

Pascal Legros – 2 minute read

How do you pass on your life's work?



- *The transfer of small and medium-sized businesses is severely hampered by the lack of buyers.*
- *The experts of Atlantic Entrepreneur Fund accompany the different stakeholders of this process to create possibilities.*
- *Take advantage of the Global Entrepreneurship Week (GEW) to join us and awaken the spirit of innovation in you !*

From November 8 to 14, 2021, Atlantic Financial Group will mark its interest in Global Entrepreneurship Week (GEW). This movement, driven by the Kauffman Foundation, has been supported since 2008 by the world's greatest leaders, from Richard Dell to Barak Obama. Today, more than 170 countries participate in Global Entrepreneurship Week to encourage entrepreneurship and the creation of companies, and also, as with the Atlantic Entrepreneur Fund (AEF), the transfer of small and medium-sized companies.

The objectives of this Global Entrepreneurship Week are to inspire, connect, coach and engage; values dear to Pascal Legros, CEO of Atlantic Entrepreneur Fund. Don't wait any longer. Join us to undertake, accompany or support the transfer of SMEs!

In France, each year, 75,000 businesses are transferred, according to the BPCE Observatory. However, 30,000 others disappear due to the lack of buyers, mainly small and medium-sized enterprises (SMEs) and very small enterprises (VSEs), according to a Senate report.



The difficulties encountered are multiple

1. **Generational transfer** is often complicated:

- VSEs/SMEs are mainly located in the regions, in unattractive areas, while the younger generations are drawn to the big cities.
- With parenthood coming later than in last century, children are too young to take over their parent's business when they retire.

2. **Transferors** are often ill-prepared to pass on their business

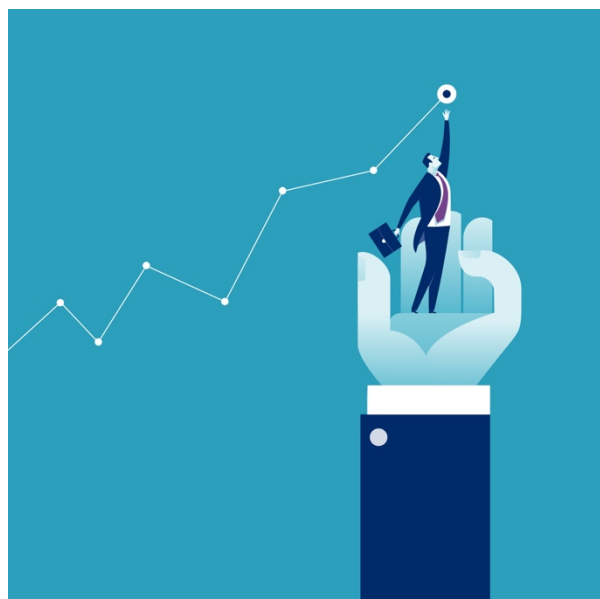
- They have a natural bias to overvalue their business, a human behaviour that we also see in the real estate market for example.
- Generally, they look for a direct buyer because they are unaware of, or unfamiliar with, the investment fund ecosystem.

3. **Buyers** are also often ill-prepared to acquire a business

- With little or no guidance from business management professionals, they get lost in inefficient strategies before achieving their goals.
- With little or no support from investment professionals, they lack financial credibility and are unfamiliar with regulations. They are sometimes denied access to capital for purely administrative reasons.

4. **Investment funds** do not sufficiently cover the VSE/SME market segment:

- Investment funds have become victims of their own success in recent years. Their investments have grown so large that they can no longer focus on the VSE/SME segment.
- Funds such as FIP and FCPI, which were important providers of capital, no longer exist following the tax reforms of recent years.
- The small size of the companies transferred can make the projects more risky. The takeover of companies by a manager previously outside the company (Management Buy-In) has a high failure rate (1/3 of operations). Greater importance must be attached to the choice of manager, given the possible weakness of the teams.



To support the economic dynamic in France, **Atlantic Entrepreneur Fund** helps the managers of small and medium-sized businesses to sell their companies. By selecting and accompanying buyers, our experts enable companies to develop efficiently and ambitiously. With everyone's interests aligned, the transition has every chance of being a success.

If you are driven by the desire to shake up the status quo, to transform things, by entrepreneurship and innovation, by the desire to play an active role in the world's future, then take advantage of this **Global Entrepreneurship Week (GEW)** to join the **Atlantic Entrepreneur Fund (AEF)** community!