THE FAMILY BUSINESS:
Its Governance for Sustainability

Also by Fred Neubauer

European Management Systems (with Ronnie Lessem)

Intuition: The New Frontier of Management (with Jagdish Parikh and Alden G. Lank)

The Corporate Board: Confronting the Paradoxes (with Ada Demb)

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Personal and Managerial Feedback Groups: Harnessing Feedback to Enhance Leadership Skill

The Family Business

Its Governance for Sustainability

**Fred Neubauer
and
Alden G. Lank**

Foreword by Professor John L. Ward

palgrave
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To our wives
Magda and Connie

and

To Frank Tilley
*the Canadian owner-manager who launched the Family Business
Area at IMD and without whose urging this book might never
have been written*

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Foreword

For the family-owned business, good governance makes all the difference. Family firms with effective governance practices are more likely to do strategic planning and to do succession planning. On average, they grow faster and live longer. Moreover, they are more likely to develop the important formal policies addressing critical family business issues such as redemption, family employment, dividends, etc.

Then why do so few business-owning families have effective boards and regular family meetings? For example, in North America we find fewer than 15 per cent of all mid- to large-sized family firms have either an independent board or family meetings. Many, many fewer have a formal family governance system as proposed by Fred Neubauer and Alden Lank in this book.

My experience is that the primary reasons so few business-owning families avail themselves of the benefits of effective governance are that they do not imagine the possibilities and they do not know how to do it. Simply put, they do not have good models and helpful instructors to guide the way.

This book, *The Family Business: Its Governance for Sustainability*, does just that. It provides excellent and motivating real examples from businesses and families all over the world. The authors, Fred Neubauer and Alden Lank, also provide clear guidance on how to organise and manage the governance systems. Between them, they have studied the governance systems of more business-owning families than anyone I know.

Families who do have independent boards and regular family meetings will also benefit from this book. Neubauer and Lank provide new and powerful ways to use the business board effectively. They keep the focus of the board on the most appropriate and most valuable tasks. Too often boards bog down in operational details and uncertain direction.

The authors also help families clarify the often confusing language of family governance. They provide clear definitions and roles for the family, the family assembly, and the family council. Most helpfully, they show how the business board and the family's governance system interrelate. It is one thing to have the benefit of effective business and

family governance systems. It is even better to harness the synergy of the two together.

The importance of family business governance is just now being appreciated. The early pioneering work of Dr Léon Danco opened the door. Now university-sponsored educational programmes for business-owning families, such as the outstanding international programme at the International Institute for Management Development in Lausanne, Switzerland, are convincing business-owning families that they are not alone and that they can take concrete steps to better secure their future and their dream of family continuity.

Through these programmes, which have now reached more than 10 000 successful family firms, more and more are learning the special value of effective governance. They have heard those who do have independent boards and family meetings praise their contributions. They have begun to imagine the strength good governance offers employees, the family's shareholders, and the other critical constituents of the firm. Perhaps they even sense a moral responsibility of accountability to others.

Now, with this book by Neubauer and Lank, families in business can better understand the rich power of effective governance. They can also learn how to make it work for them.

JOHN L. WARD

*Ralph Marotta Professor of Private Enterprise
Loyola University, Chicago*

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Three other persons deserve special mention, namely those on the original faculty of IMD's Leading the Family Business (LFB) educational programme, which has been offered twice annually since December 1988. The original team comprised Dr John Davis, Dr Ivan Lansberg and Professor John L. Ward. While only John Ward remains on the current LFB team, all three have continued to share with the authors their deep knowledge and experience about family business throughout the intervening years. Our thanks, friends.

We also wish to acknowledge the very special contributions of the CEO of 'Bergman' AB and the Chairman of the 'Bergman' Family Council (the family name has been changed). They have kindly allowed us to quote extensively from the Bergman Values and Policy statement. The authors have had the pleasure of working with the Bergman family and its enterprise over several years to help them in developing a new governance system. This, in no small measure, has heightened our awareness and deepened our knowledge of the challenges faced by venerable family firms in the 'cousins' confederation' stage of development. In a similar vein, we thank the Wild Family Council for permitting us to cite their unique 'Constitution Committee' in Chapter 4.

