



Executive summary of the 17th Edition of the AUB Observatory February 2, 2026

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The AUB Observatory, promoted by AIDAF (Italian Family Business), UniCredit, AIDAF–EY Chair of Family Business Strategy (Università Bocconi), with the support of Angelini Industries, Borsa Italiana and EY, **monitors all Italian family firms with revenues exceeding €20 million**. In particular, the 17th edition of the AUB Observatory included all companies whose turnover exceeded euro 20 million as of 31 December 2022, equal to 23.578 firms, of which **15.568 family firms (equals to 66,0%)¹**.

Contents of the 17th Edition of the AUB Observatory

The 17th edition of the AUB Observatory, entitled “**NextGen selection in generational transitions: owning family structures, evolving skills and current trends**”, expands the monitoring of generational transitions by introducing forward-looking estimates of the number of companies expected to undergo a generational transition in the coming years. This edition also examines a specific form of generational transition—mentorship—characterized by a structured mentoring process between the Senior generation and the NextGen. It further extends the analysis of NextGen profiles who have assumed leadership in family firms, exploring their educational attainment and professional backgrounds.

The report also introduces **a new and original focus on owning-families**, analyzing their structure – number of children, educational background, and roles – as well as the decision-making processes guiding the selection of successors within the family.

The 17th edition also presents updated evidence on:

- The evolution of the **financial performance** of family firms through 2024;
- Governance structures, with the aim of examining **the evolution of leadership models** and the **degree of diversity** within family firms’ governing bodies;
- **Equity financing** in family firms, examining the different types of transfers of control, the characteristics of the ownership structure, the acquirer’s nationality as well as the impact of these transactions on key performance indicators of the acquired firms.

Overall, the findings provide a comprehensive picture of the evolving dynamics of family firms, offering valuable insights into the challenges of business continuity, opportunities for renewal, and the implications for the future competitiveness of Italian firms and the broader economic system. Detailed results will be available from February 2, 2026 at the following link: [Presentation 17th edition of the AUB Observatory](#).

1. The performance of Italian family firms

Growth: normalization after the post-Covid rebound

Findings from the 17th edition of the AUB Observatory shows that, following the strong rebound recorded in the two years after the pandemic crisis, **growth in Italian family firms has begun to**

¹ In order to avoid data duplication, in the analyses that follow, controlled companies were excluded in the case of single-business groups, and parent companies (often financial holding companies) were excluded in the case of multi-business groups. As a result, the AUB Observatory analyses the structure and performance of 12.242 family business groups.



stabilize². Comparing the two major crises of the past fifteen years, the recent revenue trend of family firms resembles the pattern observed after the 2009 crisis, characterized by a rapid initial recovery followed by a gradual slowdown.

In 2024, the family firms' revenue growth rate was lower than that of non-family firms (-1.2% vs +0.2%). However, over the past decade, **a positive growth differential in favor of family firms persists**.

From a geographical perspective, in 2024 family firms recorded positive revenue growth in nine regions. Among these, the regions with the highest turnover growth rate were **Molise (+7.6%), Valle d'Aosta (+4.1%) and Liguria (+3.5%)**.

Industry analysis also confirms performance heterogeneity: in 2024 the industries which recorded the highest growth rates are **Transport and logistics (+6.8%), Energy and extraction (+5.4%) e Vehicles retail (+4.6%)**. Within the manufacturing, the industry that experienced the sharpest decline was **Fashion (-8.8% in 2024)**. These trends should be interpreted in light of the progressive normalization of energy and goods prices, which unevenly affected nominal revenues across industries in 2024, penalizing sectors that had previously benefited most from price increases and intensifying the difficulties of industries more exposed to demand fluctuations and input cost volatility.

Investments remain high despite macroeconomic uncertainty

Despite the slowdown in revenue growth, **family firms continue to display solid investment activity**. In 2024, family firms' fixed asset growth rate remains strong and higher than non-family firms' one (+9.2% vs +7.9%), confirming sustained investment capacity despite the deceleration in revenues.

Investment growth is broadly distributed across the country: in 2024, the fixed asset growth rate of family firms exceeded the national average in 13 regions, indicating a dynamic not confined to a limited number of leading geographical areas³. From a sectorial perspective, **in 7 out of 10 sectors family firms recorded a double-digit fixed asset growth rate in 2024**, highlighting a strong investment propensity even during an economic slowdown. In comparative terms, evidence shows a lower investment propensity within manufacturing, except for pharmaceutical industry⁴.

Profitability: reduction in operating margin in 2024

With regard to profitability, **family firms' operating profitability (ROI) declined slightly in 2024 compared to the previous year** (9.8% vs 11.0%). The decrease was less pronounced among non-family firms (8.3% vs 8.7%). This is the first decline since 2020, following three consecutive years of growth. Nevertheless, operating profitability remains above pre-Covid levels (9.2%), indicating a sustained ability to preserve operating margins in a context of increasing economic uncertainty. Even when compared to non-family firms, family firms continue to exhibit higher operating profitability across most industries.

From a geographical perspective, in 2024 **family firms recorded operating profitability rates higher than national average in 12 regions** (notably Molise e Calabria, with an average ROI of 15.1% and 12.5%, respectively). However, industry analysis shows significant heterogeneity: compared to the previous year, only some industries – including Energy and Extraction,

² The normalization phase of growth follows the post-Covid rebound of 2021-2022, with revenue growth reaching 29.1% in 2021 and 21.9% in 2022, slowing to 1.4% in 2023 and declining slightly further in 2024 (-1.2%).

³ Among these, Molise and Calabria stand out, with fixed asset growth rates of +24.9% and +21.8%, respectively.

⁴ With the exception of Pharmaceuticals (which recorded a fixed asset growth rate of +18.2%), all other manufacturing sectors show growth rates below 10%, with the Fashion System ranking last (+1.9%).



