

PRESS RELEASE

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The Paradox of the Long-Term Future of French Family Businesses: A Valued Yet Threatened Model

A qualitative study conducted by Lombard Odier and HEC Paris Junior Conseil

- 69% of surveyed business leaders consider family identity a competitive advantage, and 60% wish to keep the business within the family
- However, fewer than one in two are confident that the next generation will take over
- This paradox is explained by several factors: 68% of next-generation members express a desire to pursue a different career path, while only 39% of families have a complete succession plan

In France, family businesses account for nearly 65% of GDP and approximately 70% of jobs. Deeply rooted in their regions, they create employment, transmit know-how, and actively contribute to the vitality of local economies. However, only 14–20% are actually passed on within the family, compared with over 50% in Germany and 60% in Italy. This gap illustrates the complexity of a transition that goes far beyond financial considerations.

To better understand the dynamics behind family business transitions, whether successful or uncertain, Lombard Odier France conducted the study “Family Businesses: The Challenge of Long-Term Continuity” in collaboration with HEC Paris students. This qualitative survey, carried out between June and September 2025, is based on 85 in-depth interviews with leaders and members of French family businesses across various sectors and regions.

Edouard de Saint Pierre, CEO of Lombard Odier France, comments: *“The testimonies collected reveal a clear reality: intra-family business transmission is full of paradoxes. Entrepreneurs trust the next generation, yet many of the latter group wish to take a different path; exemplary operational management contrasts with incomplete and often informal succession planning. Our mission is to support these families in preparing well thought-out, long-term transitions capable of standing the test of generations.”*

A Pillar of the French Economy Facing a Generational Shift

With an ageing population, one in four family SME or mid-sized company leaders was already over 60 in 2023. More than half of French family businesses will face a succession event within the next decade. This is no longer a theoretical matter – it is raised at every family council and every strategic committee.

The study reveals a strong attachment among leaders to family continuity. A large majority express a desire to pass the business on to the next generation, and **82% say they trust its ability to maintain and develop the entrepreneurial project.**

Yet **fewer than one in two** currently believe a next-generation takeover is certain. Intentions clash with shifting aspirations: the desire to pursue a different professional path is by far the primary reason cited (**68%**) for why succession might not occur within the family. Internal conflicts or strategic disagreements represent only a marginal share of the issue.

Succession is no longer seen as a given – it must be built through dialogue between generations. This highlights the need for clear, constructive discussion spaces so that succession becomes a shared choice rather than an inherited obligation.

Strong Asset Structuring, but Limited Succession Formalisation

The family businesses surveyed stand out for their robust tax, legal and wealth structuring. **83%** have already separated business and personal assets, and **76%** have implemented legal mechanisms to protect the company (Dutril pacts, dismemberments, transmission structures).

However, this operational maturity contrasts sharply with succession preparation: **only 39% of families have a complete plan, and 35% have not formalised anything at all.** This reflects a paradox: family businesses excel in operational and asset management but address the human and relational dimensions of succession much later.

Family Governance: Turning Intention into Action

The study also highlights the importance of family governance in ensuring long-term continuity of the entrepreneurial project. While 81% of leaders recognise the value of a structured framework, fewer than half of families have clearly formalised governance mechanisms.

Beyond legal and wealth-related aspects, the study emphasises the deeply human dimension of succession. Trust, intergenerational dialogue and shared values emerge as key drivers of successful transitions. A family charter, family council, or mechanisms for progressively integrating younger generations can serve as essential tools to strengthen cohesion and prepare continuity.

For Lombard Odier – a family-run investment house passed on to the seventh generation – supporting entrepreneurs in their succession involves both structuring wealth mechanisms and fostering the conditions for lasting family dialogue.

Xavier Bonna, Managing Partner of the Lombard Odier Group, comments: *“Supporting entrepreneurs means understanding their history and their vision. The transmission of a family business goes far beyond financial considerations: it touches on a family’s identity, values and long-term future. Our role is to help families turn their desire to transmit into a solid and enduring legacy for future generations.”*



About the Study

The study “Family Businesses: The Challenge of Long-Term Continuity” is based on a qualitative approach involving 85 interviews conducted between June and September 2025 with leaders and members of French family businesses. It explores governance structures, succession, next-generation engagement and wealth planning.

Profile of respondents: 72% current leaders, average age 46, 56% from companies with turnover above EUR 50 million, and 50% representing the 3rd generation or beyond.



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About Lombard Odier

Lombard Odier is a global wealth and asset manager. For over 225 years and through more than 40 financial crises, the Group has aligned itself with the long-term interests of private and institutional clients. It has a strong balance sheet with a CET1 ratio of 33.6% and a Fitch rating of AA-, the highest possible rating for a bank of its size.

Structured as an independent partnership, Lombard Odier is solely owned by its Managing Partners. This governance model allows the Bank to remain completely client-focused and innovative at the highest level in the organisation.

Lombard Odier is an investment house that provides a comprehensive offering of discretionary and advisory portfolio management, wealth services and custody. Asset management services are offered through Lombard Odier Investment Managers (LOIM). The Group has created cutting-edge banking technology, which is also leveraged by other Swiss and European-based private banks and financial institutions.

The Group had total client assets of CHF 349 billion at 31 December 2025. Headquartered in Geneva since 1796, at end-June the Group had 28 offices in 19 jurisdictions and employed 2,910 people.

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