



# The Rise of the Fampreneur

A report by [BusinessesForSale.com](https://www.BusinessesForSale.com)

# Introduction

The family business is far from a new phenomenon; from household names to small local enterprises there are countless businesses across Britain established, owned and still successfully operated by families, sometimes over many generations.

Similarly the notion of the start-up business is well established. The concept that anyone with a good idea can set up in business and succeed has fuelled many entrepreneurial dreams. Seventeen years have passed since the dot com bubble gave rise to some low cost, fast growth operations and the zeitgeist of those heady times continues today on shows like Dragon's Den, The Apprentice and, over the pond, American Inventor.

However there is a new wave rising on the start-up tide...

Start-up businesses are no longer the reserve of individuals and peer groups brought together by a shared educational or employment history. Now it's more a question of discussions at the dining table where frustrated spouses, siblings and in-laws plan career exit routes from jobs they are weary of\* to a lifestyle they crave where income is higher and working hours more flexible.

BusinessesForSale.com, which receives an average 2,284 enquiries from people keen to buy or start their own business every day, has noticed an increase in the number of enquirers planning a start-up with one or more family members. It appears they are less risk averse compared with previous years where elected family members would hold down a 'safe' job while the other got a start-up business underway. This is perhaps due to increasing job insecurity resulting from zero-hours contract legislation and the now accepted notion that a lifetime's 'career' will likely incorporate many different roles.

What these people appear to have in common is a genuine intention to start-up a business from scratch with one or more members of their family and the confidence and commitment to make it work.

Or maybe they're simply inspired by the established and growing community of successful start-ups that were set up by groups of people from the same family.

We call them the fampreneurs...

## Fampreneur

**NOUN**

"A family member who sets up a new business or multiple new businesses with one or more family members who together take on the financial risks in the hope of profit."

\*a recent report by Kalixa concluded half of Britons regret their career path and 70% would consider working for themselves.

# The latent Fampreneurs

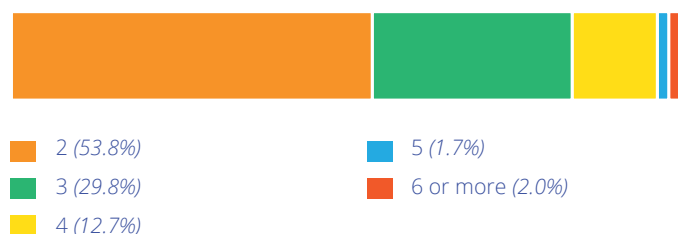
In July 2014 BusinessesForSale.com invited those seeking to set up businesses with their family members to participate in a survey about their plans and motivations. In total 484 individuals completed the survey.

## How many family members in your Fampreneur Group?

Each fampreneur group is defined as the collection of fampreneurs from the same family who have started or are planning to start their own business.

To be a fampreneur requires at least two family members to be involved in the start up and over half of our respondents (53.8%) had a fampreneur Group of two, followed by groups of three at 29.8% and groups of four at 12.7%.

### How many members of your family (including yourself) do you intend to involve in the business?



## Reasons to be a Fampreneur rather than a lone Entrepreneur

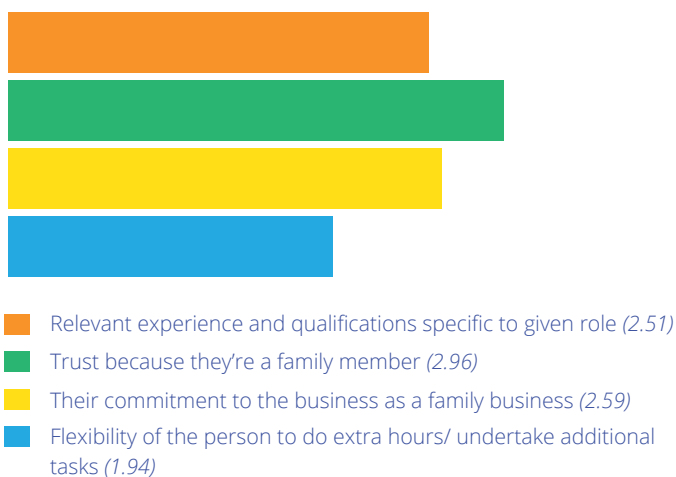
The survey also considered the motivations for working with family members compared with university peers, business associates or going it alone.

