The 500 largest family firms in the world

By Thomas Zellweger, University of St. Gallen, Switzerland

The Global Family Business Index compiled by the University of St. Gallen, Switzerland, in cooperation with EY highlights the 500 largest family firms in the world by revenue.

One of the goals of the index is to compile the upper echelon of all family firms globally in terms of business success. But beyond showcasing the largest family firms, the index is meant to be a resource for family firms and their advisors who can look to the index for both role models and a source of inspiration.

Members of the Family 500 index account for a combined $6.5 trillion in annual sales, enough to be the third-largest economy in the world (bested only by the U.S. and China) and employ nearly 21 million people.

Europe leads with 50% of the index companies calling the continent home, followed by 24% in North America. Regions that are typically associated with more family-oriented cultures, like Asia and South America, comprise a smaller segment of the top firms than one might imagine. The prevalence of large family firms in the US and Europe challenges the idea that the widely held and manager-run company should suppress all other forms of economic organization. Family firms are thus a future-oriented way of organizing economic activity, and the firms on the list may tell us how this is best achieved.

Some summarizing facts about the firms on the global family business index:

- Together, the family 500 firms generate 6.5 trillion USD sales.
- Together, the family 500 firms employ 21 million people.
- Together, the family 500 firms are 40'857 years old.
- The average sales volume is 13 bn USD.
- The average number of employees is 42'280.
- The average firm age is 88 years.
- 44% of the firms are owned by the 4th generation or older.
- The oldest firm, Takenaka Corporation, has been around since 1610.
- 74% of all firms come from the US or Europe.
- 52% are publicly listed, 48% privately held.

In our research we also found that whether a company is publicly- or privately-held has little bearing on whether it appears on the list. It's pretty evenly split: 52% are public while 48% remain in private hands. Apparently, the stock market listing is not a critical precondition anymore for creating massive value.

Retail and wholesale companies make up the largest share of the index with 18%, closely followed by diversified industrial products (17%) and consumer products (15%). It is also interesting to see that within the top 10, there are four family-controlled automakers, Volkswagen, Exor (controlling Fiat Chrysler), Ford, and BMW. Apparently, family firms are prominent even in industries that are very capital intensive such as automotive. In contrast, no family firm on the list is predominantly active in banking.

Taken together, the index documents family firms' ability to generate massive value, sometimes across long periods of time. But even more than that, the index is an evolving source of benchmarking, analysis, and insight about the heterogeneous and fascinating field of large family firms.

Link to the index: http://familybusinessindex.com/