



# Business succession as an alternative to founding a company?

The first nationwide summit of international women entrepreneurs in Germany took place on 8-10 September 2021. It was organised by the "IQ Fachstelle Migrantenökonomie im Institut für Sozialpädagogischer Forschung Mainz e.V."<sup>1</sup>. Women who have become self-employed exchanged ideas and experiences. Together with actors from the state and civil society, ways and means were worked out to encourage more women to become self-employed. One of the many very good suggestions was to take over an already existing business.

According to a KfW<sup>2</sup> study from the year before last, 842,000 owners of small and medium-sized enterprises in Germany will give up their business by 2025. 61 % of them want to hand over the business to a successor. 300,000 even expect to close the business because they have not yet found a successor.<sup>3</sup>

When it comes to differentiating the takeovers by economic sector, four sectors in particular are affected, according to IfM Bonn<sup>4</sup>:

- Gastronomy
- Accommodation
- Manufacture of foodstuffs and animal feed

---

<sup>1</sup> <https://www.netzwerk-iq.de/en/>

<sup>2</sup> KfW or Kreditanstalt für Wiederaufbau is a promotional bank. It is the world's largest national promotional bank and Germany's third largest bank in terms of total assets.

<sup>3</sup> Deutschland startet Die Initiative für Existenzgründer: „Aktuelle Daten und Fakten zum Thema Unternehmensnachfolge“, <https://www.deutschland-startet.de/unternehmensnachfolge/unternehmensnachfolge-daten/>, (09.2021)

<sup>4</sup> Institute for SME Research (IfM) Bonn



## - Mining and quarrying

Again, people with migration experience are on average often employed in the catering industry and can show extensive experience potential.<sup>5</sup> 53% of the business management is handed over from within the family, 18% within the company and 29% externally. This means that even if women are not yet part of the company, it is possible to take over the business. There is still a lot of potential here that was previously unused. One advantage of business succession is the relative freedom from risk. There is no need to take out a personal loan or similar, as the business can usually finance itself. The handover process, which is ideally completed over 5 years, allows for extensive familiarization with the business management processes. The future entrepreneur can gradually take over responsibility from her predecessor. Many risks and mistakes of a normal business start-up can thus be avoided.

Therefore, business succession should be seen as a serious complement to the founding of a company and should also be publicly communicated as such. With the ATHENA project, we can communicate an additional tool that can help women with a migration background to become economically independent.

---

<sup>5</sup> Destatis Federal Statistical Office: „Erwerbstätige in Privathaushalten nach Migrationshintergrund und Wirtschaftszweigen“, <https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bevoelkerung/Migration-Integration/Tabellen/migrationshintergrund-wirtschaftszweige.html> , (09.2021)