

# Executive Summary

Institut für  
Mittelstandsforschung

**IfM**  
BONN

[www.ifm-bonn.org](http://www.ifm-bonn.org)

## The macroeconomic importance of owner and family-led enterprises

Hans-Jürgen Wolter assisted by Irakli Sauer

IfM-Materialien Nr. 253

## **Executive summary**

The competitive environment has changed substantially since IfM Bonn last conducted a projection with regard to the economic significance of owner- and family-led enterprises in Germany (1998). Both the technical development (key word: digitisation) and the increasing globalisation confront enterprises with completely new challenges. In order to determine how Mittelstand companies have asserted themselves against these changed conditions, the present study has analysed some 16 500 enterprises, broken down by legal forms, with regard to their ownership and management structures.

### **Share of owner- and family-led enterprises has decreased slightly**

Between 1998 and the current reporting year of the enterprise register (2014), the share of owner- and family-led enterprises in the total number of all enterprises in Germany has decreased by 1.2 percentage points from 94.8% to currently 93.6%. Apparently, the particular strengths of large enterprises and enterprise groups (which usually can draw on more comprehensive resources than Mittelstand companies) have been advantageous for making the required adjustments. Despite this decrease, the overwhelming majority of enterprises is still owner- and family-led. Thus, the key importance of Mittelstand companies for the German economy still exists.

### **Complex enterprises still play a minor role**

For quite some time already, a special phenomenon can be observed in the economy: enterprises are being split into several legal units which are only formally independent. These separate units, however, do not operate on the markets. In order to avoid distortions of the enterprise register caused by these phenomena, the different units should be consolidated into a so-called "complex enterprise". Our analysis has revealed that these structures do not often occur in business reality. Only approx. 33 300 legal units could be identified as such auxiliary units. This corresponds to approx. every one hundredth enterprise in the German economy.

### **So-called auxiliary units prevail in manager-led enterprises**

In owner- and family-led enterprises less than one in 300 enterprises is an auxiliary unit. Outside the Mittelstand, however, complex enterprises are already a common phenomenon. If one considers only management-led enterprises, more than every tenth legal unit is a "genuine" enterprise only on pa-

per. Furthermore, this difference also has its effects on the percentage share of Mittelstand companies: Cleansing the enterprise statistics from these "pseudo-enterprises", still some 94.2% of all enterprises are owner- and family-led.