ВИСШЕ УЧИЛИЩЕ ПО АГРОБИЗНЕС И РАЗВИТИЕ НА РЕГИОНИТЕ

Department of Economics and Management

Chair of Economics and Finance

VELIZAR PETROV PETROV

Synopsis of the Doctoral Thesis

Submitted for the award of the educational and scientific degree of "Doctor"(PhD)
in the field of Finance and Banking within the professional domain of Economics (3.8)

on the topic:

BUSINESS

SCIENTIFIC SUPERVISORS:

Prof. Dr Biser Yordanov Krastev
Assoc. Prof. Dr Maria Bozhkova

Plovdiv, 2025

Velizar Petrov Petrov is a doctoral candidate in the independent form of study within the doctoral programme “Finance and Banking”, hosted by the Department of Economics and Finance at UARD – Plovdiv. The dissertation has been reviewed and scheduled for defence by the Departmental Council of the Department of Economics and Finance, Faculty of Economics and Management at UARD, at a meeting held on 07 November 2025. The public defence will take place on 19 December 2025 at ……, in accordance with Rector’s Order No. …… The materials related to the defence are available to all interested parties at UARD – Plovdiv.

I. GENERAL CHARACTERISTICS OF THE DISSERTATION

This doctoral thesis focuses on the specific aspects of intergenerational succession in family firms, examining the factors that influence the effective transfer of ownership and managerial control across generations. The analysis is grounded in theoretical models and empirical evidence, with the aim of identifying best practices, risks, and opportunities for the sustainable development of family enterprises within the contemporary economic environment.

The relevance of the topic is determined by the convergence of several interrelated processes.

First, a substantial proportion of family enterprises in Bulgaria and across the European Union are currently undergoing a stage of intergenerational succession, in which founders from the baby-boomer generation are withdrawing from active management, transferring not only leadership functions but also strategic responsibility.

Second, the contemporary economic environment is characterised by a high degree of uncertainty, intensified regulatory requirements, and the imperative of adaptation to the principles of sustainable development, including ecological and social accountability.

Third, within the Bulgarian context, there is a notable absence of institutionalised mechanisms for consultation and support in matters of financial succession, which creates a gap in the entrepreneurial infrastructure and hinders the sustainable development of family businesses.

Against this background, the topic acquires not only theoretical relevance but also considerable practical significance for economic stability, intergenerational continuity, and the long-term competitiveness of family enterprises.

Aim and Objectives of the Doctoral Thesis

The aim of this doctoral thesis is to develop an integrated, evidence-based framework addressing the financial dimensions of intergenerational succession in family businesses in Bulgaria. This framework combines theoretical models, evaluative and financial instruments, empirical validation, and actionable recommendations for enterprises and policy-making.

Specific Objectives:

- To systematise the theoretical foundations and the Bulgarian context of family business and intergenerational succession.
- To identify and quantitatively assess the key financial factors influencing the value and success of ownership transfer.
- To design and validate practice-oriented instruments, including an evaluation methodology and composite indices (e.g. liquidity).
- To formulate concrete recommendations for policies, financial products, and advisory support tailored to the Bulgarian environment.

Research Tasks:

- To map and operationalise the core concepts: family enterprise/family firm, family business, succession, transfer, and inheritance, through a review of legal and economic definitions within the EU and Bulgaria.
- To synthesise the literature: conduct a systematic review of international and Bulgarian studies; identify gaps and relevant models.
- To analyse the legal framework: examine the Inheritance Act, the Commercial Act, and related legislation; map procedural bottlenecks in the transfer process.
- To undertake empirical research using panel data from balance sheets and income statements: build a database of family enterprises and apply index construction and regression analysis to identify financial profiles with a high probability of successful transfer.
- To investigate change management processes in family enterprises in relation to succession and business transfer.
- To analyse the development of family business in Europe and identify good practices for promoting its sustainability at the regional level.
- To propose potential solutions to support succession and business transfer in Bulgaria.
- To analyse existing financial instruments and develop proposals for new or improved tools to facilitate business transfer in family enterprises in Bulgaria.
- To formulate recommendations for enhancing financial support for SMEs at the national level.

