



KOUBARAS

Boutique Consulting Services

Legacy or Trap?

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We envision to “be the **FIRST** choice in what we do best”



NOMAD of the **ATHEX** GROUP and supporter of the **TCFD** TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



Main areas of our services



- ✓ Sustainability & ESRS Requirements
- ✓ Wealth Advisory & Planning
- ✓ Corporate & Acquisition Interventions
- ✓ Family Office Operation
- ✓ Capital Raising & IPOs
- ✓ Organizational Structure Alignment
- ✓ Family & Entrepreneur Advisory
- ✓ Valuation & Systems Design
- ✓ Investment Research & Analysis
- ✓ Angel Investing & Deal Support
- ✓ Mediation & Audit Advisory
- ✓ Technology Tools & Systems



What is Succession?

It's not just “who will take over”
It is “why, when, how, and with what plan”



The transfer of responsibility, leadership and (often) ownership
From the current generation to the next
Aiming for business continuity

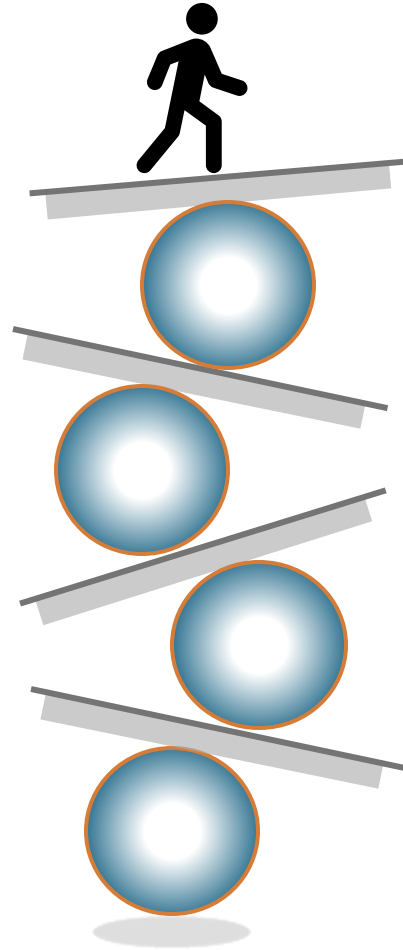


The market challenge



CEO turnover is rising, yet only 54% of boards are grooming a successor, and 39% have no viable internal candidate.

Poor planning can cost companies on average **11.2%** in shareholder value.

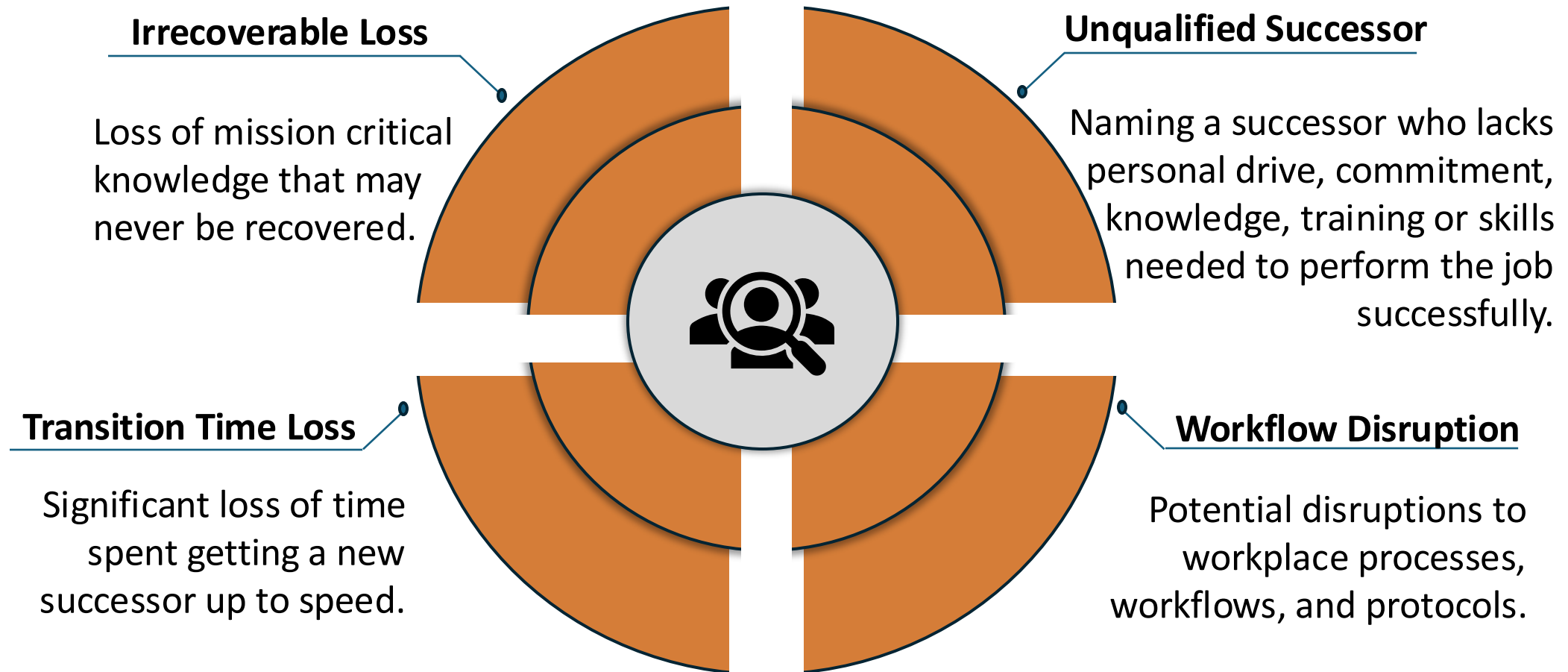


McKinsey&Company

McKinsey analysis has shown that from **27% to 46%** of executive transitions are viewed as failures or disappointments after two years.



The risks without succession planning





Why Succession Planning?



Definition



Succession planning is a process and strategy for replacement planning or passing on leadership roles.

It is used to **identify and develop** new, potential leaders who can move into leadership roles when they become vacant.

