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Master's Thesis

The Rise and Downfall of Germany's Largest Family and Non-Family Businesses: A Historical Study and Strategic Analysis from 1971 to 2011

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Abstract

This thesis in hand examines the historical growth and decline developments of large German family and non-family businesses between 1971 and 2011. Based on a unique sample of the 143 largest German companies in 1971 and in 2011 the long-term development of each company is investigated and compound annual growth rates (CAGR) are calculated to compare the developments of total sales and of the number of employees between the enterprises and with the overall development of the German economy. Additionally, the exit rates as well as the reasons for the downfalls of the different types of companies are presented. The results show a superior development of family businesses especially compared to non-family businesses due to lower exit and higher growth rates. The strategic implications are that family businesses should achieve a certain corridor of growth in the long-term to secure the existence of the company over generations.