We are also very grateful to Gordon Adler, Senior Writer at IMD, for his patience in editing our manuscript. Furthermore we gladly acknowledge the substantial contribution that two of IMD's Research Associates – Dr Monica Wagen and Denise Kenyon-Rouvinez – have made to the book. We are particularly indebted to them for drafting the majority of the different mini-cases used throughout the book to illustrate our conceptual schemes.

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Despite all this generous support, we as authors do, of course, accept all responsibility for the content of this work. We hope the reader will find it stimulating, provocative and ultimately useful.

FRED NEUBAUER
ALDEN G. LANK

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Prologue: What this Book is About

Through gale or calm, now swift, now slack, yet steadily careering;
Type of the modern – *emblem of motion and power* – pulse of the
continent

(Walt Whitman, 1819–1892, ‘To a Locomotive in Winter’).

A century and half ago in Berlin, on 1 October 1847, Werner von Siemens and his partner Johann Georg Halske formed the Telegraphenbauanstalt Siemens & Halske, the forebear of today’s vast Siemens empire, a group of firms that for all practical purposes is still largely influenced by the Siemens family. In those early days, Werner’s cousin Georg Friedrich Siemens contributed the starting capital of 6842 thaler, truly a family affair.

POWER AND PRESTIGE

‘I have always dreamt from my early youth on of the creation of a business with global reach . . . which would not only bestow on myself but also on my descendants power and prestige throughout the world’, Werner von Siemens wrote to another relative in 1887.¹

His vision came true. The original partnership had only ten employees, today it employs almost 400 000 people, generates a turnover of DM94 billion (1995–96) and after-tax profits of DM2.5 billion. During its evolution Siemens not only bestowed ‘power and prestige’ on the founder and his descendants; being one of the pioneers in its field, it also helped to drive the industrialisation process in almost two hundred countries all over the globe.

Siemens is only one example of a telling observation: throughout our economic history no institution has driven economic development the way the family-based enterprise has. This observation prompted us to start this Prologue with a line from the poem ‘To a Locomotive in Winter’ by the American poet Walt Whitman: . . . emblem of motion and power . . .’ It seems to us that these words capture beautifully the role of

family-controlled enterprises and their significance in our economies: they have been and still are true locomotives. And this role dates back to the beginning of Western civilisation. Found among the writings of Aristotle was a short document on economic activities during the Hellenic Age, which states that during the Hellenic period, private individuals (with the support of armies of slaves) dominated three sectors of the economy: agriculture, banking (accepting deposits and granting credits), and the production, transportation and sale of manufactured goods.²

The Greek government preserved for itself a monopoly only in the areas of collecting taxes – at least in principle – and the exploitation of natural resources. The economic activities of private individuals of that period were household-based, that is, family-controlled. This situation did not change greatly during the time of the Roman Empire and the subsequent Middle Ages, remaining more or less the same until well after the discovery of the New World.

Even during early phases of the era of industrialisation, family-controlled enterprises drove the economic development process. Ample evidence for this is provided by the huge family fortunes that were amassed as the result of pioneering economic activities in the early days of the United States, for instance. Land-based fortunes (such as that of the Astor family), the great fortunes built on railroad construction (for example that of the Vanderbilt family), on banking (J. P. Morgan) and on industry (Rockefeller, Carnegie and Ford are just three of many examples) were all controlled by strong personalities who in turn were firmly rooted in their respective family clans.³

Even after the separation of capital and management in the nineteenth century, the owning families continued to ‘call the shots’ when it came to directing the enterprises at the highest levels. And even in this day and age, when many of the better known corporations are owned by large numbers of dispersed, anonymous shareholders (that is, they have lost their family business character), family-controlled enterprises still generate between 45 per cent and 70 per cent of the GNP of their respective countries, as we will show in Chapter 1.

The far-reaching influence of family-controlled enterprises has become quite visible again in recent decades. On both sides of the North Atlantic during the recessions of the 1980s and 1990s, family enterprises were among the most effective ‘locomotives’ of the economies in which they were located: they created jobs; they were among the few enterprises that were successful enough to pay taxes; and they displayed the agility and flexibility necessary to manoeuvre successfully in the troubled economic waters of their national economies. The situation has been similar in

other parts of the world. In Asia, for instance, family-controlled enterprises, with all their vitality, elasticity and tenacity, have driven the (at least until late 1997) much-admired, thriving economies of that part of the world.

