepreneur is not successful. There comes a point when, despite everything, he or she realizes that it is never too late, it is never too late to have this realization and to say, "Now is the time." And regardless of age, even if it's at 80, if it's done at that point with the help of the entrepreneur themselves, we can say that it will have an extraordinarily positive contribution. So the negative cases are precisely those where the entrepreneur is unable to let go at all. This leads, even if there are pseudo-organizations within the children, etc., to the establishment of a framework that uses the tools we are talking about, such as family councils, forums, etc., or the entrepreneur, as he grows older, surrounds himself with his past teams, his past professional teams, but does not pass this on to his children, so he remains locked into his own creation of his business. This is where things get very difficult because the question of legitimacy immediately arises, the question of whether we consider that there are always several children, regardless of their number, we arrive at a situation where the children are relieved of their responsibilities, and if they are relieved of their responsibilities, they will not commit to anything in the company, and so this is the worst of situations, one where there is a lack of trust. Since, in all this, I know that this is the first time I have mentioned the word trust, but it is obviously key here. At that point, there is no trust, and the lack of trust between the entrepreneur and his children creates something terrible within the siblings themselves, which leads to terrible mistrust, etc., and that is where tensions arise.

I have just described the case of a real family. And the problem has not been resolved. The problem was not even resolved when the founder died. He himself, as the mentor, so to speak, of his own children, appointed one of his colleagues, who was also very old but still alive, to oversee the children, who are themselves extremely old but have no responsibility and no freedom of action, etc. So that's where we are, and that's a real case.

L: But can we consider, in this case, that the transfer was even initiated at some point?

V: So yes, it was initiated because in this particular case, there were family councils, absolutely, absolutely. There were family councils whose purpose was to understand and seek the interests of all parties. In this case, there was a very considerable financial inheritance, and the children were set aside with the aim of not involving them too much in the family business, but respecting them and giving them, forgive me for using the term, something to enjoy. So, sorry, that's a bit of a harsh term, obviously not the reality. The reality is to ask yourself what their area of expertise is in terms of investments, etc., and to support them in that. So yes, there was a transfer.

L: There was never any initiation into the company, nor any integration into the company. In fact, since they remained spectators,

V: No, not only that, they were integrated, but without any freedom within the company. And without the possibility of action, without the possibility of anything at all. It's a form of succession, it's a form of succession.

L: But there were no decisive steps. We remained at the first decision made by the company's founder.

V: Yes, but the term "decisive step" isn't particularly relevant.

L: The children may rise through the ranks to take on more and more responsibility. So there may be the full development of a branch of the company run by the children. Finally, there may be possibilities.

V: Absolutely, but there are no decisive steps. There has been a fairly consistent evolution in line with the type of company and the wishes of the heirs, combined with the wishes of the founder. And it works when everything is done in a consistent and organized manner, it goes rather well, but we can see that one of the small conclusions at the moment is that all the parties must be interlinked. And that can't be done, nothing can be done independently. Everything has to be interlinked.

L: Exactly. However, based on what I studied in the literature review, I imagined succession as a variable, cyclical process, where certain stages can be identified over time. Here, very quickly, it stagnates, in a sense.

V: No, because it didn't stagnate, there was participation, and what's more, it had been decided that in terms of governance, one of the children would take the lead, so I don't remember if it was every year or every two years, but one of them would take the lead, etc. So that was after

the founder's death, so we can't say that, there was, the framework was set, and indeed I'm talking after the founder's death, and once the founder was gone, it was much more difficult to change the framework he had put in place.

L: When we talk about tensions or friction, was there as much before the founder's death as after?

V: Absolutely.

L: As for the causes, was it the founder's post-mortem wish that his children should have this organization?

V: Yes.

L: So in fact, the friction had the same cause before and after, except that the organization was not the same?

V: Absolutely. So I can draw a comparison with another case where, after the death of the entrepreneur, after the death of the founder, the heirs shattered the framework, for better or for worse. But in the case I'm describing here, they respected the framework, and that really caused terrible friction.

L: So initially, the sources of friction were both related to a type of organization. So the sources of tension, initially, before the founder's death, were linked to a lack of responsibility and therefore no legitimacy, but imposed on the heirs, and subsequently, it was precisely the fact that there was not one person who stood out, but three who had to share the organization under the leadership of a CEO.

V: No, not even a CEO, absolutely, but the name escapes me...

L: An administrator? A regent?

V: A regent, exactly. That's exactly the word to use. A regent, and the regent cannot be... Well, the family could overthrow him, but all that is supervised by people, etc., and so they weren't raised with that mentality of overthrowing the regent either.

L: So they kind of had to accept their succession. They weren't really actors or stakeholders, the framework was too fixed?

V: They were, there is a very rigid framework, but they were adults and baptized...

L: They weren't active participants.

V: They were led to believe certain things and given the semblance of freedom in certain areas, but these areas were extraordinarily superficial.

L: Okay, so in fact, because this entire thesis is based on intergenerational conflict, there is a whole group, the children, who didn't really have the opportunity to express themselves.

V: Yes, you could say that, but what's more, we're talking about a generation, we're talking, we're talking, it's 2025, we're talking about succession in the 1990s, so a different generation, a different environment, a different mentality, a different... So we just have to put that into perspective too.

L: And were there any attempts at resolution, any attempts at mediation?

V: They did! They tried to bring in advisors, they tried to give advice, but it never worked. So they were stuck in their situation. Your question is relevant, because a generation is being skipped. In other words, the children of that group who were really... poorly integrated, poorly prepared, etc., their children are much better prepared. So the grandchildren, well, all that. So a generation can be skipped.

L: Of course, but if we're talking about succession from the first to the second generation, 1 to 2, do we consider that the succession is complete in a sense?

V: Well, yes, he died, but the regent was there. Today, he is almost no longer there because of his age. The children took advice, but in a disorganized way, which is normal, since they had not been raised with that awareness.