Pharmaceuticals and Food and Beverages – reported improvements in operating margins, while most other sectors experienced stabilization or a slight decline.

A partially different trend characterizes net profitability (ROE), which declined again in 2024 (11.2% vs 14.2% in the previous year), continuing the downward trend that began in 2023. This decline largely reflects the impact of rising interest rates and the **resulting increase in financial expenses**. Despite this, family firms’ ROE remains higher than that of non-family firms (10.3%).

Net profitability also shows significant geographical and sectoral heterogeneity: in 2024, family firms recorded ROE rates above the national average in 11 regions (with Molise again ranking first, at 18.0%). At the sectoral level, Energy and Extraction remains the most profitable industry, whereas Manufacturing generally displays lower profitability, albeit with notable exceptions such as Pharmaceuticals and Chemicals.

Financial strength: the situation remains solid (with some signs of reversal)

Findings of the AUB Observatory confirm **an overall positive picture of the financial strength of Italian family firms in the post-Covid period**. In 2024, debt ratio (total assets/equity) declined again (3.6 vs 3.9 of the previous year), remaining below both the pre-pandemic level (5.0 in 2019) and that of non-family firms’ one (5.3 in 2024). NFP/Equity also remains very low (equals to 1.1, in line with 2023), confirming a solid financial position, even when compared with non-family firms (1.4).

A partially different trend can be observed with regard to debt-repayment capacity. After reaching a minimum in the post-Covid period, family firms’ NFP/EBITDA increased slightly in 2024 (3.6 vs 3.4 in 2023), interrupting the downward trajectory observed in previous years, likely as a consequence of the reduction in operating profitability observed in 2024).

Particularly noteworthy is **the increase in the proportion of family firms with negative NFP** (i.e., with cash higher than financial debt), which continues to rise even compared with the previous year (43.1% vs 40.1% in 2023). Compared with the pre-Covid period, it represents an increase of around 10 points. At the same time, **a first sign of a reversal is observed in the proportion of family firms with “critical” or “warning” financial indicators**. After the marked improvement recorded in the post-Covid period – with a ratio of 15.7% in 2023, lower than 10 points compared to pre-Covid levels (26.7%) – this share increased slightly in 2024 (+1.4 points).

Overall, evidence on financial performance indicates that Italian family firms are entering the post-pandemic phase with a more robust financial structure than in the pre-Covid period, despite the normalization of growth rates and the contraction of profitability margins.

2. The evolution of leadership and governance models in Italian family firms

The evolution of leadership models

The 17th edition of the AUB Observatory highlights the substantial stability of family firms’ leadership models over time. Within this stable context, **the joint leadership model⁵ continues to be the most widespread** configuration, adopted by approximately one third of companies, confirming its central role in the governance of family firms.

This overall stability coexists with significant evolutionary trends that become more evident when differences by company size are considered. In smaller family firms (with revenues up to €50 million), the most prevalent model remains the Sole Director, accounting for more than one third

⁵ The joint leadership model is a top-management structure in which leadership is not concentrated in a single chief executive figure but is exercised jointly, through the distribution of powers and responsibilities among two or more co-CEOs.



of companies. At the same time, in these firms, **joint leadership is the model that has recorded the most significant growth over time**, primarily at the expense of individual leadership structures characterized by CEO duality (where the roles of Chair and CEO are held by the same person).

In medium and large firms (with revenues above €50 million), by contrast, the Sole Director model has declined significantly (by approximately five percentage points between 2010 and 2024), while joint leadership has emerged as the dominant model, exceeding 40% of cases in the most recent year observed. **The size-class analysis confirms a clear relationship between company size and leadership structure: the larger the firm, the lower the incidence of the Sole Director⁶ model and the higher the incidence of joint leadership⁷.** Moreover, among individual leadership models, a progressive separation of the roles of Chair and CEO is observed, alongside an increase in individual leadership without CEO duality.

With regard to family involvement in leadership, **family leadership models remain the most widespread**, although their incidence has gradually declined over time, indicating increased openness. In larger firms, this process has been ongoing for over fifteen years, taking the form of a structural evolution in governance⁸. In smaller firms, by contrast, the openness toward leaders external to the owning family has emerged more recently, beginning in 2020⁹.

From a demographic perspective, the analysis of leaders' age shows how the growth in the proportion of leaders over-70 has significantly slowed since 2020, although they still represent a substantial share of family firm leadership (approximately one in four). Similarly, **the proportion of leaders under-50 continues to decline over time¹⁰**. Overall, these findings suggest that leadership transitions tend to be postponed, resulting in a concentration of transitions at more advanced ages. This dynamic is particularly pronounced in smaller companies, whereas **in larger firms leadership ageing appears to have been stabilizing since 2020¹¹**. Performance analyses confirm that firms led by older leaders (over 70) exhibit weaker results than those managed by younger leaders, reinforcing evidence from previous editions of the Observatory. These findings provide the empirical basis for identifying a governance best practice used to project generational transitions over the coming decade (see Section 4).

With regard to family leadership, data shows a modest yet steady increase: **female presence in leadership positions reached a percentage of 23.4% in 2024**, higher than the previous decade by around three points. However, this growth is almost entirely driven by joint leadership models (whose incidence rose from 37.2% in 2010 to 43.5% in 2024), while no comparable change is observed in individual female-led leadership structures. This suggests that the advancement of female leadership primarily occurs through shared top-management arrangements.

The evolution of governance models: BoD diversity

The 17th edition continues to examine diversity within the Boards of Directors (BoDs) of family firms, measured through four indicators: (i) at least one director under 40; (ii) at least 33% female directors; (iii) at least one non-family director; and (iv) no more than one director over 75.