Four factors were ranked in order of importance, and, although a leader emerged, all factors were pretty closely weighted.

The flexibility of each fampreneur to work extra hours and take on extra tasks was ranked highest. Interestingly the second most important factor had nothing to do with familial relations and ties but

more to do with skills and experience, suggesting that the sectors being considered and the job roles being undertaken were being given some serious consideration alongside the other, more obvious benefits of setting up shop with family members.

### Rank in order of importance (1= most important, 4= least important) the reasons for setting up business with one or more family members

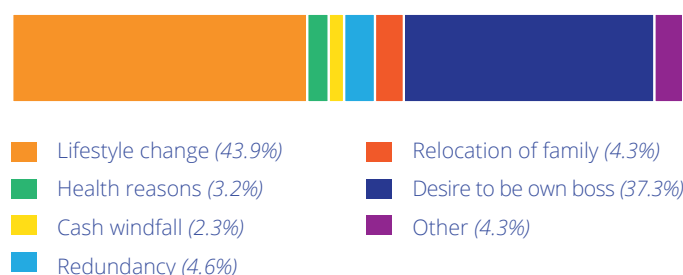


## Motivations for becoming a Fampreneur

### Main reasons for wanting to establish a family business

Respondents were asked to tick their one primary reason for setting up a business as a fampreneur group and 'lifestyle change', closely followed by a desire to be in charge ranked top. Other factors barely got a look in.

### What is the main reason you want to run your own family business?



## Is relocating part of the plan?

The vast majority of respondents (73.4%) are at least willing if not keen/eager to relocate in order to begin their fampreneur life, which corresponds with the eagerness for a lifestyle change.

In addition 57.6% who would relocate already had a specific location in mind.

More research is needed to determine whether this aligns with the current trend for many city dwellers to cash in home equity to invest in business premises in more affordable parts of the country.

### How prepared are you to relocate for a new business?



- Definitely not (24.6%)
- Reluctant (37.4%)
- Keen (24.9%)
- Eager (13.1%)

## Preferred sectors of Fampreneurs

Since the 'skills and experience' of the fampreneurs ranked highly as a reason to set up in business, BusinessesForSale.com wanted to explore if that meant fampreneurs are seeking to start up businesses in sectors they know.

When asked if they had a particular sector in mind 71.1% said that they did. Way out front as far as the provided sectors are concerned was 'Food & Drink' with 46.3% of fampreneurs planning a business in the sector.

The next biggest category was 'other' where respondents listed their businesses of choice. These were wide and varied – and included sectors including crafts, care sector businesses, motorcycle maintenance and children's activities.

When it came to actual years' experience in the sector, collectively 38.7% of respondents considered it non-applicable or had no experience in the sector while 34.1% had ten years' or more experience presenting a very contrasting pair of distinct and statistically

significant groups.

### How many years' experience do you have in the sector above?



- Not applicable (24.9%)
- 0 (13.8%)
- 1 (4.3%)
- 2 (3.6%)
- 3 (2.6%)
- 4 (2.3%)
- 5 (6.2%)
- 6 (3.0%)
- 7 (1.6%)
- 8 (2.3%)
- 9 (1.3%)
- 10 or more (34.1%)

And when the sector experience of the fampreneurs within each respondent's group was queried a similar pattern emerged with 34.7% falling into the former group and 30.8% comprising the latter...