There are two types of succession plans

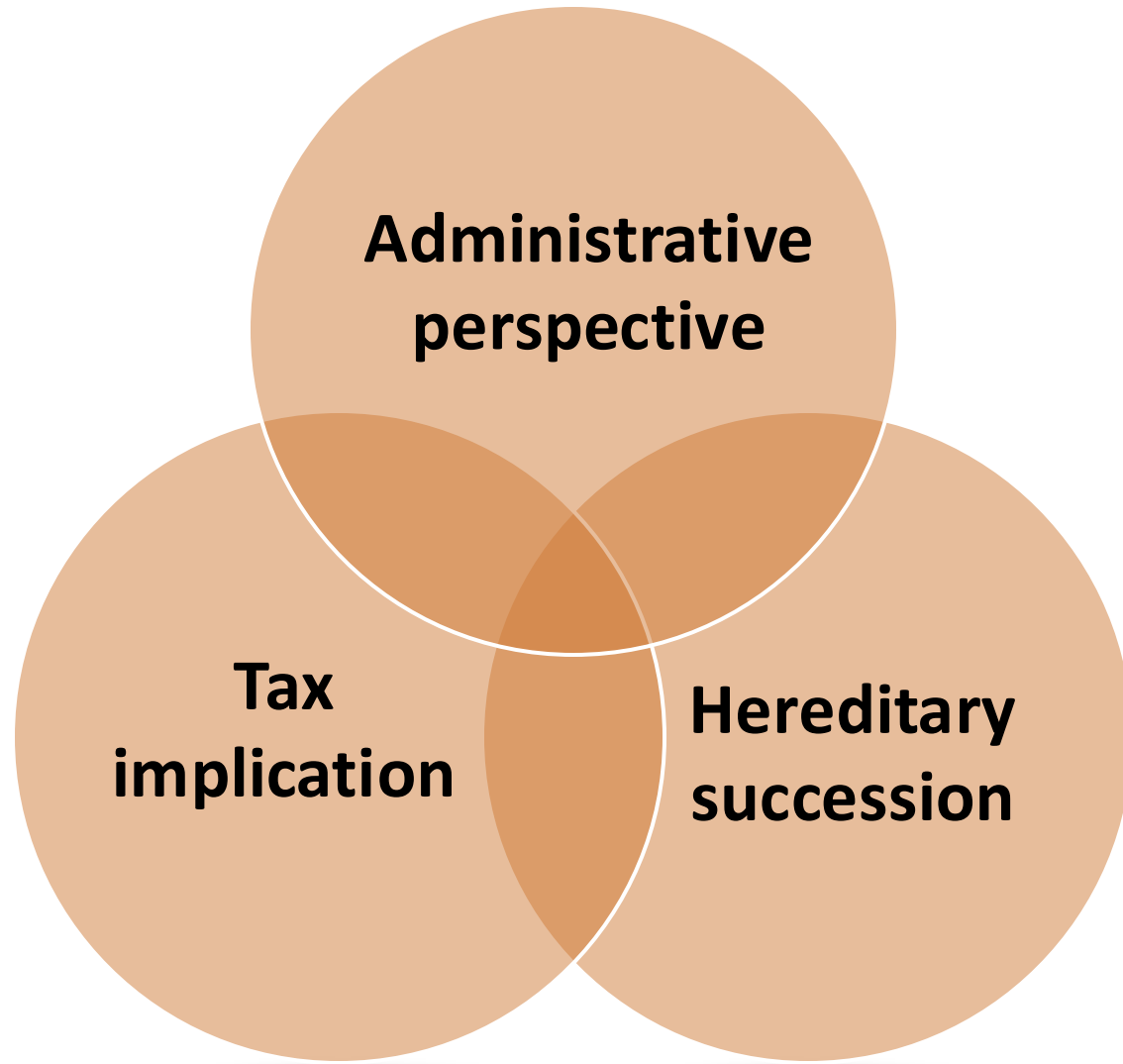
1. Long-term succession plan

It outlines the details of succession for all key positions.

2. Emergency succession plan

It involves more temporary measures but is intended to keep operations running smoothly.





What **administrative tasks** and leadership changes are handled within an organization.

How changes in leadership or ownership could affect taxes, including estate and capital gains taxes, and planning to **minimize tax liabilities**.

How **assets or titles** are passing from one generation to the next within a family.



Europe

Every year, around **450,000 businesses** and over 2 million employees are transferred to new owners.

However, it is estimated that each year around **150,000 businesses** in the EU risk an unsuccessful succession process, putting around 600,000 jobs at risk annually (EC, 2021)

Family-internal succession remains the most predominant and preferred form of transfer in the EU.



Procedure



Tools



Inventory and classification of assets (Estate Utility Plan)

Preparation of the new leadership (Leadership Competency Development Plan)

Establishing the family rules (Family Rulebook)

Management of objections and ambitions (Mediation & Impact Mitigation)

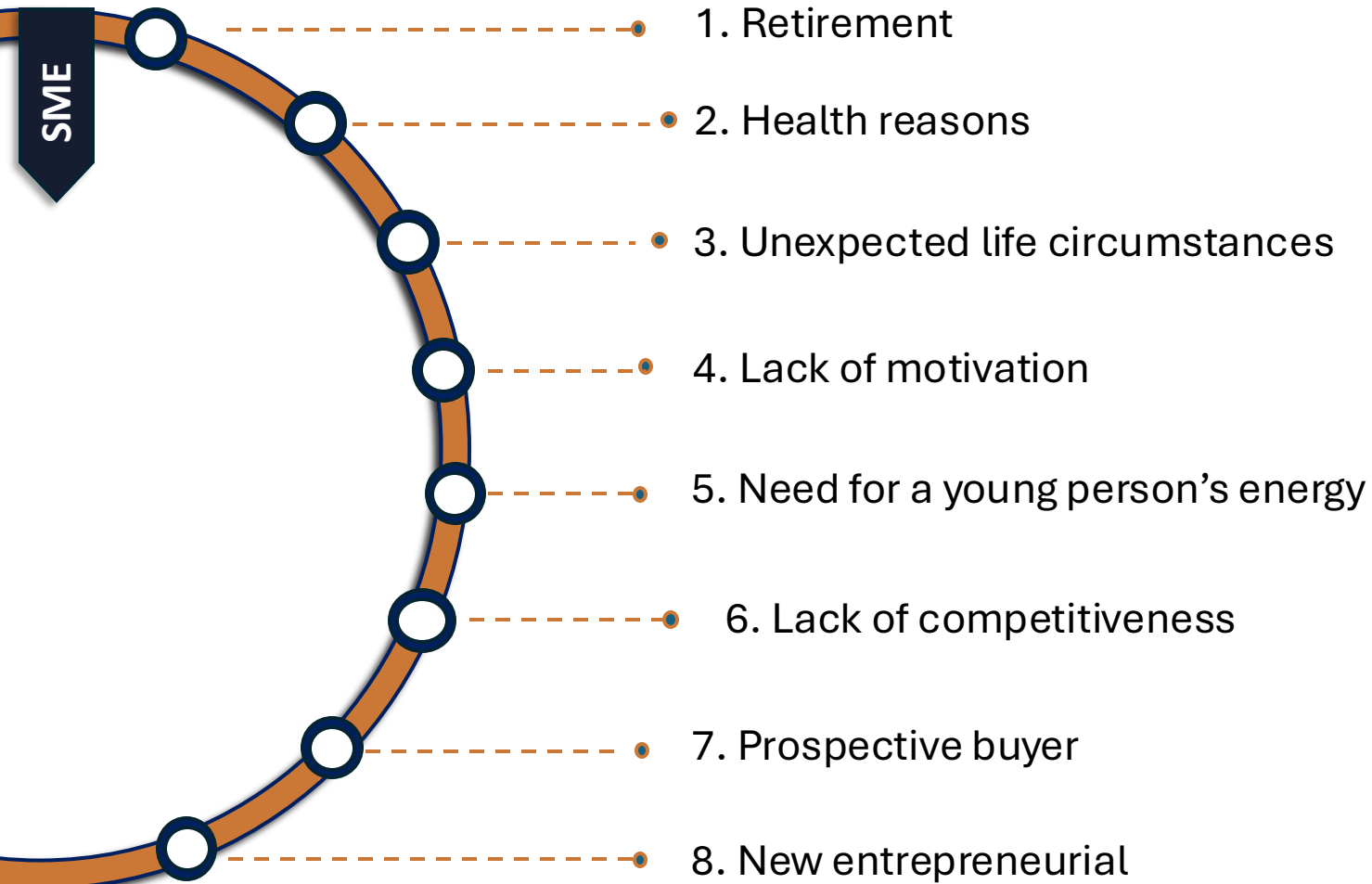
Cross-training, formation of structures (Development Plans)

