

## **More than 2 000 people watched the recording of Business Transfer Day in St. Petersburg**

On December 1, 2021 representatives of the St. Petersburg Foundation for SME development conducted online-conference "Business transfer day: succession and inheritance planning". During the conference, experts discussed why it is important to prepare a plan for the transfer of business to successors in advance, and also shared examples of the most profitable financial instruments for preserving and transferring capital to partners and heirs. Event was organized in partnership with the key federal "Vedomosti" media house in the framework of Inbets+ project.

During the welcoming speech Alexander Shchelkanov – member of the expert center for ESG-transformation of the All-Russian Public Organization "Business Russia admitted that over the past 10 years entrepreneurs started thinking more seriously about business transfers and its influence at the value of the company's shares and assets.

Maxim Balanov – Executive director of St. Petersburg Foundation for SME development said that today, business transfers and succession is an especially relevant topic for Russia, because many successful and stable companies were created thirty years ago and still are managed by their founders. He emphasized that 90% of all business transfers occur with limited resources in the SME segment. In St. Petersburg, small businesses provide 33% of the city budget revenues and 1.350 million jobs. It is important to support not only innovative startups, but also existing successful companies facing such challenges.

Then, Max Hogeforster – Chairman of the Hanseatic Parliament | Baltic Sea Academy (Germany) has represented the Inbets+ project aimed at supporting small and medium-sized enterprises facing the business transfer process. Under the project, innovative business transfer models, financing models, as well as tools for improving the qualifications of entrepreneurs were developed, tested and implemented.

Max noted that the most common challenges businessmen face when transferring business to successors are lack of time or funding, difficulty in finding a suitable successor and lack of know-how. But the main problem is time: the owners of the companies believe that they will be able to transfer the company to the successor in 2-3 months, but in reality it takes 2-3 years.

In Germany, 842,000 medium-sized business owners want to leave the market by 2025. 61% of them expect to transfer the company to successors. About 53% of entrepreneurs expect family members to start their own business, but children are often reluctant to become the heirs of family companies. A special website has been created in the EU, which contains information about businessmen who want to find a successor or become one.

Dmitrii Ageev – Executive director of SKOLKOVO Wealth Management and Philanthropy Center admitted that 2-3 years is not enough for a high-quality business transfer in Russia. Therefore, the issue of continuity should be addressed as early as possible. Dmitrii was confident that issues of succession should be considered at the state level in Russia as well, as it is implemented in Germany and other EU countries. Olga Shishkina – Independent director – UPPERCASE business consulting company (United Arab Emirates) emphasized the importance of sharing international experience.

Then, Sergey Bogatyrev – Strategic Planning Adviser to the President in Best Business Solutions PTE. LTD (Singapore) and Viktor Vyatkin – General director of Legacy solutions boutique "3V Konsalting" discussed the importance of preparation succession plans for companies. Its implementation will save the company from losses or even bankruptcy, not only in the event of inheritance, but also in the event of a long-term illness of the shareholder. Ksenia Ivanova – Partner | Head of Family and Inheritance Law Practice, International Practice of St. Petersburg Bar Association "Ivanovs and Partners" and Ilia Tesiul – Development director of Dohod Management Company discussed advantages and peculiarities of inheritance and investment funds.

Aleksey Stankevich – Managing director of Phoenix Advisors believed that business succession planning is not only about transferring the ownership of shares or interests. The basis of this process is the relationship associated with this property. Risk mitigation tools should regulate a wider range of issues and tasks: protecting family assets from business risks, relationships with business partners, motivation of management, informing involved partners and stakeholders. The key to successful succession lies precisely in the complexity of the approach.

Participation in the event allowed to raise awareness about the business transfer process in Russia and inform companies about the main measures to SMEs facing the business transfer process. The recording of the conference is available at the link: <https://www.youtube.com/watch?v=7rGRsJwRZFw&t=7124s>

Articles about Business Transfer Day were published by "Vedomosti" publishing office on their website.

- <https://vedomosti-spb.ru/forum/news/2021/11/30/898169-vedomosti-rasskazhut-preemstvennosti>
- [https://events.vedomosti.ru/events/spb\\_business\\_transfer\\_day/pages/spb\\_post\\_reliz](https://events.vedomosti.ru/events/spb_business_transfer_day/pages/spb_post_reliz)
- <https://vedomosti-spb.ru/forum/articles/2021/12/02/898588-peredat-kapital-preemniku>

Also information about Business transfer day was published by partners and participants of the event on different resources:

- <http://spbtp.ru/results-of-the-conference-business-transfer-day-succession-and-inheritance-planning/>
- <https://www.probusinessstv.ru/news/314/31949/>
- <https://fond-msp.ru/news/delovoe-izdanie-vedomosti-1-deka-ya-provelo-onlayn-konferenciu-business-transfer-day-preemstvennost-i-nasledstvennoe-planirovanie>
- <https://spiba.ru/ru/%D0%BF%D0%BE%D1%81%D1%82-%D1%80%D0%B5%D0%BB%D0%B8%D0%B7-%D0%BF%D0%BE-%D0%B8%D1%82%D0%BE%D0%B3%D0%B0%D0%BC-%D0%BA%D0%BE%D0%BD%D1%84%D0%B5%D1%80%D0%B5%D0%BD%D1%86%D0%B8%D0%B8-%D0%B2%D0%B5%D0%B4%D0%BE/>
- <https://amr.ru/press/news/detail/itogi-konferentsii-business-transfer-day-preemstvennost-i-nasledstvennoe-planirovanie/>
- <https://fbss.ru/delovoe-izdanie-vedomosti-1-dekabrya-provelo-onlajn-konferenciju-business-transfer-day/zakonodatelstvo/>
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