

Giving Hidden Champions Their Due Recognition

WEEKLY EDITION • FEBRUARY 07, 2018



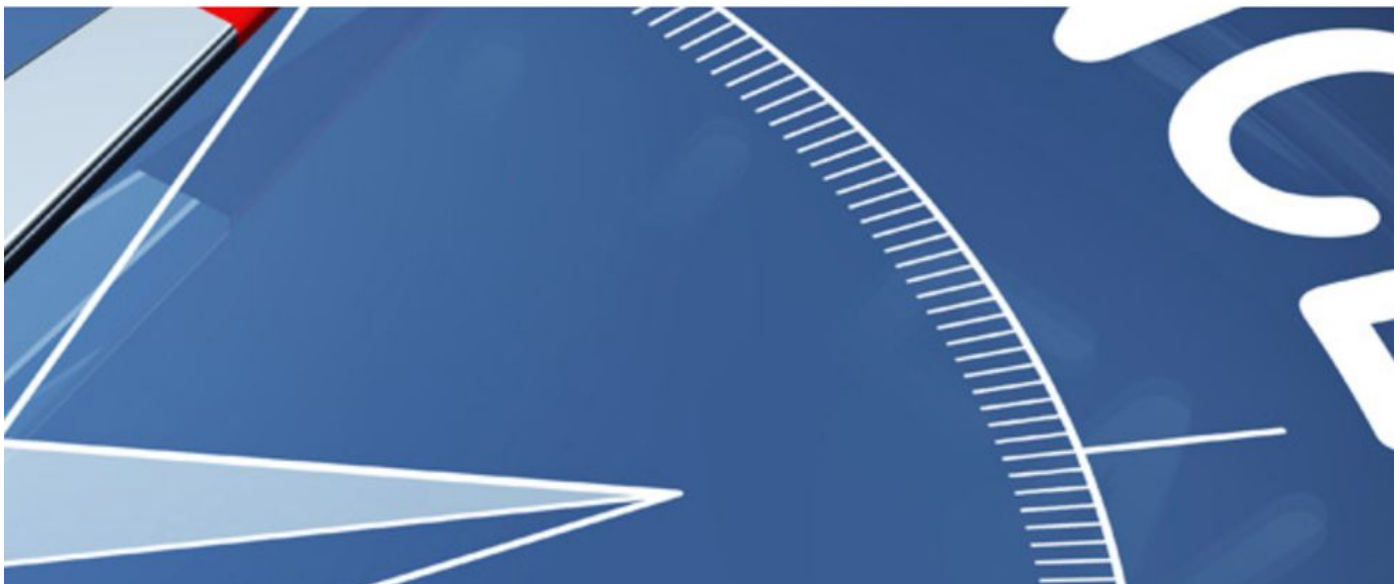


From *FFI Practitioner*

Thanks to Nick Moody of Campden Wealth for this week's article on Hidden Champions, in which he provides examples of typical family business enterprises that drive the world's economies, but are not household names. And...he offers readers an opportunity to expand public awareness of the impact of these family businesses worldwide.

Have you ever come across fantastic family enterprises that you had previously never heard of? They may operate in a niche industry, perform well financially, have strong family leadership and values, but have never received much public recognition. Sound familiar? These are what we at Campden Wealth call Hidden Champions and are the types of family enterprises we like to raise up as great examples of family ownership.

Research shows that family enterprises are the beating heart of modern economies, generating an estimated 70-90% of global GDP annually. But for all the high-profile family examples such as Walmart, Fiat Chrysler Automobiles, and LVMH, there are thousands of businesses that might not be as large, but are, nonetheless, doing equally well. Yet they do not get acknowledged.



Family enterprise professionals, educators, and researchers are uniquely placed to know about these Hidden Champions through the nature of our work. We get to know a vast range of businesses from a wide range of sectors across more than 80 countries around the world. Some families are happy to stay out of the spotlight, but for others public recognition is a welcome validation of all they have been working hard towards, often for generations.