Expansion of fields of interest (New Business Development)

Charitable work, actions of national interest (Family Sign Development)



Succession motivated factors



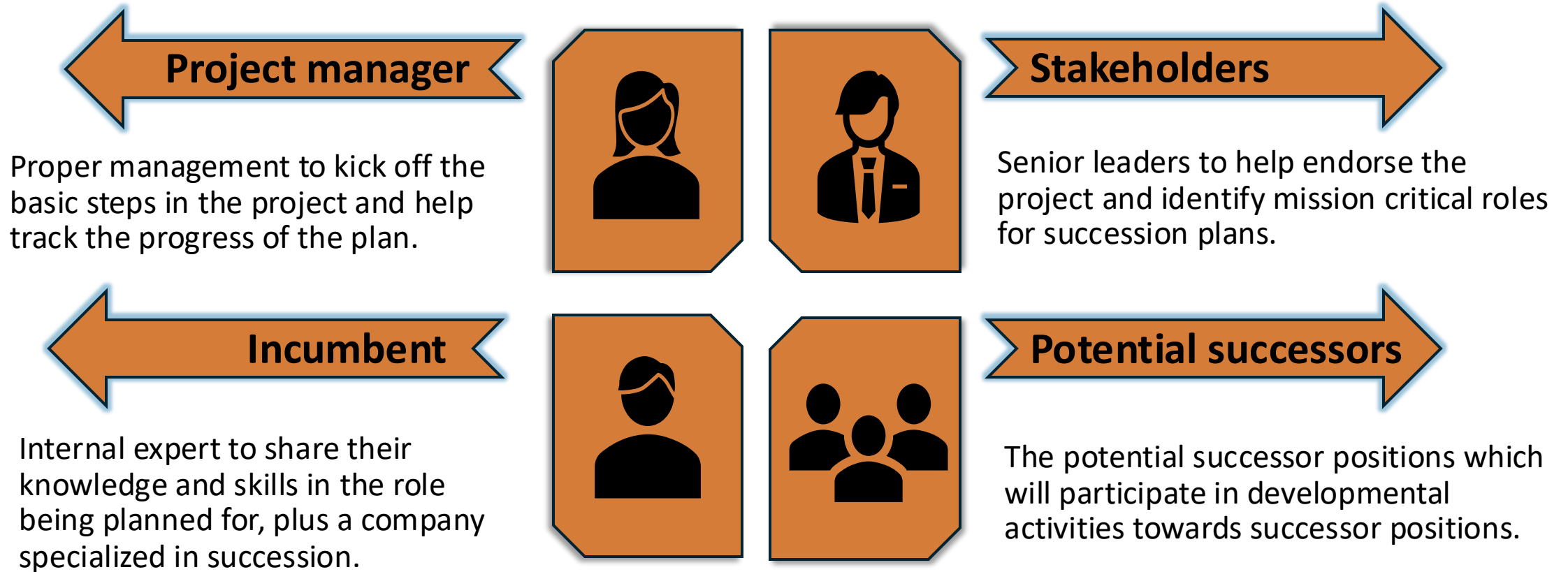
Successor

- 1. Assuring the continuation of parent's legacy
- 2. Prospective seller
- 3. Aspirations to become an entrepreneur



Identify roles and responsibilities

Succession planning is not just a one-time administrative task, it requires continued employee development.



Post succession stability

The optimal succession plan requires the relinquishment of **ownership** and management **responsibility**.

An important element is the determination of **ongoing cash** requirements and how they will be funded.

How to secure cash



Consultancy contracts



Payments related to a non-compete agreement



Deferred compensation



Retention of certain assets



A top-down view of a wooden desk. In the top left is a small potted plant with green grass-like leaves. To its right is a white computer keyboard. Below the keyboard are two black paper clips. In the bottom right is a spiral-bound notebook with lined pages and a black pen lying next to it. A portion of a white mug is visible on the far right edge.

Break Time

Let's Pause and Recharge

15 minutes

I asked ChatGPT

Family Business: War & Peace?



War:

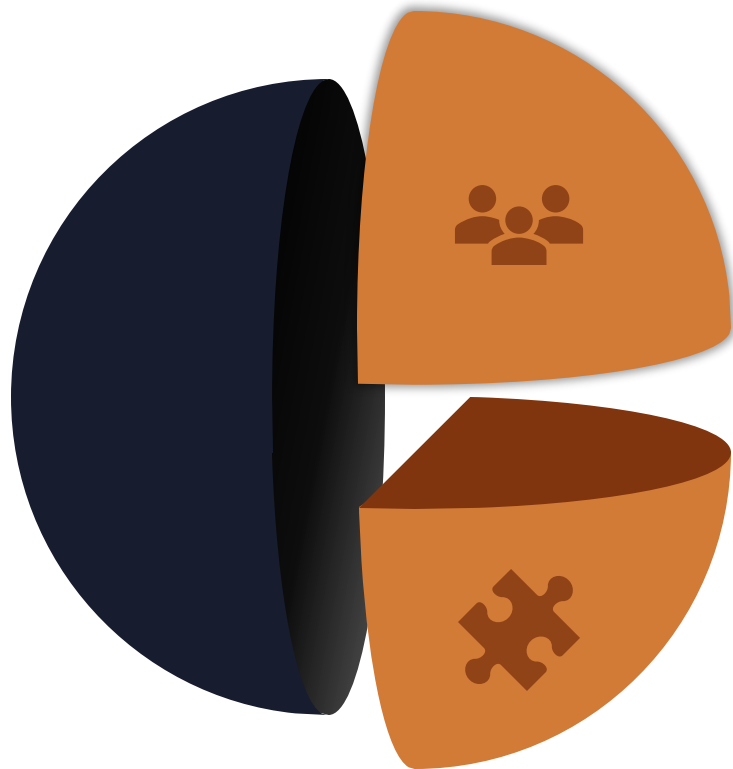
- Family businesses may face internal "wars" related to differences of opinion, competition between family members, or disagreements over the management and future of the business.
- Conflicts can arise from the difficulty in managing family and business interests, as well as from the differing expectations of members.



