

New Report Reveals the Global 500 Largest Family-Owned Companies

The common perception of a family business is that of a mom and pop store or the restaurant around the corner. However, some of the world's biggest business firms and globally recognized brands are owned and managed by business families. The Center for Family Business at the University of St. Gallen, Switzerland recently conducted a study and identified the 500 largest family owned companies across the globe. The report suggests that 80-90 percent businesses around the world are family owned. These are crucial drivers of economic growth and job creation.

The list of top 500 family firms is named "Global Family Business Index." It includes the who's who of top international brands such as Wal-Mart, Tyson, Ford. From the emerging markets, the list includes companies like Hutchison Whampoa owned by Li Ka-shing and America Movil owned by Carlos Slim besides others from Brazil, India and Mexico. Besides the popular names, there are some lesser known firms like the German mineral oil and energy company Diersch & Schroder, which only employs 350 personnel yet generates \$2.5 billion in annual revenues. Retail and wholesale trading firms are the largest constituents of the list at 18%, followed by diversified industrial products makers (17%) and consumer products firms (15%). Europe leads the index with 50% of the firms followed by North America (24%).

All the 500 firms of the family business index generate a combine sales of \$6.5 trillion and employ nearly 21 million people. As an entity in itself, this would make it the third largest economy in the world after USA and China. Thomas Zellweger, Professor and Managing Director, Center for Family Business, University of St. Gallen notes, *"What strikes me is the ability of family firms — companies that are traditionally seen as small mom and pop shops — to create significant value. They might not come out with the latest trends but they are quite good at refining what they do."*

Source: Forbes.com, April 20, 2015