Advisers play a vital role in helping their clients spot opportunities and be the best they can be. In this piece, I present a case study of an adviser whose keen eye helped her client get the recognition it deserved. Plus, I highlight two other leading European family businesses who fall in the category of Hidden Champions.

Case Study

The adviser in this case was a third-generation accountant working in the firm founded by her grandfather in Florence, Italy in 1932. She worked with a range of clients from sitting as the chair of the auditor board for a leading Italian pharmaceutical group to auditing the studio of a leading Swiss fashion brand. One of the adviser's long-term clients was the third-generation Italian hotelier Starhotels.

Starhotels is a family company that aims to foster the Italian values of hospitality and style. Founded in 1980 by Ferruccio Fabri, Starhotels is operated today by his daughter Elisabetta. The group owns 29 four and five-star hotels, mostly in Italy, but some in London, New York, and Paris – all keeping with the 'Made in Italy' theme. Revenue in previous years has increased as much as 16% on the previous year and posted a record rise from 2015 to 2016. The group celebrates its anniversaries by making donations aimed at preserving Italian heritage.

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Following the improvement and growth of the business internationally, the adviser nominated the family chief executive, Elisabetta Fabri, for the Campden Top Family Business Leader award in 2016. Her client was one of five finalists shortlisted in the category although she eventually missed out on winning. In 2017, however, following continued expansion of the family-owned chain, her client was shortlisted and won the Top Family Business Award. The adviser was at the awards ceremony in the 16th century Lobkowitz Palace at Prague Castle to see her client receive the award. Without her adviser's original 2016 nomination, Starhotels would not have garnered the recognition it deserved.

Other Examples

Broman Group: A second-generation Finnish automotive company, Broman Group has continued its rapid growth for close to a decade. The firm has seen revenues increase from €126 million (\$180 million) in 2009 to more than €333 million in 2017. It employs more than 1,500 people and its success enabled it to pay out more than €1.5 million in staff bonuses last year. It was originally awarded *CampdenFB's* Top Family Business in 2013 and has since gone on to win several other awards including the Finnish Family Business Award of Excellence 2017 sponsored by Ernst & Young.



Pentland Group: Many practitioners might not have heard of the UK's Pentland, but they might have known some of the brands it owns – from Berghaus, to Speedo, Mitre, and Canterbury. Founded in 1932 in Liverpool as a shoe distributor and manufacturer, it later diversified into other businesses, only to re-focus and become a “family of brands” in the sports and fashion industries. Today it is headquartered in London, with annual sales in excess of \$3 billion, across 190 countries. No longer an unrecognized family business, it was awarded the 22nd annual IMD Global Family Business International Award in 2017.

Raising Awareness

Leadership can come in many forms, whether it be financial performance, governance, stewardship or setting social and environmental examples. Family businesses are excelling in a whole range of areas in a whole range of industries and family enterprise practitioners are ideally suited to champion these great businesses. As advisors, you can help the companies get wider recognition in the family enterprise fields and, by extension, on to the radar of those who set public policy around the globe.



Do you know any Hidden Champions?

If you know of a great European family business that you think deserves recognition, please look at the qualifying [six categories](#) and [nominate](#) your client or another company of your choosing for the European Families in Business Awards 2018. If a family business you nominate is shortlisted for an award, you can apply for one of five limited tickets to the gala evening in Madrid, Spain on 12 June. Nominations close on 23 February.



About the contributor

Nicholas Moody has been editor of *CampdenFB* since 2013. He oversees the quarterly publication, the daily website CampdenFB.com, its social media channels, and frequently hosts its annual award event. *CampdenFB* is focused on providing high-quality news, views, and interviews for multigenerational family businesses and family offices globally. Nick can be reached at nicholasmoodycampdenwealth.com.

About Campden Wealth

Campden Wealth is an independent family-owned business providing knowledge, intelligence, and connectivity for family businesses, family offices, and significant private investors worldwide. It publishes CampdenFB magazine, which provides business-owning families of substantial wealth with the knowledge, insight and vital business intelligence they require for successfully managing their enterprises and supporting their families.

Sneak Peek



Up next week, “Research Applied: FBR Précis for FFI Practitioner” by Thomas Schwarz

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