Peace:

- Peace refers to achieving harmony and cooperation between family and business members.
- The peaceful side of family businesses includes effective communication, good conflict management, common goal, and avoiding deviations from the main business strategies.

Family Business - A special system



Three overlapping “systems”

Family (relationships, roles, emotions)

Business (goals, results, professionalism)

Ownership (shares, power, authority, interests)

Challenges

Roles are not always clear

Emotional involvement influences decisions

The past creeps into the present



Blessing or a Trap?

Key

Acknowledging the complexity and working with it - not ignoring it

Blessing when

There is preparation & a plan
Vision is passed on through generations with trust
There is dialogue and not silence

Trap when

There is conflict masking
Successor is “appointed” without choice
Emotion overrides strategy



The Ingredients that "Bind" the Succession Transition

Shared Vision

Not just about who takes over, but the direction of the business
Without a shared vision, it becomes a technical handover not a strategic transition

Trust is

The foundation of any successful transition
Built on transparency, consistency, and honest dialogue; without it, stability is lost



Clear Leadership Models

Allows the successor to take over with confidence, and everyone else to know where they stand



Tools & Structures

Without structure, succession remains in theory. Tools are what give form and stability to the transition.

Family Council

A forum for strategic and family matters, ensuring harmony and equal representation

Contracts, roles, organizational chart

Separate the family from the business



Family Charter Sets out

Who can work in the business
Rules for transferring shares
Context for disputes

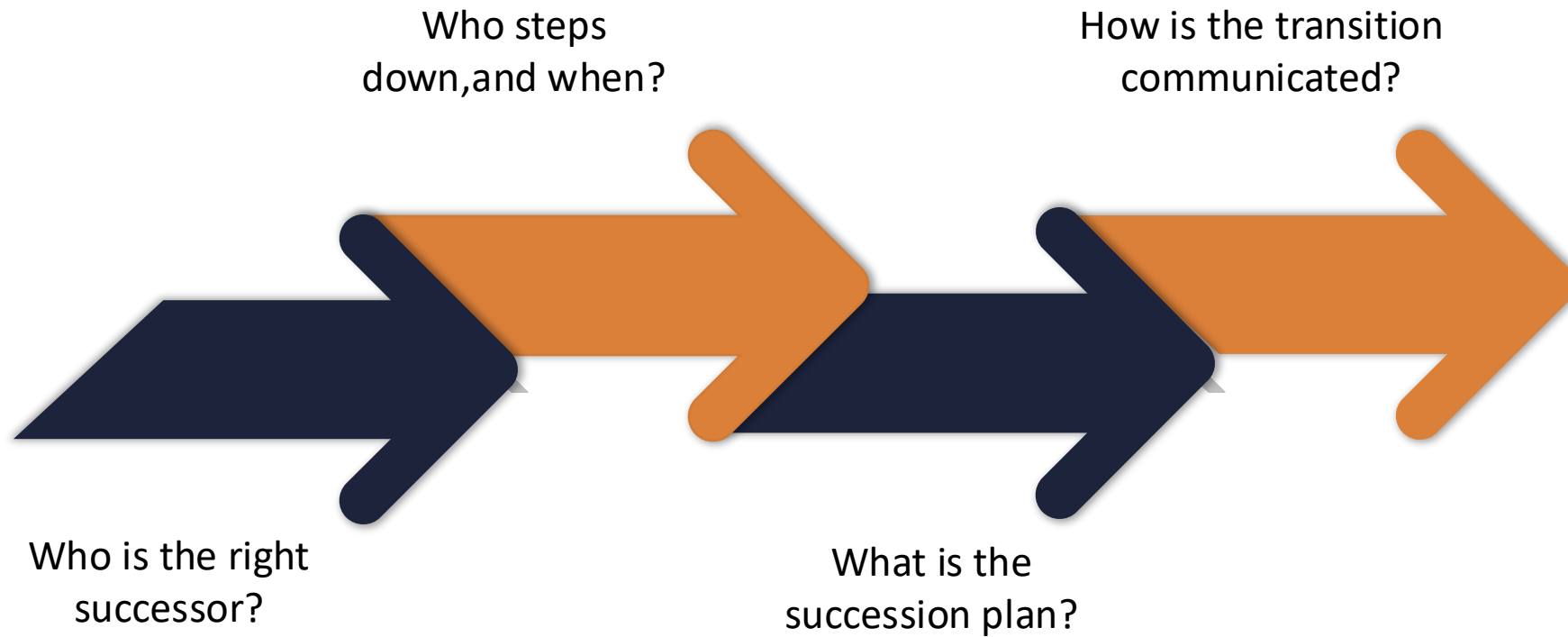
Purpose

Clarifies rights, responsibilities, and the operating framework for each member



The Critical Decisions – Who? When? How?

Succession is not a big decision but a series of key choices that shape the future



Family Business

The strongest, and most stable bond that connects us to the family in our business, is what we call “power”. Power, in its deepest meaning, is the expression of the greatest dependence of one on others. It is very difficult to define the boundaries of the area between freedom and necessity... (Based on the meaning of «War & Peace» , Tolstoj, Lev Nikolaevic, 1828-1910)



Which is the first conclusion?

The dynamics of family businesses can be described in terms of "war" and "peace", referring to various aspects of the functioning and relationships within the family and the business.

Exists!