Hypotheses:

- H1: A higher Intergenerational Readiness Measure (IRM) is statistically significantly and positively associated with greater overall liquidity. Interpretation: Firms with stronger preparedness for succession exhibit a more favourable ratio of current assets to liabilities, thereby enhancing flexibility during transitional periods.
- H2: A high IRM predicts higher quick liquidity. Interpretation: Businesses prepared for succession optimise readily realisable assets, reducing dependence on inventories.
- H3: IRM correlates positively with the level of immediate liquidity. Interpretation: Firms pursuing an active succession strategy maintain larger cash reserves to address critical contingencies.
- H4: A higher IRM is associated with a greater share of cash relative to total assets. Interpretation: Succession readiness fosters the creation of a "liquidity buffer", facilitating financial stability during structural change.

Object and Subject of the Research. The object of this study comprises the transformational processes associated with the transition of ownership and management within family enterprises, examined in the context of both the Bulgarian and the wider European economic environment. Particular emphasis is placed on the characteristics of intergenerational succession and its impact on the sustainability and competitiveness of family businesses.

The subject of the research encompasses the financial dimensions, mechanisms, and instruments through which the processes of succession and transfer may be supported, with a focus on readiness for transfer, sustainability, and the optimisation of accompanying financial decisions. Special attention is devoted to the IRM (Index of Readiness for Mobility) as an indicator of liquidity and preparedness for business transfer.

Research Methodology. The methodology employed in this doctoral thesis is closely aligned with the defined object, subject, aim, and research tasks. In the development of the study, the following ***theoretical and empirical methods*** have been applied:

- Scientific Analysis. A review and analysis of specialised academic literature relevant to the topic of the dissertation.
- Dialectical Approach. Examination of the state and evolution of European and national strategic and regulatory documents.
- Comparative Analysis. Comparison of the conditions under which the processes under investigation unfold.
- Analytical Procedures. The results of the study are processed, analysed, and synthesised through the application of analytical, logical, and statistical methods and techniques.

Validation and Dissemination. A number of the results presented in this doctoral thesis have been subject to scholarly discussion within specialised forums and academic conferences. They have been published in the form of reports and peer-reviewed articles in journals dedicated to research on family entrepreneurship, succession, and business transfer.

Furthermore, these results constitute a substantial part of the analytical foundation of the international project Succession and Transfer of Business in Regions – STOB Regions.

Within the framework of the international project of the University of Agribusiness and Rural Development (UARD) – INVEST: European University Alliance, the doctoral candidate has participated actively both as a representative of the Regional Development Agency with Business Support Centre for SMEs – Plovdiv (RDA BSC SMEs), and as a representative of the University.

As part of the activities under INVEST, and in direct connection with the concept of "living laboratories", a Regional Platform for Business Transfer has been developed. This initiative represents a logical continuation of the efforts undertaken within the STOB Regions project, building upon the accumulated experience and expanding the scope of supported businesses and initiatives.

Limitations of the Doctoral Research

This doctoral study demonstrates significant empirical results; however, it is subject to certain limitations that must be acknowledged when interpreting the findings and when considering the extrapolation of results to other contexts. The principal limitations are as follows:

- ***Contextual Specificity.*** The results are strongly influenced by regional characteristics and the institutional environment within the Bulgarian economic context. These specificities restrict the possibility of direct extrapolation to other jurisdictions, particularly those with different cultural, legal, and managerial systems.
- ***Limited Access to Primary Data.*** The research relies exclusively on secondary accounting data from balance sheets and income statements, without the inclusion of surveys, interviews, or case studies. This approach limits the capacity to analyse motivational, cultural, and managerial factors that also affect succession and transfer. Consequently, the study focuses on objectively measurable financial parameters but cannot address subjective aspects such as personal preferences, family dynamics, and managerial styles.
- ***Absence of Public Registers for Family Enterprises.*** Bulgaria lacks an official legal definition and administrative register of family firms, which complicates the identification of the target group. As a result, selection was conducted through alternative criteria and supplementary sources, which may affect the representativeness of the panel dataset.
- ***Temporal Scope of the Study.*** The analysis covers data for the period 2010–2019, thereby excluding earlier processes of business transfer as well as potential long-term consequences of ownership and management succession. Although the economic environment evolves, the relationship between liquidity and transfer readiness is structural and remains valid.
- ***Limited Sample Size.*** The study was conducted on a restricted number of family enterprises – twelve – which necessitates caution in formulating generalisations. Although these firms were purposefully selected and met predefined criteria, the small sample size constrains the statistical power of the analyses.
- ***Sectoral Concentration.*** A substantial proportion of the available accounting data relates to firms in the trade and manufacturing sectors, which limits the generalisability of the results to other areas such as agriculture, cultural industries, or high value-added services. Future research should broaden the scope to include underrepresented sectors.

These limitations, while inherent to the research framework, do not compromise the validity of the results obtained. On the contrary, they delineate avenues for further development in future studies, including the integration of primary data, sectoral expansion, testing of non-linear relationships, and the design of interactive evaluation instruments.

II. SCOPE AND STRUCTURE OF THE DISSERTATION

The dissertation has been developed with a total length of 184 pages. Its content is structured in accordance with the defined research theses, aims, and objectives, and is aligned with the object and subject of the study. The overall

structure comprises an introduction, four chapters, a conclusion, a bibliography containing 120 titles (nine in Cyrillic and 111 in Latin script), appendices, and a list of tables, graphs, figures, and icons. The content is presented in the following sequence, beginning with the introductory section, followed by the four substantive chapters, and concluding with the final remarks, the bibliography, and the supplementary materials:

List of Abbreviations
Introduction
Chapter One. Theoretical Foundations of Family Business and Succession Processes
1.1. Family Business – An Introduction
1.2. Family and Traditional Enterprises in Bulgaria
1.3. Analysis of the Dynamics, Sustainability, and Prospects of Family Business in Bulgaria (2015–2023) Based on Official Data from the National Statistical Institute Conclusions to Chapter One
Chapter Two. Analysis of Challenges and Solutions in Business Transfer and Succession
2.1. Conceptual Framework of Business Transfer and Succession
2.2. Strategic Planning of Business Transfer and Succession as Part of Corporate Strategy
2.3. European and International Practices Supporting Business Continuity
2.4. Solutions and Approaches to Supporting Business Succession and Transfer in Bulgaria Conclusions to Chapter Two
Chapter Three. Specifics of Financing and Valuation of Family Business During Transfer
3.1. Sources of Financing for Family Business Transfer and Succession
3.2. Financial Instruments and Mechanisms for Structuring Transfer Transactions
3.3. Tax Aspects and Optimisation of Financial Decisions
3.4. Methods and Approaches for Valuing Family Business
3.5. Factors Influencing the Value of Family Business During Transfer
3.6. Strategies for Maintaining and Enhancing Firm Value Before, During, and After Succession Conclusions to Chapter Three
Chapter Four. Empirical Research and Policy Recommendations for Bulgaria
4.1. Methodology of the Empirical Study
4.2. Empirical Research and Analysis of Results
4.3. Recommendations for Improving Financial Support and Policies for Family Business Transfer and Succession in Bulgaria Conclusions to Chapter Four
Conclusion
Bibliography
Appendices List of Tables, Graphs, Figures, and Icons

III. Integrated Overview of the Dissertation

INTRODUCTION

The introduction to this doctoral thesis substantiates the relevance and significance of the research, which addresses the transfer and succession of family businesses in Bulgaria and Europe. It emphasises the role of family enterprises as a key factor in economic stability, while drawing attention to the vulnerability inherent in the process of intergenerational transition. The conceptual framework of the study is presented, encompassing the object and subject of the research, the central theses,

aims and objectives, the methodological toolkit, the validation of results, and the limitations of the investigation.