L: And so they themselves have emerged from this example of succession, which can still be described as average, very average.

V: It's a complete failure. This succession is a total failure and very destructive, very humanly and extraordinarily destructive, and so we wouldn't wish that on anyone.

L: So what do you take away from this case?

V: So what do we take away from this case, if we take away the conclusion that the founder must be the initiator. However weak the initiative may be, it must come from him, and it must come from his own awareness, from his desire to pass on the business, and then from providing the tools so that we don't get into the structure of how we're going to manage the company, what position, what level, what the heir's desire is within the company structure. I don't think that's the issue here, so it's his initiative that will ensure that things happen, that things happen, more

or less successfully. It can't come from the children, it can come from the children very late, but it doesn't work that way.

L: But in the case you described, there was a desire.

V: No. Well, sorry, there was a desire... There was a superficial desire. He tried to make sure he followed the rules. Everyone knows the rules, everyone. But then there's the implementation and thorough execution of the transfer. There, it was a bit... How do you say it? Sorry, I can't think of the word. It was superficial. He didn't have... He was one of those entrepreneurs who want to stay in control until the very end, until their deathbed, and that's what he did.

L: So there has to be a real desire, and not just a desire to do...

V: There are words like awareness, there is a real desire, it's not a sham. I was looking for that word earlier, it was sham.

L: Yes, but because it's urgent, it was done in accordance with the life cycle of the company, where after a while you have to hand over or bring in the children. In fact, behind it, there was...

V: There has to be a reality behind it if there is to be a reality in the execution of things. If it's a sham, it doesn't work. The children are not given responsibility, etc.

L: And if there were family councils and charters, it must have been discussed, right?

V: I don't know if there were charters, but there were definitely family councils, although they remained relatively superficial. It's all about the notion of pretense, of saying to yourself, we know we have to do this, so we tick the boxes, we respond to the outside world, and again, it's for the outside world, it's not for ourselves, it's to face others and to be able to say, but that's where it ends. There is no deep desire, but no judgment.

L: Here we take an example where there was no will on the part of the founder, so even if all the tools available in France had been put in place, the lack of will meant that it couldn't really work out.

V: Failure, yes.

L: And so today, if we put this example into perspective, and even the examples you've seen, if a founder comes to you today asking for help in transferring their business, what is the main advice you would give them?

V: I would agree to help them, if the request is made in this way, I would agree to help them if I know or feel that they are ready to see the process through to the end, otherwise it's a waste of their time and mine. So how do we gauge that? It's experience that allows us to gauge that.

L: And what recommendations would you give to these people?

V: The notion of respect is absolutely essential. But that's where it's a professional opinion. Let's take it as an outside professional opinion and take into account the emotional family aspect. You can't separate the two. You just can't. It's the opposite of oil and water, to put it more directly. And so, it's respect. As I was saying, I really liked the metaphor of magma and technological plates. I think that was it, I think it best illustrated this concept, which is never fixed. And so, that means we have to systematically evaluate and question when, for example, we have used one of the tools that is not the forum, the charter for example. That charter is a great danger because it's a charter, it's something rigid. And you have to have extremely rigorous processes to say every year, we're going to review the charter. Or every two years, we're going to review the charter. In life, you also have to be extraordinarily realistic. And that's why, for me, these tools should be eliminated. The forum is more interesting because there is a dialogue and a dialectic that is much more flexible. That's my recommendation: a lot of flexibility. A charter is something quite rigid. A charter is much more legal. And so, for me, there is this need for fluidity, to make sure that's why the forum is open, and my recommendation is to open up, not to close down the tools we offer in the Latin world, because in the Latin world, they always close down, because that's the culture. It's this recognition, it's precisely about opening up, it's not easy to open up, because when you open up, you expose yourself, and so there you have it, and so charters were made to provide a framework, it's done, it's rigid, and you hide behind it, and again we come back to the human being, the human being doesn't work like that at all, and that's what's at the heart of the matter, so of course, we haven't talked so much about all the possibilities in the world, because tax issues and all that stuff are mechanical things that need to be managed and lead to legal, tax, and geographical decisions, we know that, if we want to, etc. So there are life decisions at stake. The other part, which for me is really the foundation of a well-functioning business, is everything we've been talking about, so it's this fluidity, and the tools, the tools are the ace in the hole, the tools, so there's the founder, the children, it depends on the values that have been passed on to them, and that's the exercise, the transition will go smoothly or with more difficulty, and so that was the other recommendation, never freeze, you have to force yourself, because you protect yourself, in all this, there are also all these protective mechanisms, and there is one important thing, which is that you have to adjust to the movement,

you have to question yourself, you have to tell yourself, and it's not easy, because you were taught by a father, a mother, a company founder, or the family founder, who taught and passed on values that are what they are, and you have to try to rebalance them, I don't mean question them, but put them into perspective, and the difficulty there is that it's not education, it's something else very important, it's that we're talking about Latin countries, and when you go to Anglo-Saxon countries, it's not the same thing at all, it's that the values are not the same, and the values transmitted at school, the tools that are passed on to you at school are extraordinarily different, so maybe we can open up on that by saying that, depending on the worlds, the history we're in, and the values of each society, it has a huge impact, because the English and the Americans, I would have given you a totally different speech about all this, but totally different, because inheritance there, it's not the same issue at all, and money is not treated in the same way at all. It's a vector. In Latin countries, it's very different. You may have seen this, certainly, but it's not the same thing when your educational environment doesn't give you a few keys to begin with. In Anglo-Saxon countries, they give you the keys. It's not perfect, etc., but how do you manage when you don't have any keys at all and you're in a family environment where there's not much, where there's very little? You learn it yourself, but through the dark side of the force. You learn it, and you end up understanding. And if people, I've seen terrible things, I've seen things, children also need to have this appetite and this liveliness, and there are things that interest them in there. There are children who are not interested at all, not in the slightest, so they are left behind, left behind by the founder? Because the founder can't have children who don't have any drive, whatever it may be, not even... I'm not even talking about enthusiasm directly for the company, because we're talking about the company, but I've seen things, I've seen things, it was awful, where there was one chosen one, there was one chosen one, and the others were abandoned, they were abandoned, not totally abandoned of course, they were even given a business, or maybe a little something to make sure that they still had something in their hands, but it's not the same energy at all, it's not the same momentum, and again, we come back to the human aspect, it's tough, tough!