Excluding firms governed by a Sole Director¹², the following levels of diversity emerge among Italian family firms (listed in decreasing order of concern):

⁶ The spread of the Sole Director has declined from 35.7% in smaller companies to 8.3% in companies Over-250.

⁷ Joint leadership has grown, rising from 29.8% in smaller companies to 47.3% in Over 250 companies.

⁸ In Over-250 companies, family leadership declined from 78.7% in 2010 to 68.7% in 2024, after standing at 73.7% in 2019.

⁹ In companies with revenues between 20 and 50 million, family leadership was 88.9% in 2010, 86.1% in 2019 and declined to 81.6% in 2024.

¹⁰ The share of leaders under-50 years old declined from 29.2% in 2014 to 16.5% in 2024.

¹¹ The share of leaders over-70 stood at 27.6% in 2019 and remained essentially unchanged in 2024 (27.7%).

¹² Companies with a Sole Director, accounting for 29.9%, were excluded due to the absence of a Board of Directors.



- **In 26.1% of cases, at least one director is under 40.** Compared to the pre-Covid period, the decline in «young» directors stopped, indicating a gradual inclusion of under-40 board members since 2020¹³.
- **In 39.0% of cases, more than 33% of board members are women.** Gender diversity has continued to increase over time, albeit gradually, even in the post-Covid period¹⁴. The proportion of BoD with at least 33% of female directors is slightly higher in smaller companies, reflecting their smaller average board size¹⁵.
- **In 55.5% of cases, boards are “open” (i.e., include at least one non-family director).** Among larger firms, approximately two thirds have an open board, and this trend has accelerated since 2020¹⁶. In smaller firms, by contrast, the process of opening boards to external directors began more recently, around 2019¹⁷.
- **In 93.9% of cases, there is no more than one director over 75.**

When all four indicators are considered jointly, **only a limited number of family firms are fully aligned with diversity best practices** (468 firms, equal to 3.9% of the total). However, these firms exhibit significantly higher performance than the Observatory average, both in terms of revenue growth (+10.0%) and profitability (+2.4 percentage points in ROE and +3.0 percentage points in ROA). The decline in the number of fully compliant firms during the 2010–2019 period is primarily attributable to the sharp reduction in board members under 40, only partially offset by the increase in gender diversity and greater openness to non-family directors.

These findings revive the debate on the potential role of regulatory or incentive-based frameworks—such as the proposal advanced by AIDAF in 2023—to encourage greater diversity through reward mechanisms for more advanced firms.

3. Equity financing of family firms

After analyzing the evolution of governance structures, the 17th edition of the AUB Observatory includes a dedicated section on equity financing in family firms, examining its methods, drivers and impacts, with particular attention to the nature of the acquirer and the firm’s governance characteristics. The analysis covers all family firms with revenues exceeding €20 million included in the Observatory as of December 31, 2023.

Spread and types of equity financing

Approximately 8.3% of family firms with revenues above €20 million have involved external investors. Equity financing occurs primarily through transfers of control (5.7% of cases), while minority stake transactions (1.7%) and stock market listings (0.9%) are less frequent.

From a temporal perspective, a marked discontinuity can be observed since 2020: **almost half (44.5%) of all transactions took place from 2020 onward.** This trend is mainly driven by transfers of control, which are evenly distributed (50-50) between the pre- and post-2020 period,

¹³ The share of family firms with at least one board member under-40 declined slightly from 27.8% in 2019 to 27.3% in 2024, interrupting the downward trend observed in the previous decade (when the incidence was 45.5% in 2010).

¹⁴ The share of family firms with a board composed of at least 33% female directors was 39.0% in 2024, up from around 38.3% in the pre-Covid period (2019) and 36.4% in 2010.

¹⁵ The incidence of boards with at least 33% women is 40.1% in companies with revenues between 20 and 50 million euros, and 37.3% in companies with revenues above 50 million euros.

¹⁶ Larger companies with at least one non-family board member increased from 54.9% in 2010 to 67.0% in 2024 (compared with 60.2% in 2019).

¹⁷ Smaller companies with at least one non-family board member increased from 39.8% in 2019 to 47.2% in 2024 (compared with 39.1% in 2010).



unlike minority stake transactions and IPOs, which are predominantly concentrated in earlier years. These findings suggest that recent economic and financial disruptions may have accelerated divestment decisions among Italian entrepreneurial families.

Across all equity financing modes considered, transactions **predominantly involve manufacturing firms** operating in capital-intensive sectors, where equity financing appears to support growth and consolidation strategies. From a geographical perspective, transactions are mainly concentrated in Northern Italy—particularly in Lombardy, Veneto and Emilia-Romagna—consistent with the territorial distribution of larger family firms.

Types of transfers of control

To understand the reasons underlying transfers of control, the Observatory adopts an interpretative framework inspired by the literature on entrepreneurial exit, which distinguishes between exits driven by value-maximization motives and exits determined by financial distress. A useful classification of transfer types is provided by the taxonomy of Wennberg et al. (2010), which differentiates entrepreneurial exits by combining firm performance (high vs. low) with exit motivations related to value realization (harvest) or distress. To apply this taxonomy, the 881 family firms that transferred control were analyzed along two dimensions¹⁸:

- i. Firm performance at the time of exit (high vs. low)¹⁹
- ii. Type of exit (sale vs. liquidation),

By considering the two dimensions, four categories of transfers of control were identified:

- **Harvest sale** (value-driven sale)²⁰: firms not affected by insolvency procedures or evident signs of crisis, and exhibiting positive performance in the year of transfer;
- **Distress sale** (sale due to distress)²¹: firms in conditions of difficulty, sold in the presence of insolvency proceedings and/or negative performance indicators;
- **Harvest liquidation** (value-driven liquidation)²²: firms voluntarily closed in connection with merger or incorporation processes. In these cases, closure follows a period of satisfactory performance and reflects a strategic integration decision;
- **Distress liquidation** (liquidation due to distress)²³: firms characterized by persistent negative performance and subsequently exiting the market due to bankruptcy or voluntary liquidation.