How these ‘locomotives’ of our economies are directed and controlled at the highest level is the subject of this book, that is, *this is a book on the governance of family businesses*. Governance and family-controlled enterprises are relatively new topics in the management literature and research, we believe they have been undeservedly overlooked.

Corporate governance – in family businesses as well as in public corporations – has been studied systematically and on a broad scale for only a couple of decades. In the United States the discussion of the issue has led to a large-scale ‘soul-searching’ process in major companies, resulting in self-imposed guidelines on how boards should conduct their affairs and leading to the spectacular firing of some high-profile chief executives in companies such as General Motors, IBM and Digital, to name but a few – events that would have been unthinkable only a decade ago. In Europe it culminated, for example, in the publication and partial implementation of the Cadbury Report in the UK – an effort by UK industry and capital markets to get their ‘governance house’ in order before legislators stepped in with a statutory solution. The Cadbury Report has been widely discussed throughout the industrialised world, and several countries (for example France, South Africa and the Netherlands) have issued their own version of it.

Family businesses, the second of the two neglected topics, have been of interest to management researchers and writers in the United States for quite some time; in Europe, in stark contrast with their economic significance in the different countries (think of the *Mittelstand* in Germany and the *Piccoli Forte* in Italy, for instance) as a topic for scholarly inquiry, they have been largely ignored until the last decade. A good indication is the fact that there are only three academic chairs of family business in existence in Europe: one at IESE in Barcelona, one at INSEAD in Fontainebleau and one at IMD in Lausanne. Correspondingly, the literature on family-controlled enterprises is not as voluminous as in other areas of management and, more importantly, there are significant white spots on the map of discovery. Particularly scarce are research and writings in the area of governance in family enterprises.

This is one of the voids this book tries to fill. It is the outgrowth of a rather fortuitous constellation at one of the European management schools – IMD in Lausanne, Switzerland. For historical reasons, at that institute both academic fields – research and teaching in the area of

family businesses and of corporate governance – have been cultivated for a number of years. It was therefore quite natural that a representative of each stream at IMD banded together to look into the issue of corporate governance in family-controlled enterprises. And whatever strength this book has, it probably rests on the fact that the two authors' combined insights into the two disciplines serve as roots for this book. During the last decade Fred Neubauer has been researching and teaching at IMD in the area of corporate boards and corporate governance. Alden G. Lank is the holder of the Stephan Schmidheiny Chair of Family Enterprises at IMD and Director of the Leading the Family Business programme (also at IMD); he is also well represented in the literature of his field.

THE FOUNDATIONS OF THIS BOOK

This book draws on three main sources:

- Our extensive teaching and consulting experience with family enterprises in general.
- Our research in the area of corporate governance in family-controlled enterprises (to be discussed in more detail below).
- Our literature research. We gladly acknowledge that we have made extensive use of the insights derived from other research (undertaken especially in the United States in the area of corporate governance in family enterprises. In this context the work of John L. Ward of Loyola University in Chicago stands out).

In addition we have had access to data from the Family Business Network (FBN), which is headquartered at IMD (although independent), and data collected over the years from the participants of IMD's Leading the Family Business programme. Lastly, we have been able to draw on a major consulting assignment outlined in the following box.

THE TARGET AUDIENCE OF THE BOOK

The book has been written for those practising managers – family members and non-family members alike – who are involved in directing

and controlling relatively large, family-controlled enterprises. Small family businesses are thus not the prime target audience of this book (although their managers will find a considerable number of suggestions that will help them to improve the way they run their firms). Consultants, academics and researchers in the field will also find many useful insights.

How do we define a family business? We devote a good proportion of the first chapter to this difficult question, but to sum up, for us a family enterprise is a proprietorship, partnership, corporation or any form of business association where the voting control is in the hands of a particular family. It does not help the discussion if one defines issues of control through the family too formalistically. In this book, what we typically mean by a family-controlled company is a firm where the family has the voting majority. There are, however, borderline cases where a family may not dominate a company formally and legally, but their *de facto* influence – because of the company's name and traditions their indirect influence via third parties and the fact that all shares other than the ones held by the family are widely dispersed – is nevertheless comparable to formal and legal domination. Strictly speaking such companies are not family controlled, but strongly family influenced. A good case in point is Siemens, which was mentioned at the beginning of this Prologue. The Siemens family controls only about 10 per cent of the voting rights of the company, the other 90 per cent being spread among roughly 607 000 individual, non-family shareholders. This arrangement (together with the role of the banks in the German corporate system) means that the influence of the Siemens family is still very far-reaching.