The truth is that, unfortunately, the entrepreneur himself is not trained for this. That is to say, he works 24 hours a day and he wants to do it, he has this desire for many reasons. And so that's what it is, in fact, that's what's not easy. On the other hand, if you pass it on to several generations and you can have this vision over several generations, then it becomes very interesting.

L: Thank you very much!

3. Interview transcript (translated from French) - Vanessa Schneider

L: Can you introduce yourself and describe your connection to family firms?

V: Well, my name is Vanessa Schneider, I'm a Grand Reporter at *Le Monde*, so I cover a whole range of different topics, and in fact I became interested in succession with my colleague Raphaëlle Bacqué. It came about in two different ways. I had read in the press about a company that isn't very well known, from memory, a company in northern France, where in fact a company director had decided to put his four children in competition with each other for a year, with a committee of elders responsible for evaluating them at each stage of their journey to determine who would succeed him. I found this quite terrifying because organizing a competition like this meant that they were all subject to it. In fact, we had chosen not to study this company because it wasn't well known enough, and no, we were only interested in well-known brands or well-known families. And in fact, a year later, I saw that it was the daughter who had been chosen. But it was really a journey of going through all the departments of the company, with evaluations, etc. And in fact, I said to myself, yes, when I saw that, I said to myself, on the one hand, it's fierce to put these children in competition with each other, and at the same time, I said to myself, but how? It made me ask myself the question, but indeed, how do you choose when you have several children, which one do you choose? Because in France, in fact, there's no problem with... it's very well done in terms of capital distribution, and that's it, you can't favor one child over another, but the question does arise, in fact, about the governance that has entrusted the reins of the company. At the same time, Raphaël Bacquet, who had met Bernard Arnaud, for Karl Lagerfeld, Bernard Arnaud, it was a time when he was passing on his knowledge, he was training his son at Polytechnique, one of his sons at Polytechnique, and he was very invested, etc., in his children's education, and so we had, well, we also asked ourselves the question, because when you're the heir to a group like LVMH, you really, really have to prepare, and in any case, he was doing that, so for him, it starts with academic preparation, he wants his children to have degrees and all that, but anyway, that's how it is. So those were the two triggers, and we said to ourselves, we're going to take a number of families that our readers can identify with, because we need families that our readers can recognize, and then we're going to try to understand how it worked out for them.

L: And Raphaëlle?

V: Well, Raphaëlle is also a Grand Reporter at *Le Monde*, so we were both in the same department, and we published this as a summer series in the newspaper for two years in a row,

and we turned it into books . What was unique about these investigations was that, with the exception of one or two families, we had access not only to the families' entourages, former executives, etc., who often spoke off the record but who knew the families very well, lawyers, former CEOs, etc., the companies, but also, in the case of Bernard Arnaud, we saw Bernard Arnaud himself, we saw his five children, we were able to see everyone. That's what makes these investigations so special and rich; you're really in the real world, there's no interpretation involved. We can hear them talk about it, and then we did some journalistic work, which meant comparing what they told us with all the information we had from outside and inside sources.

L: And did you find a big difference between the story that was told, with all the emotion, and the version that may be biased?

V: In fact, obviously, people always started by presenting things in a positive light, the families, saying that everything went very well, etc.

L: And then it was our job to research, to be a little objective.

V: When you scratch beneath the surface, you realize that it's not that easy. Take the Decaux family, for example. On paper, they have a truly imperial succession, with a father who, from a very young age, took his children into his business, gave them internships, and had them do small jobs in his companies. He has three sons, each 10 years apart in age. This is also unusual because there is no real competition between the children due to the generation gap between them. So, his approach was that succession did not involve academic progression, because he himself was self-taught, so these were not his values. So he pushed them to get out in the field as early as possible. And since he knew the French market, he told his first son, "You're going to Germany, you'll figure it out, you're going to Italy, etc." They were very well prepared. Their father gave them the inheritance before he died, as everything had been settled. In fact, on paper, it's an idyllic succession because the group is doing really well, and now it's globalized and they've done what their father couldn't do. That's also what succession is all about: how to transcend what comes after. But, above all, they have set up a very original governance structure, which means that every three years, they have a WhatsApp loop, and every three years, the presidency rotates. So that requires perfect agreement. The organization of one as well. And perfect agreement to really co-chair together, and that's it. And in fact, we realized that the last one, the youngest, on paper, has the same title as the others, but in fact, well, he disengaged, he took over the foundation, he's still in the loop and all that, but clearly, he was the least interested. We could sense it when we saw him, even though it wasn't presented that

way. But no, he was less interested at the time of Covid, he thought about it a lot, I think he put it off a bit like a lot of people, he said to himself, am I really interested in doing this, working for this company, when my brothers are doing very well, and so, he stays in the loop, he's informed about everything, but he's no longer involved in the actual management. We didn't oust him, but he didn't want to do it, he realized he didn't want to do it. Because it's also a burden, in fact. One question is... The general public thinks it's a gift, a kind of gift, to inherit an empire, but it's also a burden, because first of all, you might want to do something else, and very often, you don't have a choice within families. We are brought up to believe that this is the only possible path, and that if we don't do it, we are betraying our father in a way, and then it's a burden, because you have to live up to your father, do as well or even better, but without, at the same time, tarnishing your father's legacy, so these are extremely complex issues, psychological ones too.