Applying this taxonomy reveals that more than **70% of transactions fall within the harvest sale** category, namely transfers executed in the presence of solid financial performance and driven by value-realization objectives. Transactions attributable to distress (distress sale and distress liquidation) represent a minority. This evidence suggests that, in most cases, transfers of control are not primarily driven by crisis situations, but rather reflect a strategic exit decision by the controlling family.

¹⁸ Wennberg, K., Wiklund, J., DeTienne, D. R., & Cardon, M. S. (2010). Reconceptualizing entrepreneurial exit: Divergent exit routes and their drivers. *Journal of business venturing*, 25(4), 361-375.

¹⁹ Following Altman (2000), The threshold for distinguishing high and low performance was an EBITDA margin of 5% (Source: Altman, E. I. (2000). Predicting Financial Distress of Companies: Revisiting the Z-score and ZETA Models. *Journal of Banking & Finance*, 1(1), 1-23.

²⁰ A harvest sale is an exit strategy in which the entrepreneur sells the company during a period of strong economic and financial performance, with the aim of realizing the value created over time.

²¹ A distress sale occurs when the entrepreneur sells the company in the presence of economic and financial difficulties, with the aim of limiting losses and preventing an irreversible crisis.

²² A harvest liquidation involves the voluntary closure of a financially healthy company, accompanied by the liquidation of assets under favorable conditions. The exit is driven by strategic or personal reasons (lack of successors, capital reallocation) and aims to maximize the value of the assets, even though it entails the cessation of operations.

²³ Distress liquidation represents the most critical form of exit, characterized by the forced closure of a company in the presence of severe economic difficulties or insolvency. In this case, the exit coincides with the definitive cessation of operations, caused by the inability to maintain business continuity or to achieve a sale to a third party.



Ownership structure and acquirer nationality

An analysis of the ownership structure of acquiring companies shows that family firms most frequently involve **investment funds** (29.3% in minority stake transactions and 39.0% in transfers of control) and other **entrepreneurial families** (29.0% in minority stake transactions and 38.6% in transfers of control) as external investors. The latter figures indicate that, in a non-negligible share of cases, equity financing does not entail the loss of family entrepreneurship, but rather its transfer to another family-controlled entity. Overall, equity financing more frequently occurs in favor of parties characterized by a clearly identifiable controlling shareholder and/or a more concentrated ownership structure.

From a nationality perspective, approximately **three out of four transactions** (63.0% in minority stakes and 69.2% in transfers of control) **involve an Italian acquirer**. Overall, equity financing in Italian family firms more often takes the form of a domestic ownership restructuring rather than a process of shareholder internationalization.

Equity financing, governance and leadership

Family firms which involved external investors exhibit governance and leadership structures significantly different from the AUB Observatory average. In particular, such firms exhibit:

- **More structured leadership models**, characterized by the presence of one or more CEOs. This evidence shows that equity financing is more often linked to formalized leading structures, where leadership is clearly defined;
- **Greater openness toward non-family leaders and a lower incidence of “closed” BoD**, showing that equity financing is more frequently pursued when governance bodies are more open;
- A lower propensity toward power concentration, as reflected in the **lower proportion of CEO duality cases**;
- **Greater openness toward younger generations in leadership roles**, suggesting that later-generation family firms are more inclined to transfer control.

The impact of equity financing on performance

The econometric analysis conducted by the AUB Observatory highlights that **the impact of equity financing on performance is not uniform**, but depends on the characteristics of the transaction, the profile of the acquirer and the firm’s governance structure. In particular:

- Minority stake transactions are associated with, on average, higher performance (starting from the year of equity financing) compared to the AUB Observatory average. This positive effect is amplified when the investor is a family-controlled firm;
- By contrast, **transfers of control** are associated with a negative impact on performance; however, the entry of a **family acquirer** more than offsets the stand-alone negative effect of the transfer of control.

The impact of equity financing on performance is also heterogeneous depending on the acquirer’s nationality and the firm’s governance characteristics firm prior to the transaction. In particular:

- The effect of equity financing is positive and statistically significant when the family acquirer is **domestic**, whereas no significant effect is observed when the family acquirer is foreign. This suggests that geographical and cultural proximity may influence post-transaction integration outcomes.
- Governance structures characterized by **CEO duality** and the continued presence of the **founder in top management positions** amplify the negative impact of equity financing on



performance, indicating that adverse outcomes are more likely when transactions occur in contexts marked by high power concentration and strong founder dependence.

Overall, the results of the 17th edition of the AUB Observatory suggest that equity financing can represent an **opportunity for value creation** in Italian family firms, but its effects depend significantly on the **context in which the transaction occurs**. In particular, the transaction structure, the acquirer’s profile and the pre-existing governance arrangements emerge as key determinants of the firm’s subsequent performance following the involvement of external investors.

4. Generational transitions in family firms and NextGen profiles

Within the broader analysis of leadership transitions²⁴, the Observatory devotes particular attention to a specific form of succession: generational transition in family firms²⁵. **Generational transition represents one of the most critical challenges for the continuity and development of family businesses**, directly affecting the consolidation and renewal of the family’s socioemotional wealth. On the one hand, generational transition can be a complex process, often hindered by resistance to change, the Senior generation’s reluctance to relinquish control, and potential divergences in vision and priorities between generations—issues extensively documented in previous editions of the Observatory. On the other hand, generational transition also represents a significant opportunity for renewal, fostering business revitalization, more structured governance, and the exploration of new market opportunities, supported by the skills, experience and perspectives of the NextGen.

