

ERA Convention

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Family-Owned and Smaller Rental Companies

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Family-Owned & Smaller Rental Companies

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Family-Owned & Smaller Rental Companies

Some Data



Family businesses are the most common types of companies in the world

According to the Family Firm Institute * about 80-90% of active companies in the world are family-type companies, some are enormous, for example the colossal American retail store Wal-Mart – the industrial colossus of retail trade through the U.S.A.- , while the majority are small-medium sized.

Country	n. family-owned companies
Italy	90%
Germany	60%
UK	70%
France	60%
Finland	70%
Portugal	70%
Spain	75%
Belgium	75%

* The Family Firm Institute (FFI) is an international membership association for professionals serving the family enterprise field.

Family-Owned & Smaller Rental Companies

Some Data



In Italy about 90% of companies are family-owned. These are companies where the family is deeply involved in the enterprise activities:

- ❑ in 26% of the cases, family members hold management positions;
- ❑ in 45% of the cases, family members look after the production;
- ❑ in 55% of the cases, family members look after the commercial aspects.

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Organization



FAMILY-OWNED & SMALLER RENTAL COMPANIES

- ❑ responsibility and strategy are centralized on one person who decides on most sectors
- ❑ greater autonomy and independence
- ❑ difficulty in delegating responsibility
- ❑ long-term orientation, based on personal goals



LARGE COMPANIES

- ❑ more defined management approach with distributed responsibilities
- ❑ clear strategy known by the top management: people with leadership roles within the organization who decide and carry out the company effectiveness

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Personnel management

FAMILY-OWNED & SMALLER RENTAL COMPANIES

- ❑ limited number of resources
- ❑ professional profile in proportion to the available budget
- ❑ personnel management is generally limited to "contract and administration aspects"

LARGE COMPANIES

- ❑ greater resources capacity
- ❑ generally higher professional profile
- ❑ staff is seen as a strategic element for the success and development of the company: investment in training, performance evaluation, recognition of merit through the allocation of company benefits and differentiation of salaries



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Market and Control

FAMILY-OWNED & SMALLER RENTAL COMPANIES

- ❑ proximity to everyday life and every day operations
- ❑ faster decision-making times
- ❑ more responsive and flexible, especially in times of crisis
- ❑ personal relations with consumers, perceived as individuals
- ❑ monitoring of basic indicators such as turnover and profit margin

LARGE COMPANIES

- ❑ perception of the market as far as the size of a company increases longer decision-making times
- ❑ impersonal relations with customers, perceived as a multitude
- ❑ higher attention to more complex fiscal indicators: ROI, ROE, EBITDA, etc.



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Financial Aspects

FAMILY-OWNED & SMALLER RENTAL COMPANIES

- ❑ less access to credit and capital markets > negative effect on growth
- ❑ minor purchasing power
- ❑ limited budget for marketing activities

LARGE COMPANIES

- ❑ medium-high access to finance
- ❑ greater purchasing power
- ❑ higher budget for marketing activities



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In Short

FAMILY-OWNED & SMALLER RENTAL COMPANIES	LARGE COMPANIES
Control	Delegation
Sentiment	Rationality
Values	Objectives / Results
Business atmosphere	Competitiveness
Saving	Financial support / Investment

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Risks

FAMILY-OWNED & SMALLER RENTAL COMPANIES

- ❑ uncertain growth plan
- ❑ informal relations with no method
- ❑ possible influence of personal events on business ones



However

A family-owned company is **an expression of capitalism with a human face**, more aware of environmental and social issues and more rooted in the territory

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Case History:



Nacanco was born as a small family-owned company in Italy in 2001 (before that in 1982 in Spain)

Today Nacanco is on the rental market of lifting equipment as a family-owned company, projected to become a great company

- ✓ internal organization – 8 department managers
- ✓ increased presence in the area – from 3 to 13 depots across Italy
- ✓ expansion and diversification of the fleet – 2.600 machines
- ✓ investment in computerization to speed up the organizational processes
- ✓ creation of marketing and telemarketing department
- ✓ creation of customer service

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Case History:



Looking at the “BIG” of the rental market and trying not to lose sight of the HUMAN FACTOR, characteristic of a family-owned company, Nacanco has undertaken a process of corporate growth.