Consequences



Financial Cachexia, Failures,
"Reputation"



Family Conflicts, Functional Disorders



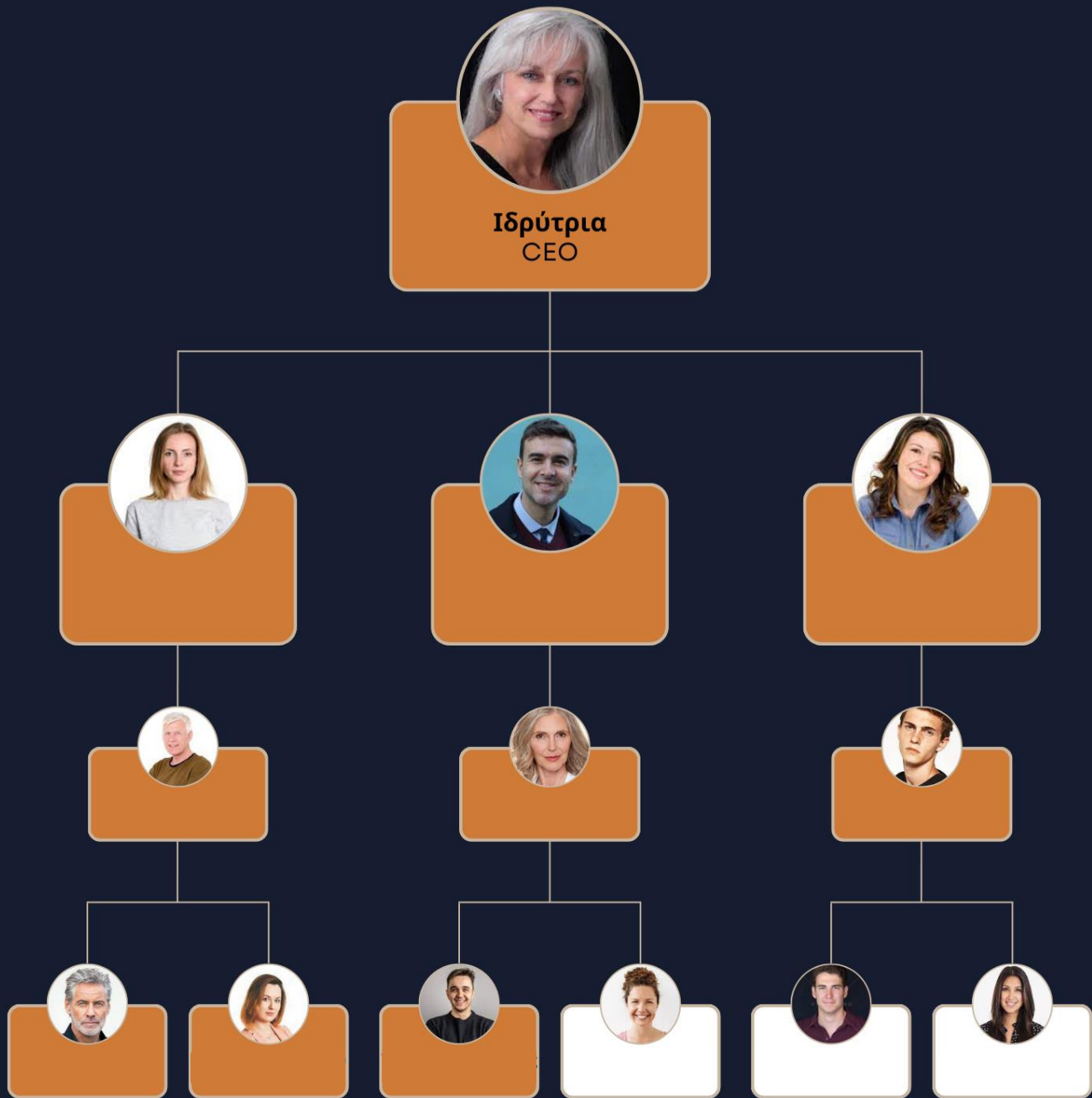
Concerns to Customers, Suppliers
& Staff



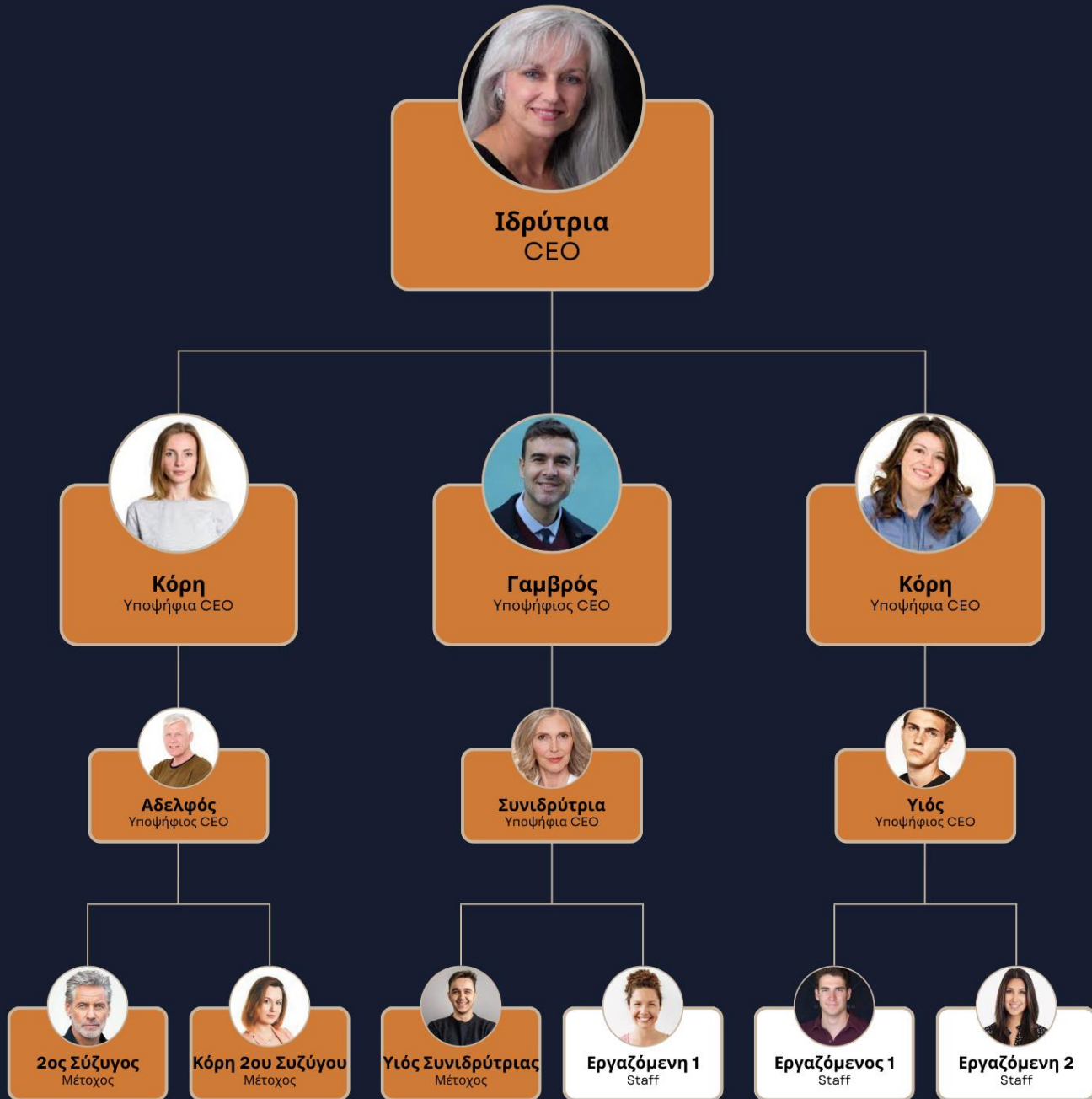
Emotional, Legal, Life



What is the basis of the matter?