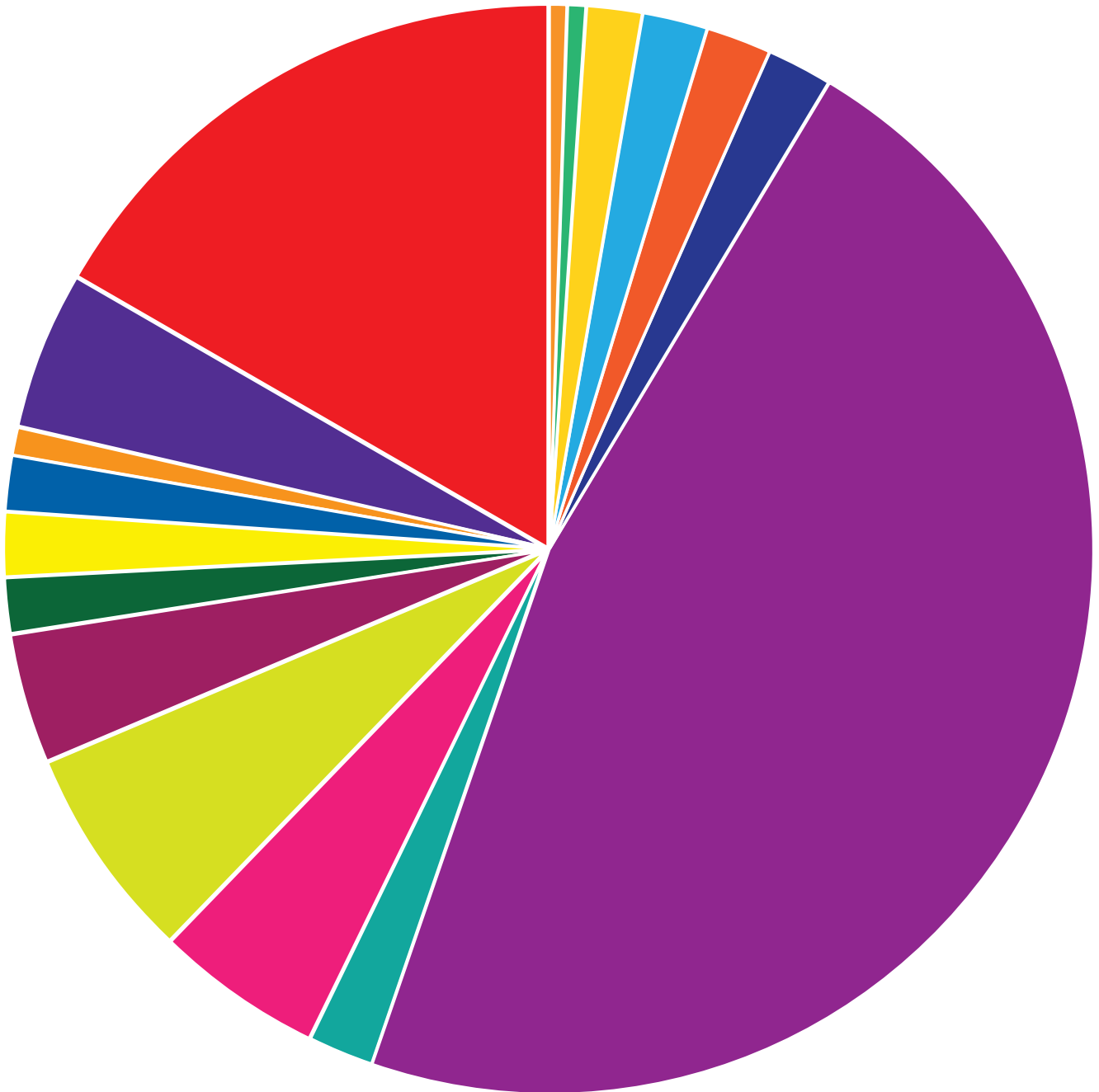
This suggests the skills and experience many considered important previously were perhaps more transferable skills and general business experience as opposed to sector-specific ones in a high proportion of cases.

### How many years' collective experience do the other family members have in the sector above?



- Not applicable (25.2%)
- 0 (9.5%)
- 1 (4.9%)
- 2 (5.2%)
- 3 (4.3%)
- 4 (3.6%)
- 5 (8.2%)
- 6 (3.6%)
- 7 (2.3%)
- 8 (2.3%)
- 10 or more (30.8%)

Please select the sector in which you want to run a business



Advertising, Marketing, Media & Publicity (0.8%)

Agriculture (0.4%)

Construction, Property/Garden Maintenance, Home Improvements (1.6%)

Education (2.0%)

Entertainment (2.0%)

Finance (2.0%)

Food & Drink (46.3%)

Hair & Beauty (2.0%)

Health, Fitness, Sport & Well-Being (4.9%)

Holidays & Travel (6.6%)

IT, Technology & Internet (3.7%)

Manufacturing (1.6%)

Pet Care (2.0%)

Property Sales (1.6%)

Transport (0.8%)

Wholesale & Distribution (4.9%)

Other (16.4%)

## Financial resources of latent Fampreneurs

There was quite a spread of budgets for investment in a business across the respondents with most being in the lower end of start-up capital. This corresponds with most first-time entrepreneurs who make up for financial limitations with long hours, strong commitment and often more creativity to fuel success.