CHAPTER ONE. THEORETICAL FOUNDATIONS OF FAMILY BUSINESS AND SUCCESSION PROCESSES

The first chapter comprises three sections and a concluding part. It outlines the fundamental role of family enterprises in both global and European contexts, emphasising their dual economic and social function. The chapter systematises the principal definitional approaches, highlighting that the absence of a unified definition – particularly in Bulgaria – creates challenges for policy development and access to finance. This situation necessitates clear terminological distinctions and adapted definitions tailored to the purposes of the research.

The opening section "Family Business – An Introduction" presents the theoretical foundations of family business, including definitions, typologies, and the specific characteristics of ownership and management. It introduces the subject of family enterprises and demonstrates their importance as the backbone of the European economy, contributing substantially to gross domestic product (GDP) and employment across the European Union. Family businesses not only provide economic stability but also play a pivotal role in social development, regional integration, and innovation. They are not merely economic entities but also social institutions that combine business objectives with intergenerational values. Support for family enterprises through targeted policies and financial mechanisms is therefore of critical importance for the future of the European economy.

The Concept of the "Family Firm" has been the subject of sustained scholarly debate, with the literature distinguishing two principal approaches: structural and processual. Structural definitions emphasise formal criteria such as ownership and managerial control (Díaz-Moriana et al., 2018), whereas processual definitions focus on cultural and behavioural characteristics (Chua, Chrisman and Sharma, 1999; Davis, 2018; Birdthistle & Hales, 2023). Leading studies recommend the operationalisation of the definition in accordance with the specific aims of the research, taking into account cultural particularities and the interplay between formal and informal managerial practices.

Although family enterprises have existed for centuries and have played a key role in Europe's economic development, for a long time there was no unified definition of the term family business at the European level. The need for harmonisation in defining family enterprises has therefore been repeatedly emphasised. The European Commission and European Family Businesses (EFB) largely share the following common definition (2014), according to which an enterprise, regardless of its size, is considered a family business if:

- The majority of decision-making rights are held by the natural person(s) who founded the enterprise, or by the natural person(s) who acquired the share capital of the enterprise, or by their spouses, parents, children, or direct descendants of the children.
- The majority of decision-making rights are direct or indirect.

- At least one representative of the family or relatives is formally involved in the management of the enterprise.
- In the case of publicly traded companies, the definition of a family enterprise applies if the person who founded or acquired the enterprise (the share capital), or their family members or descendants, hold 25% of the decision-making rights conferred by their shareholding.

The European Commission (2025) encourages the application of the proposed definition of family business with the aim of standardising understanding and data collection across Europe. In Bulgaria, despite the use of a statistical definition (National Statistical Institute, n.d.), the absence of a clearly regulated normative framework restricts the access of family enterprises to targeted forms of support and financing, and complicates the addressing of their specific needs within national small and medium-sized enterprise policies. Alongside the European definition, additional formulations are applied in the Bulgarian context (Ministry of Economy, 2021; Bulgarian Development Bank, n.d.; United Bulgarian Bank, n.d.; EY Bulgaria, 2024), reflecting diverse institutional and practice-oriented approaches to the understanding of family business. Academic literature likewise lacks a unified definition, with different authors emphasising distinct dimensions of the phenomenon. The most widely accepted definition, however, rests upon three key criteria: ownership structure, managerial participation, and generational continuity.

In the dissertation, a distinction is made between two widely used concepts in the academic literature – *family business* and *family firm* or *family enterprise*. There is a certain overlap between the concepts of *family business* and *family firm/enterprise*, yet they carry different emphases and nuances in their usage. The term *family business* may be regarded as a broader category that encompasses any economic activity controlled and managed by members of a single family, with the primary focus placed on family ownership and managerial involvement, irrespective of the legal form of the organisation.