What is the basis of the matter?








Ancient Greece and Today

Basics

In ancient Greece, business succession was often influenced by cultural, social, and legal norms prevalent in the city-states of the time. While there is no comprehensive system similar to modern business practices, some common patterns and principles can be identified.



What has changed?

-  Family background and heredity
-  Legal and Cultural Practices
-  Continuation & expansion of the "Estate"
-  The role of women and the transfer of "knowledge"
-  The "patriarch" & the respected members

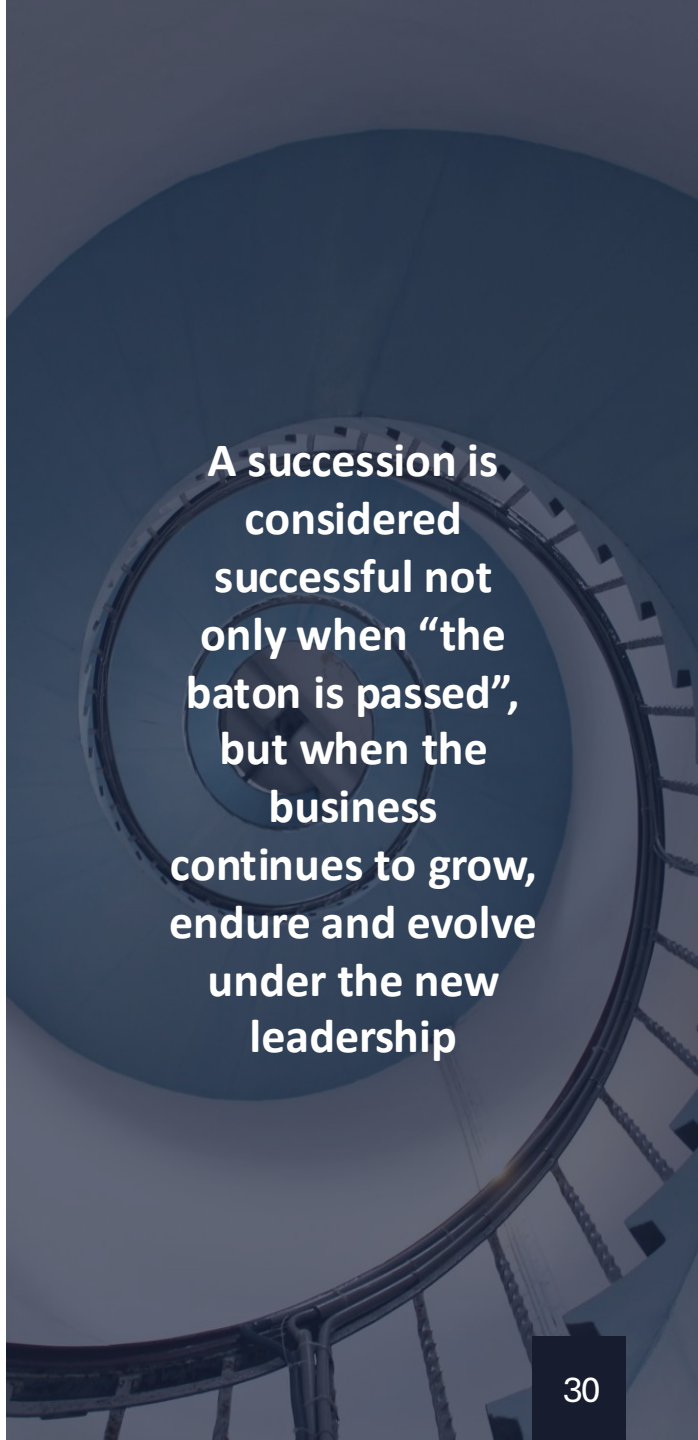
Succession - When the plan works

Early preparation of the successor
(training, experience, gradual assumption of responsibility)

Agreed and clear plan
(roles, timing, objectives - no grey areas)

Smooth departure of the previous leader
(Supports, does not interfere)

Continuing with evolution
(Successor respects the past, but brings a new vision)



A succession is considered successful not only when “the baton is passed”, but when the business continues to grow, endure and evolve under the new leadership



Why do succession plans fail?

Most issues don't come out of nowhere — they build up over time



Silence on Critical Issues

Lack of open communication leads to confusion about clear roles, expectations, and boundaries

Fear of Losing Control or Failing

Both founders and successors may delay or clash due to fear and uncertainty

Stereotypes & Family Expectations

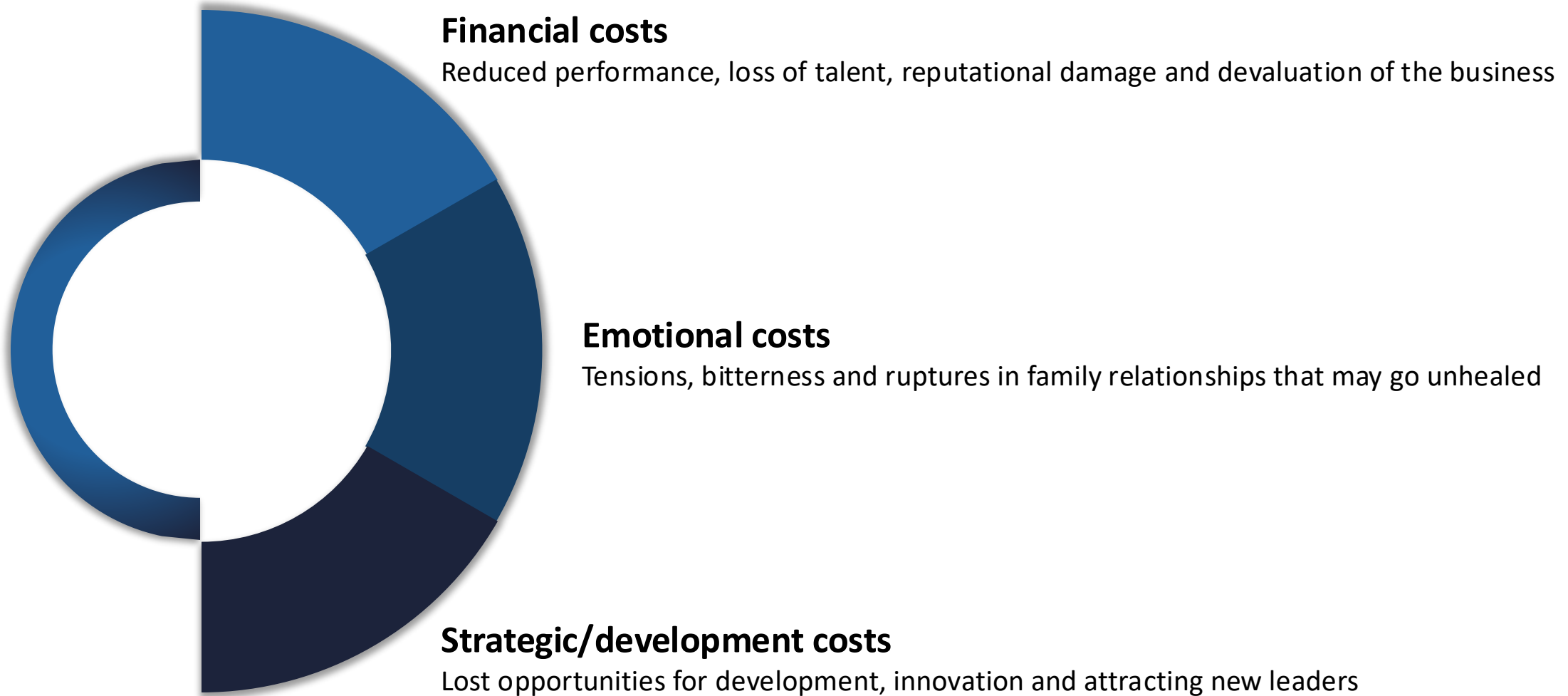
Age, hierarchy, or gender bias can block fair evaluation of talent