Although this book concentrates on companies where families have the legal voting majority, we will occasionally refer to 'family-influenced companies' (as described above) – excluding all companies in this twilight zone would ignore the reality that there are rarely hard and fast lines of separation, but rather differing shades of grey in transition zones. We experienced this phenomenon in the case of degrees of control in family businesses.

The book also presents an *international perspective* on the governance of family businesses. There are several reasons for this. First, family businesses are being increasingly forced to move their activities beyond their national markets into the international arena. Second, giving the book an international thrust substantially enriches the discussion as well as allowing comparisons to be made. One could ask whether it is really possible to look at family businesses across national boundaries. We believe it is, for two reasons.

The Bergman Project

The Bergman family – now in the fourth and fifth generations – owns a broadly based, multinational company whose sales are the equivalent of US\$4 billion. The family is large, and as a consequence there are more than 200 family shareholders. There are no outside shareowners, and the stock has not yet been floated on the stock exchange. None of the existing shareholders owns a dominant portion of the capital. In the process of shifting from the fourth to the fifth generation, the family felt a need to restructure the existing, relatively informal governance system of its firm. In order to get some external input into the process, the family turned to the two authors. The project was carried out between 1993 and 1996.

It was clear from the outset that the task of creating a new governance structure had to be achieved in a way that would preserve certain aspects of the particular culture and values of the corporation as well as of the founding family, while at the same time ensuring that the various businesses of the group remained forceful entities in their respective industries. Following logically from this situation, the objectives for the project were:

- To create a governance system suited to the issues at hand.
- To gain the support of the family members for the new governance system.
- To assist the family, the board and the CEO to implement the new system.

Our task was to identify key factors that typically shape a corporate governance system in a family-controlled company and to find out how they relate to each other. Using the model of a political constitution as a starting point helped us to focus our efforts. The model provided us with guidance on which elements of a political constitutional system might make sense in a business setting (and which would not!) While parallels between the political and the corporate system could not be made literally, they sharpened our view of what to look for.

Developing a Governance Data Base

As corporate governance is a very young, scholarly discipline, we could not fall back on some ready-made tool kit to handle the

problem at hand. Instead, we had to identify the key elements through research.

As a starting point we conducted a review of the literature on the approaches of other family businesses to corporate governance. We had to cast our net relatively widely to include articles, monographs and corporate histories. We found a large number of accounts that addressed the issue, although they differed markedly in depth and completeness. In isolation, many of them were obviously incomplete; taken together, however, they provided a rich picture of how different family businesses have tried to handle their respective governance problems. We found about a dozen interesting examples, which we wrote up as mini case studies. These included firms such as L'Oréal (France), Beretta (Italy), Vorwerk (Germany) and Schlumberger (France).

The second phase of our research was a series of interviews with owner-managers. The abovementioned case studies – in addition to the insights gained by analysing the general data base – helped us to frame the questions we asked during in-depth interviews with representatives of seven large family-controlled companies in Sweden, Finland, Germany, Switzerland, and the United States. Each of these interviews lasted two to three hours and they produced a wealth of data and ideas. To ensure frankness in the interviews, we promised confidentiality.

Pattern Detection

Next, we conducted a thorough content analysis of our data bases – general materials, cases, minutes of the interviews – in order to identify the key elements these companies had used to construct their governance systems. This effort produced several literary works, including a monograph, *Appraising and Redesigning a Governance Structure for a Family Business*, which was published as Supplement 8 (September 1996) to the *Directors' Manual* (Hemel Hempstead: Director Books). As we have already published the material elsewhere, in this book we have made only indirect use of our findings.

Of extreme importance for this book were the lessons we learned from applying our insights to the family company that had commissioned the study. The company became an extensive laboratory for trying out and applying the insights we had gained from our research.

First, bringing family businesses from different parts of the world together in IMD's Leading the Family Business programme has turned out to be very meaningful for the participants: the cross-fertilisation of ideas engendered by that gathering has been remarkable indeed. The same is true of the lively cooperation among family-controlled companies from different national settings in the Family Business Network.