L: I saw that, in fact, in the world of heirs, it's about both upholding the values and legacy of one's parents and innovating, being new, managing the new generation. So there are tools that support succession in France, notably the Dutreil Pact. I saw that there is also a commitment for children, because I believe it is six years of mandatory title retention. It's a tool that makes things easier, but it can also be a poisoned chalice. There are lots of tools in France that, as I've seen, help with succession. In your opinion, are there factors that can facilitate succession, as well as other factors that can hinder it?

V: What we have identified, in fact, is that there are two factors that I think are the most important. There's preparation, the culture of the company, which means exposing children to the company from a young age, talking to them about the company, getting them to know the employees. We've seen that the difference between successful and unsuccessful successions really comes down to education. When I say education, I mean values, the values that are passed on. Because what is very difficult, in the case of a... For example, I'll tell you about successful situations. We studied the Rothschild bank. The Rothschild bank is where Alexandre, who is now at the helm, says that from a very young age, he went to the office, he heard people talking about the bank, he always heard people talking about the bank. And then his father, put him on a whole career path. That is to say, he was sent to another bank in the United States, and then he came back to Rothschild Bank, and he worked his way up through the ranks. So that's a typical case of succession, very well prepared, very well organized. That is to say, very often, a mentor is appointed... Someone who is not the founder. Not the founder, but someone who is usually very close to the founder, someone the founder trusts completely, who may be a

managing director, but who is a long-time employee of the company, who knows the ins and outs and who takes on this role, and who has a dual role of training and evaluation, but who is also contacted regularly by the founder, who asks, is he making good progress, is he going to make it, etc. And this was told to us by several of these mentors who had mentored successors in this way and who were responsible for providing feedback to monitor progress.

L: But in addition, it's training so that in the end, they take on positions higher than those of the mentor.

V: Yes. Because generally, it's either the CEO or a very important partner, but someone we trust, who acts as a kind of guardian or parent, and who knows that even though he knows the company inside out, it won't be him. The company will never be his, and it will remain in the family, and that has been clear from the outset, so he acts as a mentor. After that, it's in his best interest to train him. But generally, we also thank him in one way or another. And then, when I talk about values, what's very important is that there's an issue that we've seen arise in very large groups. It's as much, well, the founder, you know, he started out, he needed money, as when you put it in a family where you know from a young age that you'll never need to work, that in any case, in reality, you have plenty of money, that not only will you never need to work, but your own children will never need to work, and your grandchildren will never need to work, it's very, very difficult to educate a child and make them want to work or study. Take Bernard Arnaud, who is the richest man in the world. He always kept his children's pocket money under strict control. It wasn't open bar, you see, it was... Good grades at school, even when they were doing things that were very coercive, the youngest sons, when they went out to dinner with their girlfriends, there was a price range and they had to bring back the bill from the restaurant, etc. So to really teach them the value of money, because it's true that otherwise it's very, very difficult, because you're living an extraordinary life anyway. Bernard Arnault's three youngest children have had bodyguards since birth, they travel by jet, and well, that's serious. And it was, for example, more complicated for the Lagardère sons, who were typically, you know, nightclubs, alcohol, girls, easy living, nice cars, that kind of thing. Wanting to work when you have everything, at a very young age. So, we really saw that. Those who had had a strict upbringing. For example, we met the Saadé family. It's a fortune, an empire built by the father, taken over by the son, which exploded with the son. Well, he blew up the company with Covid, maritime transport, the group diversifying, etc. Well, it's a very interesting succession, because he started out in a basic profession, and he's turned it into something else. And he's already starting his succession. He's not even 50 years old. He has children who are teenagers, between

8 and 16 years old. And already, because they realize, they live in Marseille, that this is the richest family in Marseille, that everyone says, now on social media, you can find out how much your parents earn, so they see the figures, billions, billions, billions, well, there you go. And so, they already try every year, they've restored this, at the time of the survey, a little before, they gather all the cousins in the Saadé Tower building in Marseille. And there, there are collaborators who give them speeches, results, prospects, etc... So there's really an initiation, even though some of them are only 10 years old. After that, they can ask any questions they want to a mentor, in this case, their father's brother-in-law, who is Rodolphe Saadé's uncle, who accompanied his father, who came from Lebanon, like him, with nothing. And then there's also a CEO, whom they can ask any questions they want, and the goal is to give them the desire, the taste, to always remind them that they didn't have, for example, they made a film. It's really interesting to trace their family history, to show them that in fact all this didn't come from nowhere, so they tell stories about Lebanon, the war, their parents leaving with their kids hidden in the back of the car, arriving in Marseille with nothing, racism, where people called them hicks, and then they set up this business, to remind them that it wasn't money that fell from the sky, it was because they worked like crazy and were inventive and all that. So you see, these are the things that, when I say education, that's what I mean, it's values, always remembering that money isn't, well, it's the product of something, that things are fragile, that things can turn around. The Mulliez family, for example, they have a motto, it's the family motto for every member of the family, it's the first thing they learn, it's that we're here to serve, not to serve ourselves. So we're here to serve the company, not to serve ourselves, not to take dividends. But then there are other families who aren't really taught that way. I don't think Vincent Bolloré told his kids they had to serve the company. Well, he was, you know. Then there are family structures, and parents who are more or less involved in their kids' education too.

L: Yes, that's right, you can't have lax parents.