The terminological distinction between the concepts of *family business* and *family firm/company* in the context of financial transfers and succession should not be regarded merely as a semantic clarification, but rather as a necessary precondition for valid financial interpretation and for conducting in-depth research on succession processes. Clear definition of these terms provides the basis for determining financial responsibility and accountability in asset transfers, for identifying risks associated with ownership and control, and for tracing intergenerational financial flows. In this sense, terminological clarity not only supports theoretical analysis but also carries practical significance for the development of effective mechanisms for managing succession processes in family enterprises.

Within the framework of the present study, ***original definitions*** of the concepts ***family business*** and ***family firm/family enterprise*** are proposed. These aim to integrate existing theoretical approaches, to provide clarity in terminological distinctions, and to reflect the specificities of the Bulgarian context, while also responding to the analytical requirements associated with business transfer and succession.

By *family business* is understood an economic activity carried out by one or more natural persons connected through kinship or marital ties, who exercise substantial control over the ownership, management, and strategic orientation of the enterprise. This type of business is characterised by the presence of intergenerational continuity as either an objective or a practice, by the combination of economic rationality with emotional and social bonds, and by the use of formal or informal decision-making mechanisms grounded in family values and identity. In this way, the definition integrates both the structural and the processual approach, while taking into account the cultural specificities and the dynamics of family relations within the business context.

By *family firm* or *family enterprise* is understood a legally distinct economic entity in which the majority of decision-making rights are held by the founder or their direct heirs, with at least one family member formally participating in the management, and with a clearly expressed intention to transfer ownership and governance to the next generation. In addition, this type of enterprise maintains accountability through official financial documentation (balance sheet, income statement), which enables analysis of liquidity, debt mechanisms, and asset transfer.

The principal focus of the dissertation is placed on the concept of the *family firm/enterprise*, owing to its clearer definition and greater analytical applicability. This concept is preferred in the context of the present study for the following reasons:

- it possesses a clearly defined legal form, which facilitates the identification and classification of entities;
- it maintains distinct financial statements – including the Balance Sheet and the Income Statement – which serve as the basis for conducting in-depth financial analysis;
- it presupposes the existence of generational continuity, which constitutes a key element in the analysis of ownership transfer and succession of managerial control.

The second section „Family and Traditional Enterprises in Bulgaria“ presents a comprehensive scholarly analysis of family and traditional enterprises in Bulgaria, examining their economic role, the political and legal framework within which they operate, as well as the mechanisms of continuity and transfer.

It is emphasised that family enterprises constitute an essential part of small and medium-sized enterprises (SMEs), particularly in regions with limited resources, where they provide employment, stability, and local investment. They are regarded as key elements of the business ecosystem, whose sustainable functioning generates a multiplier effect on suppliers, clients, and labour markets. In this context, European and national policies place a strong emphasis on business continuity and transfer, viewing them as a more effective instrument for growth and employment compared to the establishment of new firms.

Bulgaria implements policies in line with the European Small Business Act, while the National SME Strategy 2021–2027 for the first time recognises *family firms* as a distinct category.

The legal framework in Bulgaria does not contain a specific law on family enterprises, and succession is therefore regulated through the general provisions of inheritance, commercial, tax, labour, and family law, supplemented by European regulations. Key acts analysed include the Inheritance Act, the Commercial Act, the Family Code, the Labour Code, and tax legislation, as well as European instruments such as Regulation (EU) No. 650/2012 and Directive 2001/23/EC. Particular attention is devoted to the specificities of different legal-organisational forms (sole proprietorship, limited liability company, single-member limited liability company, joint-stock company, single-member joint-stock company) and to succession mechanisms – inter vivos (during lifetime, through sale, donation, enterprise transfer agreements, transformations) and mortis causa (through inheritance, wills, hereditary shares, reserved portions). Consideration is also given to the impact of family law regimes on the inheritance of shares and stocks, the protection of employment in enterprise transfers, and the tax treatment of different transactions.