Generational transitions: numbers, timing and impact on performance

The results of the 17th edition of the AUB Observatory show that, between 2010 and 2024, 1,944 generational transitions were identified, **with a marked acceleration since 2020**. The percentage of family firms experiencing a generational transition increased from less than 1% per year in the 2010–2019 period to approximately 1.6% per year in the most recent five-year period. In absolute terms, the number of generational transitions recorded in the last five years (960) is almost equal to that observed in the previous decade (984).

An analysis of leadership configurations following generational transitions shows that individual leadership remains the most prevalent model (approximately 60% of cases). However, a significant share of firms adopts joint leadership structures, often composed exclusively of family members (approximately 25% of cases). This suggests that, in many instances, joint leadership functions as an internal family mechanism for managing succession complexity rather than as a strategy to involve external managers.

From a demographic perspective, **the NextGen assumes leadership at an average age of approximately 45**, with a substantial proportion of successors under 40 (around one third) and, more broadly, under 50 (roughly two thirds). This pattern is consistent with the average age of the Senior generation, who, in the observed transitions, transfer leadership at approximately 75 years of age. Given that the average duration of mentoring (as discussed later) is around nine years, the empirical evidence suggests that **the NextGen typically begins assuming senior responsibilities at approximately 35 years of age** through mentoring arrangements and the gradual sharing of managerial responsibilities. While this timing is broadly consistent with a planned and gradual

²⁴ All cases when the leader of the company (NextGen or not) changed were considered «leadership succession».

²⁵ Generational transitions refer to situations when the senior family leader transferred the company's leadership to a member of the family's NextGen.



transition process, it also indicates that the earlier the succession process begins – especially in the case of older outgoing leader – the easier and faster the NextGen takes on responsibilities.

Finally, the analyses conducted by the Observatory reinforce empirical evidence presented in previous editions²⁶, showing that generational transitions are, on average, associated with significant improvements in firm performance. In the three years following the transition, statistically significant increases are observed in profitability (+4.2% in ROA) and in growth, both in terms of investment (+18.0%) and revenue growth (+8.8%). These findings suggest that **generational transition can represent a moment of business revitalization and strategic reorientation.**

Generational transition with mentoring

A key focus of the 17th edition of the AUB Observatory is **mentorship as a specific form of generational transition**, characterized by a structured mentoring process between the Senior generation and the NextGen. During this process, the outgoing family leader co-lead the firm with the NextGen successor before transferring full managerial responsibility.

Approximately one third (33.6%) of generational transitions involved mentoring, and its incidence has increased over time, with a **marked acceleration in the last five years** (from an average of 30.2% in the previous decade to 37.2% per year in the 2020–2024 period). In 2024 alone, nearly half of generational transitions were preceded by a mentoring process, confirming growing attention among entrepreneurial families toward gradual and supported transition models.

Among mentoring cases, the most prevalent configuration (504 out of 654 cases, equal to 77.1%) is *family mentorship* (Type 1), in which the NextGen is supported exclusively by family members. Less frequent (22.9%) are *open mentorship* arrangements (Type 2), which involve external managers²⁷. Within family mentorship, additional configurations can be identified depending on the leadership model that emerges at the end of the mentoring process between the Senior generation and the NextGen. In particular:

- **Individual family leadership** (*Type 1.A*), in which company leadership is transferred to a single NextGen member. This configuration accounts for 242 cases (37.0% of all mentorship cases) and represents one of the most common outcomes within family mentorship, reflecting a transition in which the mentoring phase concludes with a clear concentration of decision-making authority in the hands of a single successor²⁸.
- **Joint family leadership** (*Type 1.B*), in which company leadership is shared among multiple NextGen members. This configuration accounts for 210 cases (32.1% of all mentorship cases) and indicates that, in a substantial share of family firms, generational transition is managed through shared leadership arrangements exclusively within the family, often in the presence of multiple successors involved in the mentoring process²⁹.

²⁶ A fixed-effects model using the Difference-in-Differences (DiD) methodology was employed, comparing the performance differential in the three years following the generational transition with the three years preceding it. To make this comparison, the reference group (control sample) consisted of the entire population of family firms in the Observatory that were not involved in a succession process during the period 2007-2022.

²⁷ In the decade 2010-2019, the share of generational transitions characterized by family mentorship was 22.1% per year, a figure that rises significantly in the five-year period 2020-2024, reaching 29.9% per year. Conversely, open mentorship accounted for 8.1% per year of generational transitions in 2010-2019, while in 2020-2024 this share slightly decreased to 7.3% per year.

²⁸ Out of a total of 242 cases, in 50 instances mentoring included another NextGen member who did not assume a leadership role after the generational transition.

²⁹ Out of a total of 210 cases, in 6 instances mentoring involved just one NextGen member, with the other NextGen members taking on leadership roles only after the mentoring period ended.



- **External joint leadership** (*Type 1.C*), in which one or more NextGen members assume company leadership alongside an external CEO. Although less frequent, this configuration accounts for 52 cases (7.9% of all mentorship cases) and represents a solution in which family leadership continuity is complemented by the integration of external managerial expertise.

Overall, the data show that, over the last five years, all types of family mentorship (1.A, 1.B and 1.C) have increased, highlighting a growing diversification of transition models adopted by entrepreneurial families. This trend suggests a progressive differentiation of post-transition governance solutions, depending on the characteristics of the family, the firm and the composition of the NextGen.