No Outside Guidance

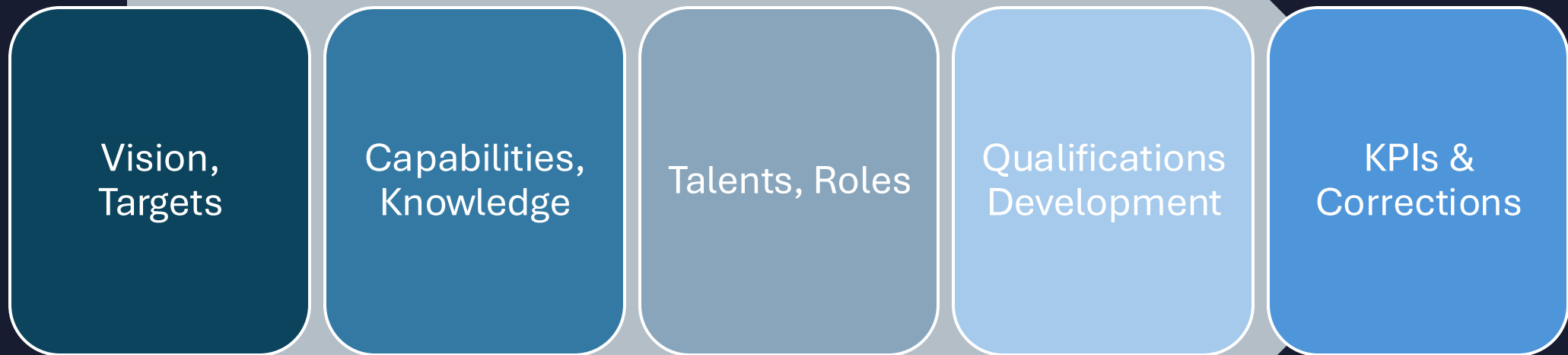
Skipping advisors, coaches, or mediators means losing vital tools and perspectives



The cost of errors



Ingredients

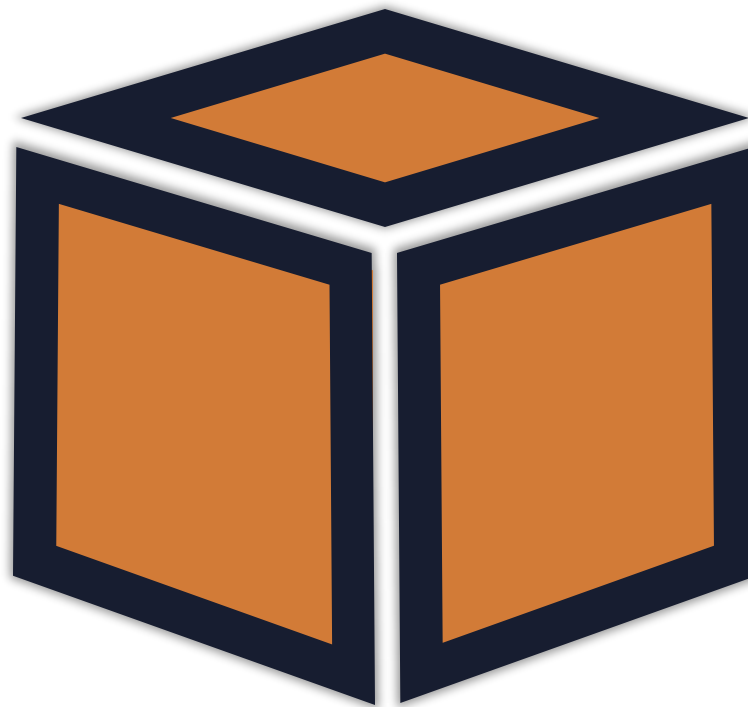


The silent handover and the cracks

Leadership transitions implemented without a clear strategy
create uncertainty and gradually erode operational
dynamics

The unclear messages

The absence of dialogue
leaves questions about
the intentions, roles and
future of the business



Underground damage

Internal tensions, lack of
motivation and a weakening
culture can have serious
consequences that are not
immediately visible



Can a “wrong” succession be saved?

Framework renegotiation

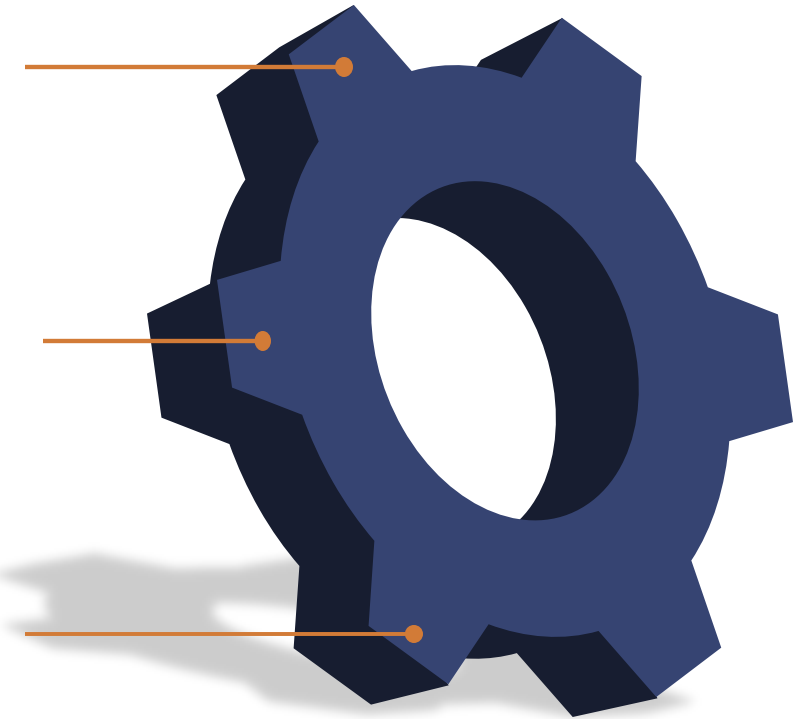
Review of roles, processes and understanding with an aim to a functional restart