V: Yes, or too busy, or you know Arnaud Lagardère, Arnaud Lagardère is the foil for all the families we met, but in many ways, that is to say, everything was said, you have to do the opposite of what happened at Lagardère, because Lagardère hadn't prepared anything, so that's why they all prepared. There are many large companies that have advisory boards with people from outside the company and so on, who are responsible in the event of accidental death with children too young to take over, to ensure a kind of power vacuum. This was put in place because of the death of Jean-Luc Lagardère, and then they realized that they had put someone at the head of the company who was certainly the heir, but who had no skills and, above all, no

taste, and who ruined the company, ruined everything at a phenomenal speed. So they all said to themselves, we absolutely must avoid that, even if it means accepting that there is no talent internally, looking for someone outside the company and all that. After that, what is very specific to capitalism, what is very specific to French capitalism, is that you always have to look within your family, that is to say, what we have observed is that among business creators, business founders, there are still a lot of egos, because I think that to build something, you still need to have a lot of self-confidence, an ego is a driving force, and so this ego, you want your name to live on, there's a connection to giving, you don't want them to just pocket the dividends and then go find a CEO somewhere else, so there's always the temptation to want to create a lineage, there's that blood thing, and then we're in a country that was a monarchy for a long time, you see, there's a kind of dynastic thing, creating a dynasty, it's not necessarily conscious, but we realized that in fact many wanted to create a dynasty.

L: Even if they can see that their children are not necessarily competent

V: There is still this slightly dynastic desire, we found it everywhere. So, factors for successful succession, education is still the main one. Training, it can be academic training, it's training by immersion. Everything I was telling you, getting into the habit from a very young age of going to the company, listening to what people say, getting to know the executives, familiarizing yourself with the business. It was Bernard Arnaud who, every Saturday morning, visited the boutiques with his children. And from a very young age, they got used to hanging around the boutiques. Rothschild knew that the family owned this bank and that they should be proud of it. He would arrive and people would know him. From a very young age, he had seen the associates, him and his partners. Immersion, academic background, if possible. And there, it really depends on personality. Bernard Arnault is all about education. François Pinault didn't go to school, but he felt that there were things he had missed out on. So he really pushed his son to get an education. And then there are those who don't ask themselves the question as much. It's not like that in all families. There are parents who are less invested in their children's education. You have to think about the image of the company. And so that's the training. And then the third aspect of training is, once the successor has been identified within the company, the entire career path that they follow within the company. It's a very carefully thought-out path, so that they get to know all aspects of the business and gain legitimacy with the teams.

L: The theme of legitimacy came up a lot. Legitimacy, even if it is worked on extensively by the heir, cannot be achieved until the founder decides to impose a certain legitimacy on them.

V: And of course, in very large companies, there is always a mentoring system, more or less, which is sometimes informal.

L: For example, the Dassaults, there was none at any time, even though there was a desire... They joined the company, there was a desire on the part of the father to bring his children into the business, and yet they suffered through their succession...

V: We have another version, from the Dassault family, we didn't write that at all. In fact, what's terrible is that he spent his time humiliating his children, belittling them, telling them they were useless.

L: But why did he do that then?

V: Because he himself was very complicated, because he himself had been hated by his father, because, you see, then we get into psychological family issues that are... that are commonplace, that happen in other families, but since this is a large group, it poses a problem, you see. For them, it was a kind of destruction of the heirs.

L: And even after his death.

V: Yes, yes. Because none of them had been trained.

L: And are the obstacles to succession due to a lack of preparation, a lack of proper education, or are there other factors that come to mind?

V: Well, there is an obstacle to succession that we don't necessarily think about. In fact, we have noticed that very often there are successors, founders or leaders, because it may be the generation that expresses a desire for succession, but in fact they are unable to pass on the baton because they don't want to let go of the reins.

L: This was described in the typologies of predecessors, and there was a typology called the monarch, who says he wants to but never does.

V: He never does it and so takes risks for the company because of the risks of leaving too late, of making decisions because he is too old, because he is ill, and of not giving the other person the opportunity to take his place in the whole picture, and that is typically what happened at Dassault, or because his father kept telling him, "But if it's going to be you, it will be you," and in fact, not at all, not at all, not at all, not at all. And then in the end, not only did he die in a plane crash, so it was Olivier, and Olivier was tormented by his father, who made him believe that he would take over, and never, and then of course he died in the plane crash, and then there

were no successors at all, and so that's a psychological obstacle, which is how much the leader, the founder is really capable of letting go of the reins.

L: There's willingness and willingness.

V: Yes, there was a desire that was expressed, but in reality they had no desire at all. It was a succession battle that ended in bloodshed. So, a special case was Dominique de Seigne, who took over and managed the company on behalf of his children because he had no stake in the company since it belonged to his wife. It's one thing for him to manage the company and pocket the dividends and all that while the children are young, but when they turn 22 or 24, he brings them into the company, and as soon as his son opens his mouth, he tells him that he doesn't understand anything, that he's this, that he's that, etc. And then the son is approaching 30, he's never seen a dividend, even though it's their money. And so it ended in bloodshed because, as it was a poorly communicated case, one day the father said in an interview that it wasn't time for him to retire yet, even though he was already, I don't know, 78 years old. The son said that wasn't possible, and he never gave up, he never gave up. Even though the father was already ill. He knew he had Parkinson's. Anyway, it wasn't his company. So the son took his own father to court. So that's how it ended, so that too, that's an obstacle, it can be an obstacle to succession, it's the feeling of immortality that some leaders have, which goes hand in hand with the ego I was talking about, it's the flip side of the ego, you have an ego that energizes you, that makes you want to be entrepreneurial and all that, and then you also have the ego that makes you not realize that you need to hand over the reins, and there's another case, that of Jérôme Seydoux. Jérôme Seydoux, you see, between his children, his adopted children and all that, he has eight children, none of whom want to take over the business, and as soon as he appoints someone, as soon as a number two successor is identified, who is going to succeed him, he fires them. So you see, he's a kind of successor killer, and now he must be, I don't know, 85 years old, he'll have to adjust the ages, but no one knows how it's going to end, his death. The thing is, we want a successor until the moment when it makes us feel that we are no longer... it depends on personalities.

L: There are those who really see it as a beautiful transition, the dynasty, and others who realize that they wanted it, but when they feel minimized there, it's different...