From a performance perspective, the **positive impact of generational transition is significantly amplified when the transition is preceded by a mentoring process**. In particular, transitions involving mentoring are associated with higher profitability (+0.5 percentage points in ROA and +0.9 percentage points in ROE) and stronger growth (+2.0 percentage points in revenue growth) compared to transitions that occurred without mentoring. Among the different mentoring configurations, family mentorship (*Type 1*) displays, on average, stronger performance than open mentorship (*Type 2*). However, within family mentorship, performance is highest when leadership, at the end of the process, is entrusted to one or more NextGen members supported by an external manager (*Type 1.C*), a configuration that combines NextGen leadership with external managerial expertise.

Projected generational transitions in the next decade

The empirical estimates developed by the AUB Observatory indicate that **generational transitions in family firms are expected to increase significantly over the next decade (2025–2034)**. Based on recent trends, **33.5% of family firms with revenues exceeding €20 million are projected to experience a generational transition during the 2025–2034 period³⁰**. This estimate includes both transitions without mentoring (23.7% of firms) and transitions involving mentoring (9.8%). Overall, the projected incidence of generational transitions in the next decade is more than three times higher than that observed in the 2010–2019 period (9.4%) and more than double the level recorded in 2020–2024³¹.

The Observatory also proposes an alternative scenario based on the full adoption of governance best practices, whereby the Senior-generation leader transfers leadership to the NextGen at the age of 70 (instead of the currently observed average age of approximately 75)³². **Under this scenario, the percentage of family firms expected to experience a generational transition in the next decade would rise to 48.8%**, indicating a further intensification of the phenomenon. The difference between the two scenarios suggests that anticipating the succession process could significantly affect the overall magnitude of expected generational transitions. Specifically, if the Senior generation were to bring forward the completion of the transition,

³⁰ The empirical estimate of 33.5% of family firms expected to experience a generational transition in the decade 2025-2034 is obtained as the sum of firms potentially involved in:

- **Transfers without mentoring:** it was assumed that over the next ten years, all leaders older than 66 will be involved in a generational transition. This figure was obtained by subtracting 10 years from the average age of outgoing leaders calculated from generational transitions in the past ten years (which was, on average, 75 years) and then adding the expected increase in life expectancy (about 1 year by 2035). Source (ISTAT: <https://esploradati.istat.it/databrowser/#/>)
- **Transfers with mentoring:** we considered cases where the joint leadership consists of at least two family co-CEOs with an age gap of at least twenty years, and the SeniorGen leader is older than 66 (calculated as explained above).

³¹ Generational transitions that occurred in the 2020-2024 period amounted to 7.8%, and therefore, if scaled proportionally to a decade, they would be less than half of the estimated 33.5% for the next decade (2025-2034).

³² For this estimate, the previously calculated threshold of 75 years was replaced with a threshold of 70 years, the age from which generational transitions have a negative and statistically significant impact on performance.



transitions without mentoring would increase substantially (38.0%), along with a smaller but still meaningful rise in transitions involving mentoring (10.8%).

Overall, this evidence suggests that, in the next decade, a large number of entrepreneurial families will be required to address generational transition within a relatively short time frame. This underscores the **importance of family firms being adequately prepared to manage this crucial process**, both in terms of succession planning and the development of NextGen skills and roles.

The NextGen profiles in generational transition

In addition to analyzing the spread and impact of generational transitions on performance, the 17th edition of the AUB Observatory systematically analyzed the profiles of NextGen members involved in generational transitions, with a focus on their **level and type of education, as well as the professional experience gained before joining the family business**.

The analysis considers generational transitions that occurred between 2005 and 2024, for a total of 2,110 transitions, 1,944 of which took place between 2010 and 2024. From this population, detailed data on successors' profiles were collected through public sources (LinkedIn and company websites), **resulting in 1,428 individual profiles**, including all co-CEOs in cases of joint leadership. The sample accounts for **42.1% of observed generational transitions**, allowing for a broad and detailed assessment of NextGen characteristics. The analysis reveals the following findings:

- **With respect to educational attainment**, approximately 80% of NextGen family members have obtained at least a bachelor's degree, while a significant proportion hold postgraduate qualifications (Master's, MBA or PhD). Educational attainment is, on average, higher among female NextGen members, suggesting greater selectivity in leadership appointments involving women³³.

A comparison across leadership models shows that educational profiles are broadly similar in cases of individual and joint leadership (both closed and open). However, when passing the baton to an external manager, the average level of education is higher, with a lower share of qualifications below a university degree and a greater proportion of advanced educational paths, indicating stronger selectivity in the appointment of external managers. Temporal analysis further indicates that, over the past decade, the proportion of NextGen members holding at least a bachelor's degree has increased, pointing to a progressive rise in the average educational level of successors involved in recent generational transitions³⁴.

- **In terms of field of study**, approximately half of NextGen members hold a degree in Business and Finance, which remains the dominant field. The remaining degrees are distributed across STEM disciplines and other areas, indicating substantial heterogeneity in educational backgrounds. Gender differences are pronounced: female NextGen members are more concentrated in economics and social sciences, whereas male NextGen members are disproportionately represented in STEM fields³⁵, consistent with national graduate distributions³⁶. External managers exhibit an even higher concentration of STEM

³³ In particular, 86.3% of female NextGen members hold at least a university degree (Bachelor's or higher), compared with 78.8% of male NextGen members.

³⁴ The share of NextGen members with at least a university degree (Bachelor's or higher) has increased, rising from about 79.0% in the decade 2005-2014 to 82.4% in the most recent five-year period 2020-2024.

³⁵ Specifically, among female NextGen members, 55.4% hold degrees in Business & Finance (compared with 48.8% of men), and 8.7% in Social Sciences and Humanities (compared with 1.3% of men), whereas among male NextGen members, the share with technical-scientific degrees (Engineering, Industry & Technology) is higher, at 17.0% versus 6.5% of women.