Reassuringly most had a clear idea of their start-up budget, suggesting fampreneur groups are looking seriously at what they can afford to invest.

### What is your budget?



£0 - £10K (13.4%)	£150K - £250K (9.2%)
£10K - £20K (15.7%)	£250K - £500K (5.2%)
£20k - £30K (11.5%)	£500K - £750K (2.0%)
£30K - £50K (12.1%)	£750K - £1mil (1.6%)
£50 - £75K (8.2%)	£1mil plus (0.3%)
£75K - £100K (7.5%)	Unknown (8.9%)
£100 - £150K (4.3%)	

## How soon will the Fampreneur businesses be set up?

Most latent fampreneurs (83.6%) are looking to start their business within the next two years, the majority of which are working to a 12-month time frame. If they meet this target it could result in a radical transformation not only of their lives but the business landscape in the UK as they join the growing population of successful fampreneurs.

### What is your ideal timescale for starting your family business?

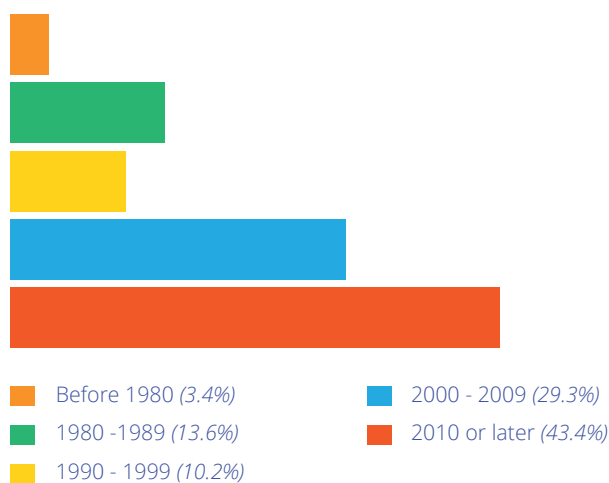


Don't know (11.8%)	3-4 years (3.9%)
Within 12 months (65.2%)	5 years or more (0.7%)
1-2 years (18.4%)	

# The established Fampreneurs

Alongside the latent 484 fampreneurs there were 88 established fampreneurs also shared their experiences with BusinessesForSale.com. The businesses they owned and operated varied in age, the oldest being established in 1944, and there was a strong concentration (43.4%) of businesses at four years old or under.

## When was your business established?



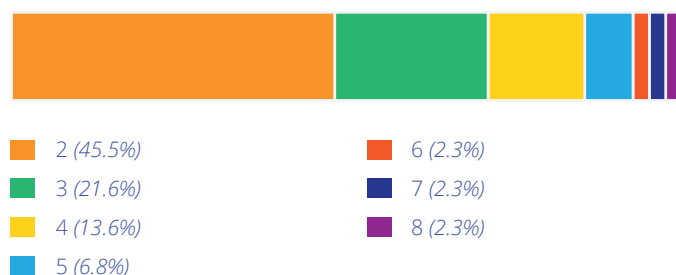
## Established Fampreneur groups

### Size of established Fampreneur groups

The size of their fampreneur groups were similar to those of the latent fampreneurs, with most gravitating to the smaller numbers.

In addition, 76.7% of these businesses employ staff from outside the family, most of whom have full-time roles.

## How many family members work in the business?

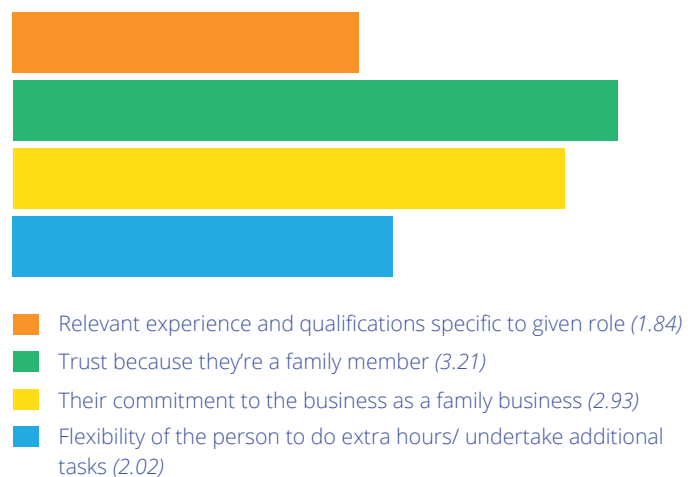


## Skills and experience of established Fampreneurs

The established fampreneurs were also asked about the benefits of setting up business with family members and for them the skills and experience of each fampreneur ranked highest of all four options.