V: We saw it with Michel Edouard Leclerc too, so his father has this kind of genius intuition, about mass distribution and all that, he does this thing. His son studied in Paris, and then he brought him into the company, he held several positions, etc. And in fact he's very good, he

comes across well on TV and everything, so people started inviting him and all that, and his father couldn't stand it. In fact, he couldn't stand it, now they were inviting his son on TV and not him. And then they had some horrible moments between them before his father fell ill, then he became delirious and all that, so he doesn't really know how much of it was caused by the illness or not, but there was a story about the name, his son's name was Michel Leclerc, the one he currently manages, and he changed his civil status to be called Michel Édouard. But for him it was a tribute to his father, and his father took it really badly, he said to him, you're taking everything from me, even my name, you're taking everything. There's this crazy scene where he says, "But you're taking everything from me." In fact, he was the one who put him in the box, and then he couldn't stand to see him in the spotlight. It was an ego clash.

L: I had seen some very strong words that said that for some successors, it's like dying. It's a symbolic death to leave their business behind. To me, that seems inconceivable because we're talking about family and children, it's also a question of the older generation.

V: No, but I think it's also because these are people who are used to a certain pace of life, a certain level of demand, so when they stop, suddenly the phone stops ringing, and they have to find themselves again, you see. And here, if you like, I'll tell you about the case of Pinault. François Pinault has three children, very, very young, and when we asked him which of the three he knew, he admitted that he had never thought about his daughter, but he did have one of the boys, and he thought to himself, "That's it, that's going to be my son François," because he's also called François, like him (François Henri). So he pushed him, with his studies, etc., etc., and then, in the same way, he was mentored within the company and everything, and precisely at the moment when he was being mentored within the company, he told François Henri that he had added Henri because it caused problems with the mail, but I think it was also to gain legitimacy within the company. that's when he added Henri and started calling himself François Henri to distinguish himself from his father, and so everything was done, that's it. Besides, it can be painful for CEOs who are hoping, you know, but everyone knew that he was going to take over, etc., etc., except that he wanted to do things right, François Pinault, not wait for an accident to happen, and he did something very symbolic. He invited his son to dinner, gave him a key ring with the keys to his office and his initials on it, then he worked on the key ring to make it a generation thing, etc., and he said, "There you go, now it's you, I'm leaving." He moved his office, like, overnight. He didn't ask to keep his office, you see, because he said to himself, I want to do things right, I want to make a clean break, and he told everyone he dealt with, now no one calls me, you call François, it's him. So it started with good intentions, except

that he went on a trip around the world and everything, and then six months later, he told us, "I had a massive breakdown, because all of a sudden, you're in great shape, and then he found himself... Kids who had worked all their lives, from a very young age, like crazy. In fact, he had done his little tour, bought some paintings, and he said to himself, well... And then it was his mother, his wife, who said to François-Henri, "You absolutely have to find a way, he's depressed, he's not doing well at all." Because, if you like, the thing is, the reason founders can feel excluded is that, after a while, you no longer know the people in your company. Because the successor often keeps his father's executives at first. And very quickly, he brings in his own executives. They say to themselves, "No, actually, I have my own vision, my generation has new perspectives." So, for example, I think François Henri Pinault brought in half of his HEC class, he brought tons of them into the company, who were both friends and people of his generation, and all that. And so, little by little, all the old people left. So, the father arrives at the offices, and there's no one there anymore, you see, so you don't feel completely dispossessed, because you don't even recognize the same faces anymore, you see. So now, for example, they've set up this thing called , and whenever he recruits someone who's a bit important, he introduces them to his father, he introduces them to his father, so everyone's happy and the father feels like he's involved in the recruitment process too, even if it's just that, but at least he knows the people, he stays, you know, it's still a bit like his company. They've put that in place, and otherwise, they call each other every day, you see. They call each other every day, they communicate almost all the time, they ask for his opinion, his strategy. After that, sometimes they don't agree. But when it goes very well, it's a succession. Yes, it went well. It went pretty well, because in fact, he diversified, he got rid of an old business that had made his father's fortune to really accelerate towards luxury. That's when they sold several companies, La Redoute, the stadium... And so, for... And he really made the shift towards luxury, that's all, you see. But so, there you go, it's both a successful succession and, at the same time, it was painful, so they managed it well, because I think they get along very, very well. So I think there's a very, very strong bond between them, father and son, and that the son didn't want his father to feel bad, so he did everything he could to make his father feel good. So, in families where there is a lot of love, you can find solutions so that no one gets hurt too much, you see. Saadé told us that he had a father who was very strict, and so for him, it was... Well, they follow the Eastern tradition, so it's the son and the eldest, you see. So there's no negotiation, that's just how it is. So even the other brothers and sisters knew from a very young age. Yes, at least there are no surprises. So he, too, studied a little, set up a small start-up, and his father said, no, no, you're going to join the company. That's it, you're going to work with me, and so is your sister. And