³⁶ Considering Italian graduates in the period 2010-2022 (the most recent year available), the share of degrees in STEM fields is 30.0% for men and 9.6% for women (Source: ISTAT, link:

qualifications, reflecting the specialized skill sets often associated with external leadership appointments³⁷.

Over time, while Business and Finance remains the leading field, the incidence of STEM degrees has increased, mirroring the rising technological and competitive complexity of the business environment³⁸.

- **External professional experience**, about a quarter of NextGen members has had at least one working experience outside the family firm³⁹. This figure is higher for female NextGen, suggesting a higher incidence of external professional paths in the case of women.

The comparison among different leadership models shows how the NextGen’s professional experience does not significantly differ across individual and joint (both open and close) leadership. On the contrary, when passing the baton to an external manager a higher level of professional experience is observed, both in terms of average number of previous jobs and international experiences, showing profiles with more advanced careers⁴⁰.

Temporal analysis highlights significant signs of change: the proportion of NextGen members with external working experience has increased by ten points, compared to the previous decade. The average number of previous jobs and international experiences has increased too, despite the lower rate. If analyzing the industries in which the NextGen has gained external experience, there is a prevalence of industrial, consulting, ICT and technology sectors, areas that are overrepresented compared to the sectorial distribution of the family firms monitored by the Observatory⁴¹.

Overall, **the NextGen profiles appear to be largely comparable, in terms of level and field of education, to the profile of the external managers** hired to lead family firms, especially with respect to academic education. However, **a significant difference in terms of previous external and international working experience still persists**, which, although it is less widespread among NextGen members than external managers, shows signs of improvement. In particular, data from the 17th edition highlights an increase in the share of NextGen members who have gained external – and international – professional experience before joining the family business, suggesting a gradual evolution of the succession journey. This trend suggests how entrepreneurial families are progressively assigning more weight to the development of professional skills outside the family business, while still monitoring the evolution of NextGen profiles, given the expected increase in generational transitions within the next decade.

When analyzing the impact on performance, the 17th edition of the AUB Observatory confirm how the positive impact of generational transition is amplified by the characteristics of the upcoming successor. In particular, firms exhibit higher profitability and growth when the incoming NextGen:

- Has at least a master’s degree;
- Has a degree in economics-management.

https://esploradati.istat.it/databrowser/#/it/dw/categories/IT1.Z0820EDU.1.0/UNIVERSITY/IT1.56_190_DF_DCIS_LAUREATI_1.1.0

³⁷ In leadership transitions to external managers, the share of degrees in STEM fields (Engineering, Industry & Technology) is 27,1% in cases of open joint leadership and 22.7% in cases of individual leadership entrusted to an external manager, compared with values between 12.9% and 16.7% observed among family NextGen members.

³⁸ STEM pathways increased from 10.9% in the decade 2005-2014 to 15.9% in the five-year period 2020-2024.

³⁹ Of at least 1 year.

⁴⁰ In leadership transitions to external managers, the share of leaders with at least one prior external work experience is 67.2% in cases of open joint leadership and 69.6% in cases of individual leadership, compared with 21.1%-24.7% among NextGen members; similarly, external managers have a significantly higher average number of work experiences (4.2-4.6 versus 1.9-2.2) and a greater prevalence of international experience (20.5%-23.4% versus about 6-7%).

⁴¹ Among NextGen members who have gained external work experience, 27.9% did so in industrial companies, 12.4% in the consulting sector, and 11.3% in ICT and technology, compared with the sectorial distribution of family firms in the Observatory, which is 33.2%, 0.7% and 3.1%, respectively.



Overall, the results suggest that adequate educational and professional experience represents a fundamental opportunity to turn generational transition into a value-creation process.

5. The structure of owning families and NextGen selection in large Italian family firms

The 17th edition introduced, for the first time, a systematic analysis of owning families, aimed at better understanding how family structure may influence generational transition processes in family firms. In particular, the analysis focuses on **645 family firms** with revenues exceeding €250 million included in the AUB Observatory, for which **the genealogy of the owning family** was reconstructed in detail, distinguishing the different family branches and identifying both the Senior generation and the NextGen⁴². In total, **759 owning families** were analyzed⁴³.

For each NextGen member, demographic and professional information was collected, including gender and age, corporate role, level of education and field of study. This allowed for a systematic analysis of selected successors, selection criteria and subsequent performance effects. Where a generational transition had occurred, **the incoming successors were identified**⁴⁴. The pool of potential successors includes all NextGen members belonging to the different branches of the owning family, enabling comparison between selected successors and the full set of available alternatives. In total, 226 generational transitions were identified (35% of the total). The number of potential heirs, the interaction between traditional and meritocratic criteria, and the leadership models adopted emerge as key determinants in generational transition decisions.

Owning-family structure in large Italian family firms (over €250 million in revenue)

The owning-family structure of large family firms is articulated and demographically complex. Around **83% of analyzed families have more than one child** and, within this group, families with children of different genders prevail (52.2%). Overall, owning-families' structure is characterized by a predominance of larger sibling groups, often composed of children of different genders, creating a demographic context that significantly influences the pool of potential successors.

Moving from family to children analysis, **the 759 analyzed families have a total of 1.867 children** (NextGen), with an average of 2.5 children per family. From the perspective of family structure, almost all children come from the first marriage (97.4%), highlighting a **traditional family structure**. The observed complexity therefore does not come from the presence of children born from different unions (i.e. following separations or remarriages), but from the **number of potential successors** and the coexistence, within the same family, of multiple profiles eligible for succession.

In terms of gender, **sons account for 61.4% of the total, while daughters account for 38.6%**. The share of males is highest among firstborns (64.1%), and declines among second-born children (61.6%) and later-born children (56.6%). As a consequence, the demographic structure of owning families does not present a fully gender-balanced pool of potential successors (especially with regard to the firstborn), which affects the dynamics of successor selection in generational transition processes (as shown in the next paragraphs).