Given these respondents all run successful businesses this may demonstrate the importance of skills and experience above all other factors...

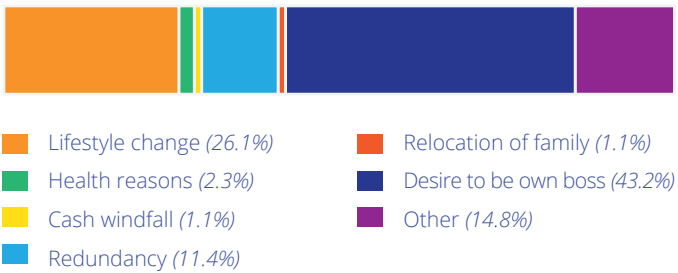
## Rank in order of importance (1= most important, 4= least important) the following factors when employing a member of the family in the business



## Why did you become a Fampreneur?

The desire to be boss topped the reasons for setting up as a fampreneur, while lifestyle change came in second. Third was redundancy which – given the ages of the businesses – tallies with the spate of redundancies made over the corresponding period across UK business.

## What was the main reason that drove you to start your business ?



## Sectors of established Fampreneurs

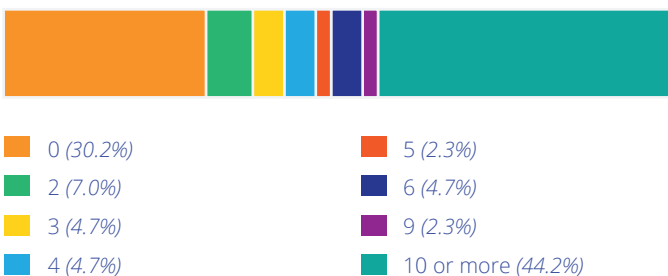
### Sectors of businesses

Although there was a wider spread of sectors compared with the latent fampreneurs, Food and Drink was again the primary sector for established fampreneur businesses. See chart on next page.

## Experience of established Fampreneurs

As far as the founding fampreneurs' experience is concerned a complete lack of experience at one end and in excess of ten years at the other were the highest ranking time periods.

## How many years' experience specific to the business in question did the founder have prior to launching the business?

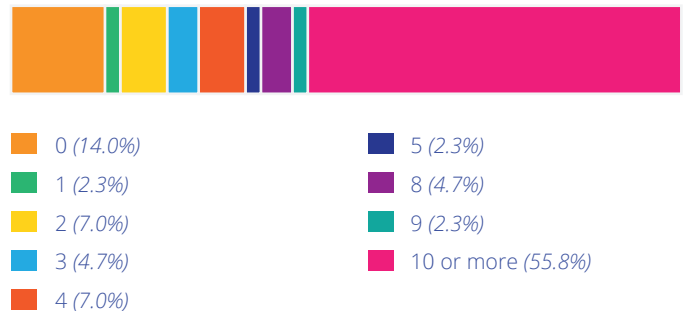


As for other fampreneurs involved in the businesses, again, the levels of experience were weighted towards the two extremes but with all the established fampreneurs the greater number, understandably, was at the 10 years' plus experience end.

