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The Structure of Family Ties within the Family Wine Trading Business in the Czech Republic

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The family is a cornerstone of human communities. They are of different sizes, but they often have rigid internal relations as a common feature. It is known that family business is a traditional method of business in the private sector. The goal of family firms is not to get rich as fast as possible, but rather to build something that will last and provide sustenance not only to the present generation but also to future generations. There is the main difference between family and non-family business. It can be especially seen in the wine trading business. Family traditions and the maintenance thereof is the keystone of effective work in the wine trading business. The family business as a specific model of business management has much strength and also a lot of pitfalls. Many family members can work in the family business, but the existing family ties play a major role in the development of a family firm (Martin Novotný, 2007).

The purpose of research is to determine the family ties within wine trading business. The object of research was focused on the family wine trading business in the Czech Republic, in particular in the region of South Moravia, as an economical phenomenon. The subject of research was based on family ties within the selected families as representatives of the family wine trading business in the Czech Republic.

The article was prepared on the basis of general theoretical and empirical scientific methods, in particular analysis, synthesis, analogies, inductions, statistic, and graphical methods and interviews.

To achieve the purpose of research, it was necessary to refer to different statistical data. Based on the information presented in the book "Vinařství a vína České republiky, 2009", 108 wine trading firms (having declared to be the representatives of family business) were analyzed in the Czech Republic, whereas most of them were residing in the South Moravia. The data were selected in accordance with reference to the text of family ties inside the family wine trading business. Accordingly, there were recorded 19 cases of family ties within the family wine trading business in the Czech Republic, resp. in the South Moravia, see the layout below.

According to the Civil Code of the Czech Republic (Act No. 89/2012 Sb., §§ 700 to 707 on Family Business, 2014), the family business is considered as an establishment, where spouses, or at least one of them, are working together and where the other relatives up to the third degree or those related to husbands connected via brothers-in-law up to the second stage are working and some of those people are the owners of such establishment. Those of them who are constantly working for the family or family business are viewed as family members involved in the operation of the family business. Consequently, it was decided to deal only with the first thirteen cases of family ties in the research, because the other six cases did not correspond to the definition of the family business in the Czech Republic.

Based on those conditions, it was found out that greater percentage of the statistical sampling has shown the seventh family situation within the family wine trading business in the Czech Republic ("Father + Sons", 25 %). The "Spouses" as the main managers of the family business ranked second; this kind of family ties has got 20.2 %. The third place is shared by the first and twelfth types of family ties within the family wine trading business or, there are situations, where managers of business are brothers and parents with a son relatively; those have got 11.9 % each. The fourth position belongs to the type of family tie, where the managing of family wine trading business is shared by father and his sons. The rest of family ties within the family wine trading business have shown the values as follows: the family tie "Grandfather + Son +

Grandchild” has got 6 % of the statistical sampling; the family tie “Father+ Posterity” has got 4.8%; the family tie “Parents+ Posterity” has got 3.6%; the family ties “Brothers + Granddaughter”, “Cousins”, “Father + Daughter”, “Father + Son + Brother-in-law”, “Parents + Son + Son-in-law” have got each the same value equaling to 1.2 % of the statistical sampling related to family ties within the family wine trading business. All the values were rounded to the nearest tenths. Considering that the third quartile (Q3) equals to 10.5 (n=13), there is clear that the cases with data higher than the value of the indicator, equal to 75 % of the values of selection. Those cases are as follows: “Brothers” (11.9 %), “Parents + Son” (11.9 %), “Spouses” (20.2 %), “Father + Son” (25 %).

Based on those results of research, it was decided to verify the received information by conducting an interview with a representative of the family wine trading business, where the “Parents and Son” family tie had a dominant position. Thereby, it was confirmed that this respondent was the representative of family wine trading business in the Czech Republic, region South Moravia, village Viničné Šumice. He has reported to have run his business since 2003, but their family tradition of wine production and sale has already been supported by five generations. In the course of interview it was found out that managers of the firm are parents and their son. The owner of business is Mother who is engaged in accounting and strategic planning, and in the firm production too. The Father is then the main wine grower and cellarman. The son is in charge of marketing and communication with the exterior, graphic design and printing of labels and leaflets and he manages the projects of “Svatomartinské” and “Vinné želé”. During the intensive period of vintage and various actions, the whole family and many a close and distant relatives are helping with development of their family wine business. Thus, the interview has confirmed that the family wine trading business exists and it is not only a mere marketing tool for customer acquisition.

This paper presenting the results of scientific research can be a base for the future investigation within the theme of family wine trading business. One note should be said regarding the materials related to family ties within the family business, where the mentioned member, the “Son”, has emphasized to prefer rather a family business in which a son or the sons are engaged. It can be the result of a phenomenon when the son is associated with the next generation and business succession.

In conclusion, the research has shown that there are dominant family ties within the family wine trading business in the Czech Republic, particularly in the South Moravia, in cases where the parents and son(s) do manage the family business. See also the family ties within the family wine trading business: brothers; spouses; father and son. To confirm those conclusions, it is to be said that the interviews were conducted with dominant research group representatives of family ties within the family wine trading business in the Czech Republic. The interviews have confirmed the existence of family business having a long tradition in wine production and sale in the Czech Republic.

Keywords: family business, wine, family ties, management of family business, succession

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