then, for a very long time, he was really hard on him in public. He told us, for years with my father, he would say, I'll give you something, then take it away, give you something, then take it away. You see, he played like that, all the time, all the time, all the time. And in the end, it was the illness that possessed him, you see, he was very ill, he had Alzheimer's, and well, at that point, he had to let go of his son. But he couldn't take it anymore, he couldn't take it anymore, waiting, waiting, waiting, waiting. Another example that's really interesting, which in this case was very painful, but about the same thing. It's Paul Ricard. Paul Ricard held a press conference and said, "I'm quitting, I'm fed up with the administration, the standards, the rules. My son, Patrick, is going to take over the company." Except that he was actually much too young to leave. He was also an entrepreneur and a builder, and he had done a lot of things. So, from the outset, things went very badly between father and son. The father criticized all of his son's choices. And now the family tells you that the son's choices were the right ones, because that's what they did later. That is, the choice to go international, to say, in fact, we can't bet everything on Ricard, we have to... you're going to buy other dwarfs. And now, Ricard accounts for 5% of the group's turnover. So the father was critical, and what we said in previous cases was that you had Patrick Ricard, who was supposed to make decisions, but in fact there was a second person, like a shadow cabinet. Yeah, a shadow cabinet around the father, who dismantled everything. So the executives didn't do anything until they had Patrick Ricard's opinion. So it ended in bloodshed, the son resigned, but not only did he resign, they never saw each other again, he left and there was a rift in the family, it was awful, really. And then, suddenly, it was the second brother, the one below him, who took over, but he, having seen what had happened, didn't make the same mistakes. No, but he had observed what had happened, and what he did was to informally take over a little bit, that is, he kept his father in the loop, gave his father the impression that he was still involved. And so things went better with the second brother. And the irony of the story is that the person who is currently in charge is actually the son of the first one. They said to themselves, they have plenty of executives, but they still prefer a member of the Ricard family to take over. But they too have been doing internships since childhood. For example, all the Ricard children do summer jobs in the company, they work as waiters, and then they go on discovery trips, they take them abroad.

L: Actually, there are so many family members, it's so organized, it must take a crazy amount of time to set everything up.

V: What we've noticed is that the further you go back in generations, 5, 6, 7, the larger the family, the more you have to organize. Because in fact, we saw this with the Hermès family

too. So, the Dumas family has three branches, we're in the fourth generation, so she didn't have to do anything anymore. So the challenge is to try not to make heirs who are just shareholders, but shareholders who are at least concerned, at least interested, and potentially want to join the company. And that's really hard work. The Mulliez family has taken this to the extreme, but they advise many other families. There are about 800 of them, they organize summer camps, and they meet by generation. They have an internship exchange, where everyone offers internships. Then, if they want to start a business, they will first ask the family, etc. Otherwise, they realized that, with the number of people and the passage of time, the story of your great-great-great-grandfather no longer means anything to you. And all of this has to be maintained. It's called *affectio societatis*. You try to keep alive attachment to the company, the company's values. That's hard work. But there are several of them. There are several employees who do that at Mulliez.

L: And have you heard of any governance tools, such as family forums, family charters, etc.?

V: Yes, so in the Mulliez family, they have value charters. For example, you join the family council when you turn 18. You have to sign the company's and family's value charter. And they also have very strict rules, because there's a challenge when families... In fact, the bigger the family, as I was saying, the more you need to be organized. Simply because you run the risk of a capital threat. So, as your capital is dispersed, you're not immune to the possibility of some members agreeing to sell to a rival, and so on. That's what happened following Bernard Arnault's attempted takeover of Hermès, where he secretly acquired up to 23% of the capital by approaching family members who were angry or in need. Well, they conducted investigations, hired private detectives to track down those who needed cash, what they called the weak links, to convince them to sell back in response. Afterwards, they realized that Hermès was vulnerable in this regard because their shareholding was too dispersed. They completely reorganized themselves with a system that was less rigorous than Mulliez's, whom they had asked for advice, but still quite rigorous, where you commit to offering your shares to your family first if you want to sell your shares rather than to someone outside the family. Then there are things I can talk about that are put in place in the event of death. This is a kind of committee of wise men. There was one at Descaux and one at Bernard Arnaud. It brings together people who know the business well and who know the group and the family well in the short term. They will organize the succession if we haven't had time to do things.

L: And do you think that by putting tools in place, by covering ourselves as much as possible with what exists and what we know how to do, we can prevent all types of conflict?

V: No, because you're still dealing with human beings, so if there's a disagreement between a brother and sister, or between a father and son, there are some things you just can't predict... You can't protect yourself from everything.

L: Thank you very much !

4. Coding grid

As explained in the Methodology and Data section, this grid was used to analyze interviews.

Main theme	Sub-theme	Keywords/indicators	Excerpts/quotes
<p>Formal preparation</p>	<p>Tools used</p>	<p>Family charter, Dutreil pact, governance, holding company, donation-sharing, etc.</p>	<p>"On this intangible and moral aspect, it is absolutely clear that it must be given equal importance."</p> <p>"A charter is something quite rigid [...]. The forum is more interesting because there is a much more flexible dialogue and dialectic."</p> <p>"We are on shifting ground, the company is in constant motion [...] we must force ourselves [...] to systematically evaluate and question."</p> <p>"Very, very often, there is a mentor [...] who takes on the role of tutor."</p> <p>"He has a dual role of training and evaluation, but he is also contacted regularly by the father, who asks him: 'Well, is he making good progress, is he going to make it, etc.'"</p> <p>"The Mulliez family has a set of values."</p> <p>"For example, you join the family council when you turn 18. You have to sign the company's and the family's charter of values."</p> <p>"Following Bernard Arnault's attempted takeover of Hermès,</p>

			<p>where he secretly acquired up to 23% of the capital, Bernard Arnault sought out some family members who were angry or in need."</p> <p>"They completely reorganized [...] where you commit to offering your shares to your family first if you want to sell your shares rather than to someone outside the family."</p>
	Parties involved	Founder, successor, family council, external experts, etc.	<p>"There is the entrepreneur's relationship with this child, and then there is this child's relationship with the rest of the siblings."</p> <p>"They tried to bring in advisors, they tried to give advice, but it never worked out."</p> <p>"The unique thing about these investigations is that, with the exception of one or two families, we had access not only to the families' entourages, former executives, etc., but also, in the case of Bernard Arnaud, we saw Bernard Arnaud himself and his five children."</p> <p>"There are many large companies that have advisory boards with people from outside the company and so on, who are responsible in the event of accidental death [...] for ensuring a kind of power vacuum."</p>
Relationship between founder and successor	Quality of dialogue	Trust, tensions, misunderstandings, lack of communication	"This dialogue and sharing [...] means taking responsibility for things, but obviously the heir

