

**CANSEN BAŞARAN-SYMES**

**BOARD MEMBER OF TUSIAD**

**TURKISH GERMAN FAMILY ENTREPRENEUR  
SUMMIT**

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His Excellency Consul General Mr. Wolke, Distinguished Guests, Dear Colleagues,

It is a pleasure for me to be here with you on behalf of TUSIAD, Turkish Industry and Business Association. I would like to thank Alphazirkel, Corporate Governance Association of Turkey (TKYD) and Family Business Network Association (TAİDER) for providing us a platform that brings Turkish and German family businesses together.

As of today one third of the companies listed in Fortune 500 are family businesses<sup>1</sup> and they create approximately 70% to 90% of the global GDP annually<sup>2</sup>. Least to say, family businesses finally have taken their long-deserved attention.

Several studies conducted in various countries and periods revealed that in long run the family businesses outperformed their non-family business peers.

The greatest strength of family businesses is their thinking in generations. They focus on the long term perspective, they are dedicated to their names and reputation and they are highly committed to grow and prosper. An article published by the end of 2012 in Harvard Business Review by Nicolas Kachaner, George Stalk, and Alain Bloch states that executives of family businesses often invest with a 10- or 20-year term, building their strategies on the benefit of the next generation. Hence, they focus on resilience more than performance and spare the excess profit of the good times for the bad times. This shared ambition for the common good reinforces them to work harder and reinvest and strengthen their immunity for the crises.

Despite these drivers and advantages of the family businesses, according to a report conducted by IFC in 2011, we see that only around 10% of family business can survive into the third generation and 3% beyond that.

I believe we should seek the reasons and the solutions inside and should not let the strengths become the sources of the weaknesses.

I am not going to go into how family businesses lack governance structures, what is a family constitution, because today we are surrounded by people, who have experienced these challenges and who will share these with utmost sincerity. Real-life solutions to real – life challenges... No speech can be more inspirational than that.

However, I want to point out 3 tips for a successful family business that I have learned throughout my career.

1. Boards cannot govern effectively if they're missing key skill sets.
2. There must be a succession plan which is revisited regularly.

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<sup>1</sup> <http://www.uvm.edu/business/vfbi/?Page=facts.html>

<sup>2</sup> <http://www.ffi.org/?page=globaldatapoints>

### 3. Diversity in the board should be secured.

These tips are easier said than done, but I believe we will learn a lot from each other today.

Dear Colleagues,

95% of the companies in Turkey are run by families and they produce 75% of the national income. And now we have a new legal framework to support them as well. With the new TCC, the transformation of the family businesses into a more transparent, fair, responsible and accountable business practiceses will be sustained.

TÜSİAD, as the oldest and the biggest voluntary business association of Turkey, is also founded by family businesses of the time. Today with 600 members representing 3500 companies, TÜSİAD aims to contribute to the formation and development of a liberal economy and the rules and regulations of a competitive market economy. In doing so, we closely follow these discussions and contribute all the works carried out both locally at the legislation level and internationally at the OECD and B20 levels.

As a principle we aim to initiate the discussions, take the leadership on the issues and create the platforms for dialog. Once a sufficient knowhow, advocates and representation is accumulated through sound NGOs, we pass the flag, with our full support. Corporate governance is one of these subjects where TUSIAD pioneered the discussions in Turkey and nested Corporate Governance Association of Turkey. Corporate Governance Association of Turkey (TKYD) is already playing a critical role, but with the collaboration of Family Business Network Association (TAİDER) they will pave the way for our family businesses all around Turkey.

Before I leave the floor to Prof. Dr. Arist Von Schlippe, I would like to thank the organizers and hope you all enjoy the summit.

Thank you for your attention.