Second, rather than looking into different legal prescriptions for family businesses in different national settings, the book puts the *actual behaviour* of family businesses at the centre of the discussion. As the research of one of the authors in the area of corporate boards shows, this is a very fruitful (and legitimate) approach.⁴ This research demonstrated not only that there are similar behaviour patterns in corporate governance across countries (as one observer put it, 'Intelligent people all over the world seem to solve their problems in similar ways'), but also that, due to the increasing globalisation of firms, their practices seem to be converging ever more closely. Do not misunderstand: there are obvious differences between family businesses and their governance processes in different countries; but what they have in common outweighs their differences. This is our justification for adopting an international perspective.

One of the consequences of stressing the international features of family businesses (in contrast to stressing national peculiarities) is that there are no chapters in this book on topics such as tax optimisation, estate planning and country-specific legal structures for family businesses. In addition to being country-specific, these issues are highly technical in nature, and when dealing with them, families need the advice of specialists in the national rules pertaining to these issues.

REFERENCE POINTS: REAL LIFE EXAMPLES

Throughout the book we will develop concepts that relate to the different aspects of governance in the family business. Concepts and managers sometimes do not seem to go well together; we have found that managers prefer as many practical examples as possible. They do not mind following a conceptual discussion if they have had practical experience of the concept. We will therefore take heed of this fact by illustrating the concepts with examples chosen from two categories of companies. First, we will discuss *large, privately held enterprises*, as owners of family businesses look instinctively towards them as role models. However, as the saying goes, he who steps only into the footsteps of others never

leaves an imprint, and this is one of the reasons why we will also use *large, publicly owned companies* as reference points. Frequently, these are the secret models of family enterprises, and, they have the further illustrative advantage that they are forced to function under the rather rigorous regime of the capital markets (which is not necessarily true for family-controlled enterprises): the frequently merciless eye of the highly mobile and detached investor in the general capital market forces on publicly owned companies a healthy discipline in different areas that makes them a rich source of ideas on how to run a private company.

In addition, mini-cases have been specifically written to illustrate points made in the text. These mini-cases (which are presented in boxes in the text) discuss real companies, but the names of some have been disguised. In order to serve their purpose they have to be succinct, and they therefore have the character of vignettes rather than full case studies.

THE STRUCTURE OF THE BOOK

The book is divided into six parts, moving step by step from relatively general concepts and approaches to more specific ones that sharpen the focus of the discussion.

Part I: The World of Family Business

In order to discuss the issues of corporate governance in the family business setting, we first need to prepare the ground. This is done in Chapters 1 and 2.

In Chapter 1 we define the term family business and show the significance of family businesses in our economies. In Chapter 2 we show how family businesses typically evolve and what stages of development they typically go through. This is important because the stage of development of a family enterprise impacts on the governance structure chosen. The emphasis of the book will be on one rather advanced stage of development, namely the stage where the firm has become a ‘cousins’ confederation’ (where ownership is in the hands of the extended family and the business has become relatively large). Several considerations prompted us to make this choice. The most important one is that the limited research conducted so far in the area of family-controlled firms has concentrated largely on family businesses in the early stages of their development – the stage of the founders and the subsequent stage of sibling partnerships. The stage of the family dynasty (or cousins’

confederation) has been looked into much less by researchers and writers alike. This situation is particularly unsatisfactory if one considers the fact that family businesses in the cousins' confederation stage are typically the best known, largest and most influential family enterprises, despite the fact that they are less numerous than the army of firms in the earlier stages of development.

Part II: The Concept of Corporate Governance and a Classical Governance Structure in a Family Business

In Part II we narrow the discussion and look at one key aspect of family business: its governance (Chapter 3). We define the concept of corporate governance as 'a system of processes and structures to direct, control and account for the business at the highest level'. *Directing* in this context means being involved in decisions that are truly strategic in nature. *Controlling* means oversight of management performance and monitoring the achievement of objectives. *Accounting for* means reporting to those making legitimate demands for accountability on the part of the firm (for example shareholders, employees, the public at large and other stakeholders). Controlling and accounting for are different activities; they can nevertheless be seen as two sides of the same coin and will therefore be discussed together.

In Chapter 3 we also outline a classical governance structure in a family business at an advanced stage of development ('cousins' confederation'), focusing on:

- The family (as the ultimate source of power) and its institutions.
- The board of directors.
- Top management.

