

Can a Family Stay a Business Family After Selling the Business?

Clemens Krüger (Zeppelin University)

Christian-Titus Klaiber (Friedrichshafen Institute of Family Entrepreneurship)

Reinhard Prügl (Vienna University of Economics and Business)

KEYWORDS: Family Business Governance, family office, Journal of Family Business Strategy, family business advice.

A study of German family firms shows that regular, meaningful contact between the family office and the family can preserve shared purpose after an exit.

EDITOR'S NOTE: This article was produced in partnership with the Journal of Family Business Strategy, a leading journal in the field of family business, as part of our mission to bring research-proven insights and practical advice to our readers.

A fourth-generation manufacturing family in southern Germany gets an offer from a private equity investor. The family discusses extensively, but the math checks out. They sell. The money flows into their newly established single family office (SFO). Three years later, the founder's granddaughter drops the question everyone's been tiptoeing around: "Are we still a business family, or are we just investors?"

That question stings. The shared sense of who we are as a business family doesn't vanish when you sign the sale contract, but it can fade, slowly and almost invisibly. Meetings get pushed back. The younger generation builds careers elsewhere. The wealth starts feeling like a private resource instead of a shared inheritance. One private banker we spoke to during our research put it bluntly: "The family shows up after the exit with \$150 million in the account and says: take care of it. Three years later, the son calls asking if he can cash out his share." The financial capital is intact. The common purpose isn't.

And that absence has costs that reach well beyond

sentimentality. Studies on business families have found that a strong shared identity keeps the next generation engaged with the family wealth instead of pushing them to cash out, dampens the kind of shareholder conflict that ends up in court, and gives family members a sense of belonging that money on its own never quite delivers. So the risk for families who let identity drift after a sale isn't only the loss of warmth at family gatherings. It's harder successions, costlier disputes, and a generation that increasingly experiences the family wealth as someone else's project they happen to inherit.

We wanted to understand: Can a single family office fill that gap? Not just financially, but as a new organizational home for preserving the business family identity?

What We Studied

We surveyed 51 shareholders from German SFOs. The families behind these offices had been in business for 70 years on average; their offices had been running for over two decades. About half still operated an active family business alongside the SFO ("hybrid" offices), and the rest had sold everything ("stand-alone" offices). Nearly half also ran a philanthropic foundation. Because families are different, we didn't look for one decisive factor. We looked for *combinations* of conditions that reliably preserve business family identity: investment strategy, governance intensity, how broadly the office serves family members, whether a foundation exists, whether the founding generation is still active, and how committed the family is to generational continuity.

What We Found

We found nine recurring patterns: not one universal recipe, but nine different ways that families keep their

business family identity intact. The headline finding: **you don't need a family business to remain a business family**. Stand-alone SFOs, those without any operating company, preserved identity just as effectively as hybrid offices that still ran the legacy firm. For any family considering a sale, that should be reassuring. The exit doesn't have to mean losing who you are. But it does mean rebuilding the carriers of that identity more intentionally.

One condition showed up in every single pattern we found: **regular, meaningful contact between the office and the family**. Nothing else was this universal. The everyday touchpoints, quarterly reporting, tax planning, education programs for the next generation, annual retreats, and personalized advisory conversations, turned out to be the bedrock. If the office creates repeated, meaningful interactions, it becomes part of the family's lived experience. Strip those away, and investment strategies stay numbers on a screen. Governance meetings become rooms with empty chairs.

Beyond that, we found that identity travels through three different carriers:

The portfolio as identity statement: How a family invests sends a message about what kind of family it is. In six of our nine patterns, entrepreneurial investments (venture capital, direct stakes, growth equity) were central. Equally striking: deliberately *avoiding* conservative asset classes was just as identity-defining. If your family sees itself as entrepreneurial, a portfolio full of government bonds says something about who you've become, whether you intended that signal or not. The practical implication: Discuss the portfolio not just as a financial plan, but as a reflection of who the family wants to be.

Governance as a space for belonging: Family councils, investment committees, and structured decision protocols appeared in six patterns too. Not because of the control they provide, but because they create spaces where family members sit together, talk about what matters, and decide things jointly. An investment committee that meets quarterly isn't just allocating capital. It's a room where the family's "we" gets renewed. Design those meetings for connection, not just control: Make room for values, purpose, and the next generation, not only returns.

Engagement as the activator: This is the universal

foundation. The ongoing interactions between the SFO and the family -- from consolidated reporting to next-gen briefing days -- translate abstract structures into something people actually experience. Engagement doesn't replace the other carriers. It makes them real. Without it, the whole system is just architecture with nobody living in it.

Two more findings surprised us. One was that philanthropic foundations were not automatically beneficial for preserving the business family identity. For stand-alone SFOs they appeared in every successful pattern, stepping in for the missing company as a place where the family acts together. But among hybrid SFOs, the most common successful patterns deliberately *excluded* them, suggesting philanthropy can blur the entrepreneurial self-image rather than sharpen it. Families running both an SFO and a foundation should ask honestly whether both are pulling in the same direction. The other surprise was that robust current structures can carry identity forward even when the succession question is still open. That takes real pressure off families who haven't agreed on a plan yet, though it doesn't mean the question can stay open indefinitely.

Takeaways

A single family office is more than just a wealth management vehicle. It can become a platform for continuity, cohesion, and identity. But that doesn't happen on its own.

- **For family officers:** Your job is bigger than wealth management, whether you frame it that way or not. Every phone call, every reporting conversation, every next-gen workshop can work towards (or against) the preservation of the business family identity. The families in our study that best preserved their identity were not the ones with the most sophisticated investment strategies. They were the ones whose offices stayed in close, regular, and meaningful contact.
- **For families facing a sale:** Put the identity question on the agenda *before* it becomes a problem. "What happens to who we are after the sale?" belongs in the transaction planning, right alongside tax and legal. Don't wait until two years later, when family members start drifting apart.
- **For advisors:** When setting up or restructuring a family office, check three things. Is there

enough regular contact between the office and the family to keep identity alive? Does the investment portfolio reflect who the family is, or does it look like it belongs to an insurance company? Do governance meetings include space for values, traditions, and the family's future, or are they purely about financial metrics? Those questions won't produce a score. But they'll start a conversation most families never have, and probably should.

There is no single right path. That is perhaps the most freeing part of what we found. But every path that worked ran through the same territory: consistent, meaningful engagement between the family and its office. Get that piece right, and there are plenty of ways to build a lasting business family identity around it.

Explore the Research

Krüger, C. C., Klaiber, C. T., & Prügl, R. (2025). Business family identity in single family offices—A configurational approach. *Journal of Family Business Strategy*, 16(4), 100697.