			<p>must be supported by the founder."</p> <p>"We let them believe certain things, giving them the semblance of freedom in certain areas, but it was extraordinarily superficial."</p> <p>"In families where there is a lot of love, you can find solutions so that no one is too hurt."</p> <p>"They call each other every day, you see. They call each other every day, they communicate almost all the time, they ask for his opinion, his strategy. Then, sometimes they disagree."</p> <p>"In fact, what's terrible is that he spent his time humiliating his children, putting them down, telling them they were useless."</p>
	<p>Legitimacy</p>	<p>Recognition, contestation, proof of competence</p>	<p>"However small the initiative may be, it has to come from him, and it has to come from his own awareness, from his desire to pass on his knowledge."</p> <p>"An entrepreneur [...] finds it difficult to let go [...] the most difficult examples are those where the entrepreneur is not successful."</p> <p>"It's the whole journey we take them on within the company. It's a very carefully thought-out journey, so that they get to know all aspects of the business, to legitimize it with the teams."</p> <p>"And now the family tells you that the son's choices were the right ones, because that's what they did later."</p> <p>"In fact, there was a second one, you see, like a shadow cabinet."</p>

			[...] The executives didn't do anything until they had Patrick Ricard's opinion."
Origin of tensions	Values	Tradition vs. innovation, strategic vision	<p>"Succession is partly about education, it's about values [...] and that's where the foundations will come from when the children are old enough to get involved."</p> <p>"When I hear the word education, I think of values, the values that are passed on."</p> <p>"So, you see, these are the things that, when I say education, that's what I mean, it's values, always remembering that money is not, well, it's the product of something, that things are fragile, that things can change."</p> <p>"The Mulliez family, for example, they have a motto, it's the family motto for every member of the family, it's the first thing they learn, it's that we're here to serve, not to be served."</p>
	Management methods	Informal vs formal, resistance to change	<p>"They were integrated, but without any freedom within the company. And without the possibility of action, without the possibility of anything at all."</p> <p>"I don't know if there were any charters, family councils, but they remained relatively superficial [...]."</p> <p>"So his thing was that, for him, succession didn't come through academic progression, because he himself was self-taught [...]."</p>

		<p>And since he knew the French market, he said to his first son: 'You're going to Germany, you're going to fend for yourself, you're going to Italy, etc.'"</p> <p>"They set up a very original governance structure, which means that every three years, they have a WhatsApp group, and every three years, the presidency rotates."</p> <p>"In other words, the father criticizes all of his son's choices. [...] The executives didn't do anything until they had Patrick Ricard's opinion."</p>
	<p>Personalities</p>	<p>Ego, control, fear of losing status</p> <p>"An entrepreneur who has devoted his entire life and commitment [...] finds it difficult to let go."</p> <p>"There has to be reality in the execution [...] if it's a sham, it doesn't work."</p> <p>"This is typically what happened with the Dassaults, where his father kept telling him, 'Yes, it will be you, it will be you,' and in fact, not at all, not at all, not at all [...]"</p> <p>"And then there were some horrible moments between them [...] he said to him: 'You're taking everything from me, even my name, you're taking everything.'"</p> <p>"What is very specific to French capitalism is that you always have to look within your family [...]. These are people with a lot of ego, because I think that to build something, you need to</p>

			have a lot of self-confidence, an ego—it's a driving force. "
When tensions began to emerge	Timeline	Before/during/after designation, joint reign phase	<p>"When we talk about tensions or friction, there was just as much before the founder's death as after."</p> <p>"Once the founder is gone, it's much harder to change the framework he put in place."</p> <p>"It ended in bloodshed, the son resigned, but not only did he resign, they never saw each other again."</p>
Consequences	On governance	Deadlock, lack of decision-making, loss of cohesion	<p>"That's the worst situation, where there's a lack of trust [...] and the lack of trust between the entrepreneur and his children creates terrible mistrust among the siblings."</p> <p>"There are many large companies that have councils of elders [...] who are responsible, in the event of accidental death [...] for ensuring a kind of transition of power."</p> <p>"And then, suddenly, it was the second brother, the one below, who took over, but he, having seen what had happened, did not make the same mistakes. [...] He kept his father in the loop, leaving his father with the impression."</p>
	On continuity	Delays, breakdown, sale, change of strategy	"It's a complete failure, this succession is a total and very destructive failure, very humanly and extraordinarily destructive."

			<p>"Arnaud Lagardère [...] he hadn't prepared anything, so that's why they all prepared [...] we put someone at the head of the company who was certainly the heir, but who had no skills and, above all, no taste, and who ruined the company, ruined everything at phenomenal speed."</p> <p>"Paul Ricard [...] it ended in bloodshed, the son resigned, but not only did he resign, they never saw each other again, he left and there is a rift in the family, it's awful."</p> <p>"But when things go very well, that's succession. Yes, in this case, it went well [...]. The son really made the shift to luxury."</p>
Tension management	Solutions implemented	Mediation, external advice, compromise, breakdown	<p>"They tried to bring in advice, they tried to give advice, but it never worked. "</p> <p>"So they were stuck in their situation. Your question is relevant, because a generation is being skipped. "</p> <p>"In families where there is a lot of love, you can find solutions so that no one gets hurt too badly. "</p>
Limitations of tools	Discrepancies between theory and practice	Inadequacy, lack of complementarity, failure to take human dynamics into account	<p>"I don't know if there were any charters, but there were definitely family councils, although they remained relatively superficial. It's all about the notion of pretense, telling yourself that you know you have to do this, so you tick the boxes and respond to the</p>

			<p>outside world, but that's where it ends. "</p> <p>"A charter is something quite rigid. [...] The forum is more interesting because there is a much more flexible dialogue and dialectic. "</p> <p>"No, because you're still dealing with human beings, so if there's a disagreement between brother and sister, between father and son, there are things you can't predict. "</p>
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