Part III: Family Institutions and the Board of Directors

In accordance with our policy of moving from the general to the more specific, in this part we single out two elements of a classical governance structure – the family and the board of directors – and take a closer look at them. We devote Chapter 4 to the family and its institutions (for example, the family council and others). In Chapter 5 we present our understanding of a board, its role, how it is composed and so on. In this context, we stress that boards typically play a key role in corporate governance. We also point out, however, that a board can only fulfil its

governance duty in close cooperation with the other elements of the governance structure, mainly the family and top management.

How does the board spearhead the discharging of the typical governance tasks – directing, controlling, accounting for? This abstract list of tasks has to be translated into a set of practical measures that a board (in cooperation with the other elements of a governance system) can take in order to discharge its governance tasks. To this end we will look at the measures taken by the board of a large South African insurance company – Sanlam. From this list we will select four that are of particular importance to us:

- The appointment of the CEO.
- Establishing a vision and strategy for the firm.
- Securing the resources to satisfy the financial needs of the company and the family.
- Controlling the firm at the highest level.

The first three of these governance measures form part of the directing task of corporate governance (Part IV) and the last represents the controlling/reporting aspect (Part V).

Part IV: The Directing Task of Corporate Governance: Key Measures

In Part IV we take a closer look at the first three of the governance measures identified in Part III as the ways and means of discharging the directing task. We devote one chapter to each, each time showing that the board typically spearheads the handling of the measure, but does so in close cooperation with the family and top management. In Chapter 6 we look into CEO succession, first from within the family and then from outside. In Chapter 7 we look into the ways and means used by the board to get the family (and top management) involved in establishing a vision and a strategy for the firm. In Chapter 8 we look into aspects of financial strategy: ways of securing the financial resources needed by the firm and the family in order to function well. Questions such as whether or not to go public play a major role here.

Part V: Handling the Controlling Task of Corporate Governance

In Chapter 9 we discuss what is necessary to allow the different elements of a governance structure – the board, the family, top management – to

control the firm effectively and efficiently. In this context we will also briefly look at ways of accounting for the activities of the firm (reporting *vis-à-vis* third parties with a legitimate interest in the information).

Together, Parts IV and V acquaint the reader with a large array of ways and means of handling the four key corporate governance measures.

Part VI: Putting Governance Insights into Practical Use

Part VI attempts to help the reader apply some or all of the tools and concepts covered in the previous five parts to his or her own family enterprise. Chapter 10 focuses on developing a corporate governance structure. It draws heavily on the board research undertaken at IMD and applied successfully by a number of corporations.

The Epilogue tries to answer the following question: what does it mean to be an enlightened and responsible owner of a large family business in the cousins' confederation stage, assuming the family want to retain full control of the business? The suggested propositions are derived from the authors' work with numerous families grappling with this vital issue.

An additional word on Part VI is appropriate. While the authors wish to offer the reader some help in improving the governance structure of his or her company, we try to avoid giving overly normative advice. As Max Weber, the towering German sociologist, put it: 'An empirical science is not suited to teach anybody what he ought to do, but only what he can do – under certain circumstances, what he might want to do.'⁵ The best we can offer is a reasoned argument for our points of view.

CONCLUSION

Family businesses are the backbone of our economies. In many respects our free enterprise system is built on them. We have to keep them healthy and well-governed, as the well-being of our society depends on them to a large degree. For that contribution they ought to be applauded. As Jonathan Swift (1667–1745) put it in *Gulliver's Travels*, 'whoever could make two ears of corn or two blades of grass to grow upon a spot of ground where only one grew before, would deserve better of mankind, and do more essential service to his country than the whole race of politicians put together.'

NOTES

1. D.H. Lamparter, 'Von Menschen und Märkten', *Die Zeit*, 13 June 1997, p. 27.
2. G. Mann and A. Heuss (eds), *Propyläen Weltgeschichte*, Berlin-Frankfurt: Propyläen Verlag, 1962, p. 535.
3. G. Myers, *History of the Great American Fortunes*, New York: The Modern Library, 1936.
4. See A. Demb and F.F. Neubauer, *The Corporate Board: Confronting the Paradoxes*, New York: Oxford University Press, 1992.
5. *Neue Zürcher Zeitung*, 1 December 1985.