

**Title:** **How can family businesses benefit from a shift to a circular approach?**

**Topic:** **Smart and Sustainable Regions / Circular Economy**

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In Austria, ten percent of all family businesses are currently in the pre-succession phase (with 80 per cent of all business units being family-owned). On average, three generations are involved into management and operations. Undoubtedly, strategy and leadership are characterized by very different perspectives and from generations with divergent priorities.

Family businesses are characterized by their longevity, persistence and regional rootedness. Circularity is a promising approach especially for family businesses in order to better understand conflicts of interest, adapt the organizational behaviour and family governance and organize impact investing.

When family businesses shift from a linear approach to a circular approach, they can benefit from extending the lifecycle of resources, creating value through retention, reusing products, parts and resources, adopting a restorative and regenerative approach, using natural capital, add value, jobs and developing a sustainable purpose for the region and the organization.

We propose to extend the concept of production organization in cycles (rather than on a linear basis) to family governance and how families deal with next generation succession and their regional, societal, environmental and organizational decisions. Avoiding the waste of human resources is very important for family-owned companies so that established experience is not wasted.