⁴² For each company, the genealogy of the owning-family was reconstructed in detail, starting from the Senior generation involved in the current or recent governance. The genealogical reconstruction distinguished the individual family branches of the Senior generation in order to allow analysis of each line of descent, including: i) members of the Senior generation, separated by family branch; ii) their spouses; iii) their children (NextGen); iv) grandchildren, where present.

⁴³ The number of owning families is higher than the number of companies with revenue over 250 million because 114 companies (about 18%) are controlled by multiple families or by multiple distinct family branches, each with its own Senior Generation and its own NextGen.

⁴⁴ The analysis of generational transitions and selected successors refers exclusively to the most recent generational transition observed for each company (if it occurred).



Generational transitions in large family firms

Out of the 645 companies with revenues exceeding €250 million, 35% (226 firms) have experienced a generational transition. The number of companies which completed a generational transition has been increasing over time, **speeding up over the last five years** (14.1% in the 2020-2024 period), when the percentage of companies which experienced a generational transition increased by more than 8 points compared to previous years⁴⁵, in line with the trend referred to the whole population of family firms monitored by the Observatory (see point 4). These findings confirm how (not only) larger family firms are experiencing a phase of generational discontinuity, making it relevant to understand how owning-family select NextGen successors.

NextGen selection criteria

The analysis of selected successors highlights the persistence of traditional criteria. **In 70.3% of cases, leadership is transferred to the firstborn, confirming the central role of birth order in succession decisions** within owning families, while alternative solutions remain marginal. The involvement of children from later marriages or individuals outside the direct line of descent (such as sons-in-law) is limited and typically occurs within shared leadership arrangements rather than as sole leadership appointments⁴⁶.

In addition to cases in which a single child is selected as the successor (with the firstborn prevailing in 61.9% of cases), **31.4% of companies experience generational transitions involving multiple children**, with leadership shared among two or more NextGen members. This data confirms the relevance of joint leadership models in large family firms. Even when more than one child is selected, the firstborn is almost always involved in leadership (88.7% of cases). Accordingly, the joint leadership model emerges as a possible way of managing succession in the presence of multiple potential heirs.

In terms of gender, **19.7% of generational transitions result in a daughter assuming family leadership**. This figure is roughly **half of the overall share of daughters among all children**, both across the 759 families studied (38.6%) and among the 313 families that completed a generational transition (38.4%), highlighting an underrepresentation of women in leadership roles when selecting NextGen successors. Moreover, **when a daughter is selected, she is the firstborn in 78% of cases**, suggesting that birth order continues to play a significant role even in female generational transitions.

Even when restricting the analysis to families with children of different genders, the share of companies led by a female NextGen rises to 28.9%. This suggests that the lower representation of women in leadership roles following generational transition **cannot be explained solely by demographic composition**. Moreover, the likelihood of a female NextGen assuming leadership increases when multiple children are selected as successors, and decreases when a female NextGen is the sole successor, indicating that joint leadership models are more conducive to female inclusion at the top. Overall, this evidence suggests that gender interacts with traditional selection criteria—particularly birth order and the choice of one or more children as successors—helping to explain observed differences in succession outcomes.

⁴⁵ The percentage of companies experiencing a generational transition was 6.0% in 2015–2019, 5.4% in 2010-2014, and 4.6% in 2005-2009.

⁴⁶ Leadership was assigned to a child from a second marriage in only 3 cases, and in a few instances, the son-in-law took the company's leadership – either as the sole leader (6 cases) or together with the family's children (5 cases).



Education, merit and impact on performance

In this context, education represents a relevant criterion for assessing whether and to what extent succession choices are guided by meritocratic considerations. NextGen profiles display considerable heterogeneity in educational attainment, with 33.4% holding qualifications below the bachelor’s degree level. At the same time, in **approximately two thirds of cases the selected NextGen holds at least a bachelor’s degree.**

This evidence suggests that, within owning families, formal human capital does not represent a uniform prerequisite for leadership roles, reflecting differentiated educational and professional paths among potential successors. Among female NextGen members, the share with qualifications below a bachelor’s degree declines to 25.4%, pointing to greater selectivity when the selected successor is female.

When comparing all potential candidates within the owning family, about one out of four selected successors has a higher level of education than non-selected family members; among women, this proportion rises to nearly one third⁴⁷. Overall, **around 75% of NextGen leaders have a level of education at least equivalent to that of other potential successors**, suggesting that succession decisions are broadly consistent with meritocratic criteria.

Econometric analyses conducted using the Difference-in-Differences (DiD) methodology show that generational transition has a positive impact on firm performance among family firms with revenues exceeding €250 million⁴⁸: +8.3% in ROA and +9.2% in ROE. This effect is:

- amplified when the selected successor has a higher level of education than other NextGen potential successors;
- reduced when the selected successor is the firstborn.

Overall, these findings suggest that family continuity alone is not sufficient to ensure positive outcomes: the effectiveness of generational transition depends significantly on the selection criteria and, in particular, on the ability of entrepreneurial families to balance dynastic continuity with meritocratic selection.

⁴⁷ NextGen members who took over the company following the generational transition were compared with the pool of candidates who – although belonging to the family’s NextGen – were not selected for leadership roles.

⁴⁸ The empirical analysis was conducted using the Difference-in-Differences (DiD) methodology, which allows estimating the effect of generational transitions on company performance by comparing the performance of treated firms (companies that experienced a generational transition in 2007-2022) with a control group (the remaining family firms with revenues over 250 million that did not experience a generational transition in the same period). The estimates were obtained using a linear regression model with fixed effects for company, year and sector, controlling for: company age, size (total assets), level of debt, liquidity and board size.