Bearing in mind 31.7% of the businesses are over 10

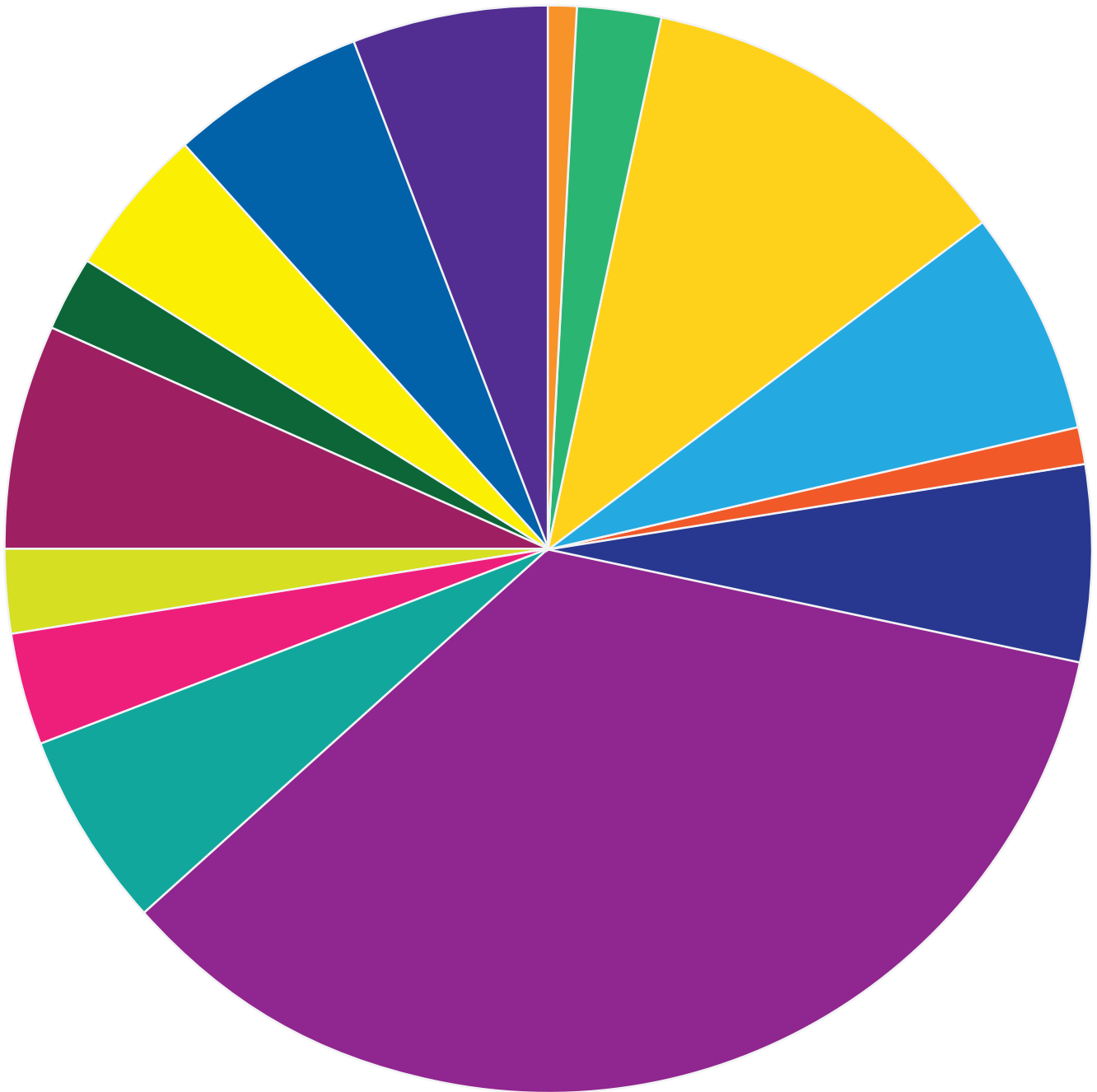
years old, this suggests at least 24% of fampreneurs in established businesses had significant role and sector experience prior to setting up the fampreneur enterprise.

## Excepting the founder, approximately how many years' collective experience do all family members have specific to their current roles and the business sector?





## In which sector do you operate?



Advertising, Marketing, Media & Publicity (1.1%)

Agriculture (2.3%)

Construction, Property/Garden Maintenance, Home Improvements (11.4%)

Education (6.8%)

Entertainment (1.1%)

Finance (5.7%)

Food & Drink (35.2%)

Health, Fitness, Sport & Well-Being (5.7%)

Holidays & Travel (3.4%)

IT, Technology & Internet (2.3%)

Manufacturing (6.8%)

Pet Care (2.3%)

Property Sales (4.5%)

Transport (5.7%)

Wholesale & Distribution (5.7%)

# Business and contact details

## About BusinessesForSale.com

BusinessesForSale.com is a global business exchange website and a market leader in the UK listing thousands of commercial premises, businesses with assets and franchise opportunities. In addition BusinessesForSale.com supports the broker and business communities with market insight, online tools and germane content.

BusinessesForSale.com is owned and operated by Dynamis Online Media Group.

For more information visit [www.BusinessesForSale.com](http://www.BusinessesForSale.com).

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