

# KEEPING IT ALL IN THE FAMILY



He's well aware that only ten percent of all family-owned businesses survive through to the third generation. Changing that trend – upping that statistic – is a big part of what motivates Francois de Visscher in his work as the president of de Visscher and Company, LLC, a financial consulting and advisory firm specializing in

the needs of family-owned businesses.

Although de Visscher's firm is based in Greenwich, Connecticut, its services reach not only across the continental United States, but also around the world. He has advised members of more than 300 different family-owned businesses in Europe, Asia, the Middle East, Latin America and just recently, Australia. A man on a mission, de Visscher's work assists the owners of family businesses in doing what is often rather challenging – keeping the bottom line profitable while honoring the family's unique dynamics – and holding the inevitable conflicts arising from such close-knit business relationships to a minimum.

That takes funding sources and training, and de Visscher is the man who can provide it.

"The core of our activities is being able to bring them the right sources of capital to help them do whatever they want to do with their business," de Visscher said. His next order of business most certainly runs a very close second to the first. He knows that family-owned businesses are ripe ground for those familial conflicts that can destroy a business and its credibility as well as profitability.

And de Visscher knows exactly what he is talking about. More importantly, he has learned how to avoid many of these pitfalls, especially as a director and shareholder of the fourth generation of his family's business, based in Belgium. In 1880, his great-grandfather established N.V. Bekaert S.A. – a firm today that has annual sales totaling more than \$6 billion and has a presence in more than 100 countries through its manufacturing of steel wire and related products.



**We understand the many challenges facing family companies and their owners because we deal with those issues everyday as advisors and as owners.”**

**- François de Visscher**

His passion for the family-owned business grew during his tenure as an investment banker working for Smith Barney in the mid-1980s. Working with household names such as Smuckers and Marriott – both family-owned businesses – de Visscher gleaned significant knowledge from monitoring and guiding their success. After four years, he wanted to get out of Wall Street, where the pressurized sale of products dominated the advising of any business, let alone family-run businesses and de Visscher hung out his own family business shingle. He wanted to be independent and wanted the financial advice he gave to families to be provided on a totally unbiased basis as to its outcome.

Since then, de Visscher has watched family-owned businesses grow through fostering an increased professionalism via a variety of training institutes, including the Business Growth Alliance and the Family Business Network. Positive changes he has seen include a trend toward an earlier identification of the heir apparent or successor to the top leadership within the family business structure.

“Everybody knows there will be a successor,” he notes. “Identifying that individual earlier on creates more stability for the family business.”

Now that people are living longer, de Visscher noted that it’s not uncommon to have three or four generations directly involved in the running of a family business at the same time. The older generations tend to be more protective of assets and want to shelter wealth, while the younger generations tend to be more aggressive and willing to take risks.

“It can create conflict,” de Visscher said.

That is where an adviser such as himself comes into play. He works with all of the family members, educating them on how their decisions can have long-term effects on the continued sustainability of the company. Sometimes that means advising younger family members to ease up and sometimes that means suggesting older members evaluate exactly how much risk is tolerable for maintaining their retirement needs while making ample provision for the company to grow. He

asks all parties involved to take an honest look at what the goals of any family business should be, asking them the hard questions about their business, such as: how to grow the business; how to make a return to shareholders; and how to do both of these while developing the professionalism of the family within the business and enhancing the family’s cohesion as a social structure.

Yet even de Visscher believes that his advice alone won’t always solve everything. That’s why in 2012 he created a program in which family-owned businesses seeking investment opportunities can invest directly in other family-owned businesses. His program not only provides needed infusions of cash but also know-how and advice that can pass between the two entities.

“It really is a partnership between two families, aimed at supporting each other for the long haul,” he said.

This concern fits right into de Visscher’s business plan: helping as many family businesses as he can pass operations on to the third, fourth and – dare he dream – on to the fifth and sixth generations.

“I think my greatest success has been to help so many family businesses to survive and then thrive to be successful,” de Visscher said retrospectively. “It is gratifying to look at the history of a family business that we have helped over the years and its generations – and to see it succeed.” ■



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