Professional support

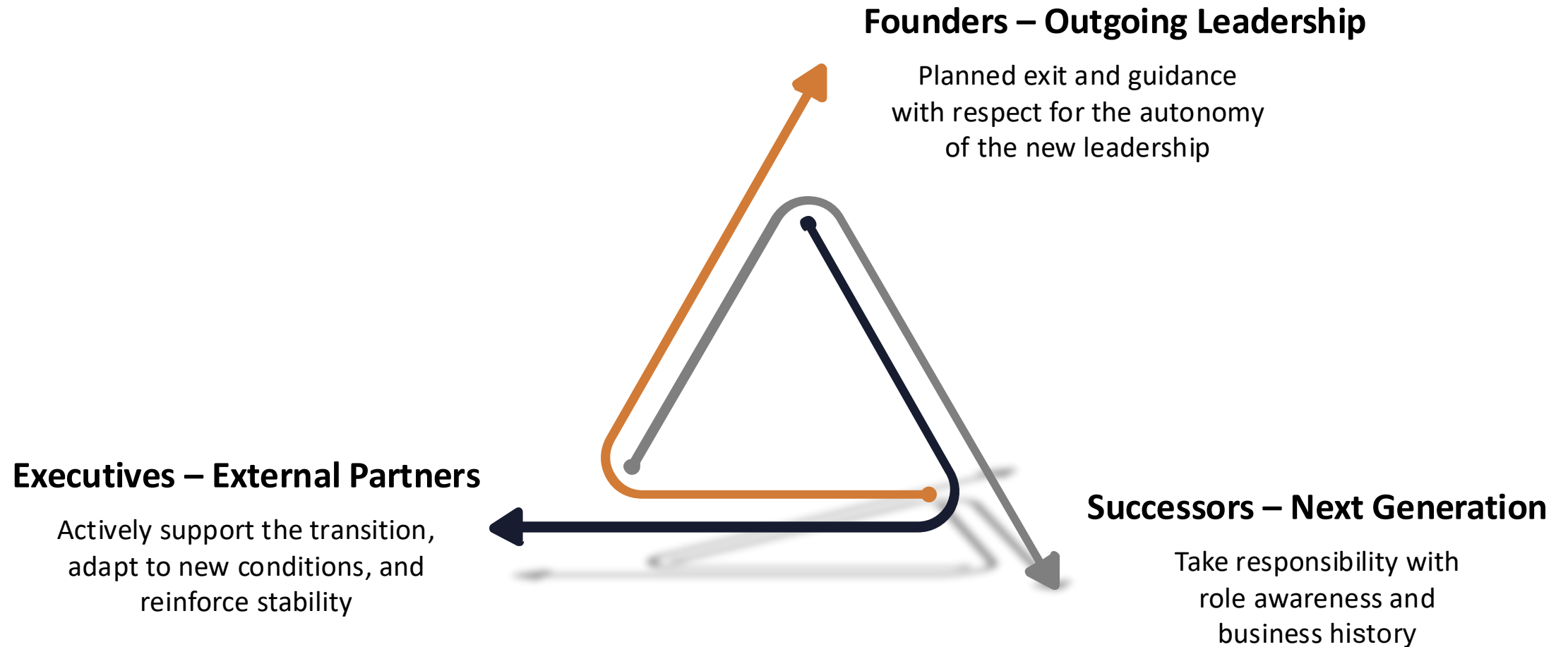
Turning to business coaches, specialist mediators or succession consultants can restore trust and dialogue

New basis for cooperation

Setting common objectives and establishing a new relationship of trust are requirements for sustainability



Next-day commitments



Succession is not a future scenario — it's a present reality that demands action



Ferrero - Succession as a secret “ingredient” of success

The story behind Nutella, Kinder and Rocher... is not only sweet. It's also about strategy.



What “worked”

Preparation & Clear roles

Trust - No imposition

Values with consistency and continuity

Where family values meet professional excellence



From Michele to Giovanni Ferrero

Methodical integration of children into the business - Successive leadership without ruptures - even after the sudden loss of one brother - Stable values with a fresh, global vision

Today

Giovanni Ferrero leads a giant, with international acquisitions
- and the business remains 100% family owned.
Succession = Strategic Advantage



The Case of Eleftherios Mouzakis

History of the company

Eleftherios Mouzakis Knitwear Industry S.A.
Founded in 1944, it became a leading yarn producer in Greece, with the founder staying actively involved for decades

The Problem of Succession

Eleftherios Mouzakis passed away in 2004 at 94, without a clear succession plan. He left behind four daughters: Paraskevi (Evi), Maria-Dionisia, Styliani (Liana), and Katerina. His will specified that 95% of the shares should remain with the heirs (wife & daughters) until 2021, without management involvement. This condition was not met, sparking internal conflicts, legal disputes, and leading to the company's decline due to lack of strategic planning

Conclusion

The Mouzakis case highlights **the importance of proactive planning** to ensure that the transition to the next generation is smooth and without conflicts that could damage the business



Gucci (1980s–1990s)

A globally iconic fashion house, was nearly destroyed in the 1980s due to a **chaotic and unstructured succession** within the founding family. After the death of Aldo Gucci, his sons became embroiled in bitter disputes, filing lawsuits against each other and **exposing the brand to public humiliation**

With **no strategic direction** and infighting dominating headlines, the family was **forced to sell stakes** in the company. Eventually, Gucci fell into the hands of **external investors**



The brand's value and image were significantly damaged until the company was **revived in the mid-1990s** by designer Tom Ford and executive Domenico De Sole. This case illustrates how reputational damage, and internal dysfunction can erode even the strongest brand equity



The silent handover and the cracks - Conclusions

Succession is not just a transfer of title - it is an orderly, consensual transition of responsibility

Succession strategy is a critical tool for business sustainability

When the plan is clear and workable, the results are stable and positive



The silent handover and the cracks - Questions



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