Alongside legal instruments, the text highlights practical contractual mechanisms for managing succession and transfer – family charters, shareholder agreements, preliminary contracts – which enhance predictability, reduce the risk of conflict, and facilitate the sustainable governance of family enterprises. The paragraph thus delineates family and traditional enterprises as a strategically significant segment of the Bulgarian economy, operating within a complex yet fragmented regulatory framework. The absence of a specialised legal status is compensated by existing general legal instruments and contractual practices, while institutional recognition in the National SME Strategy represents an important step towards more targeted policies for their support and sustainable development.

The third section „Analysis of the Dynamics, Resilience, and Prospects of Family Business in Bulgaria (2015–2023) Based on Official NSI Data“ provides a comprehensive analysis of the dynamics, resilience, and prospects of family business in Bulgaria for the period 2015–2023, based on official data from the National Statistical Institute (NSI). The text is structured as a scholarly study that examines both the national level and the regional disparities among the six planning regions (NUTS 2).

The analysis traces key indicators – the number of active family enterprises, employed and hired persons, the average firm size, and the relative share of employees in total employment. At the national level, the number of family enterprises increased moderately from 103,365 in 2015 to 107,005 in 2023, with a decline during the pandemic years and subsequent recovery. The number of employed persons fell from 399,414 to 391,575, with the decrease concentrated in 2020–2021 and not fully compensated by 2023, while hired employees contracted more sharply – from 319,821 to 297,622 – reducing their relative weight in total employment. The average firm size declined from 3.87 to 3.66 employees, and the share of hired labour in total employment decreased from 80.1% to 76.0%, signalling a stronger reliance on family labour and self-employment. The data thus reveal moderate growth in the number of enterprises, accompanied by a reduction in overall employment and particularly in hired labour. This results in smaller firms that

increasingly depend on family labour and self-employment. The COVID-19 pandemic triggered a decline in 2020–2021, but the number of enterprises recovered more quickly than employment, which remained below pre-pandemic levels.

The regional analysis shows that in 2023 the South-West region concentrated 33.26% of enterprises, 32.69% of employed persons, and 33.37% of hired employees, consolidating its position as the leading employment centre. The South-Central region also increased its relative importance across all three indicators, while the South-East and North-East regions lost ground, particularly in hired employment. The North-West and North-Central regions remained relatively stable. In absolute terms, the South-West region in 2023 comprised 35,589 enterprises, 128,006 employed persons, and 99,303 hired employees, followed by the South-Central region with 22,365 enterprises, 83,958 employed persons, and 63,563 hired employees. The regional analysis thus highlights the leading role of the South-West region, which concentrates the largest share of enterprises, employed persons, and hired employees, followed by the South-Central region. The North-East and South-East regions lost relative positions, while the North-West and North-Central remained stable. This structure indicates a trend towards more firms with smaller teams and a lower share of hired labour, interpreted as an adaptive strategy to reduce labour costs.

The functional effect of this "lightened" structure is twofold: on the one hand, it enhances short-term resilience through lower fixed costs, but on the other, it may constrain growth capacity and professionalisation if not accompanied by investment in technology, processes, and skills. This has direct implications for the prospects of succession and transfer in family enterprises.

Overall, the outlook for the period 2025–2030 is linked to the need for targeted preparation for succession and transfer, professionalisation of management, digitalisation, and careful structuring of financial mechanisms. Regional disparities in employment structures and access to resources suggest differentiated policies to ensure smooth continuity and a more balanced distribution of the economic benefits of family business in Bulgaria.

Conclusions from Chapter One.

Chapter One outlines the theoretical and contextual framework of family business, drawing the following key conclusions:

- Operationalisation of the concept of family business: The formulation of clear criteria for the identification of family enterprises is a necessary condition for valid comparisons and empirical analysis. The absence of an official legal definition hinders statistical monitoring and the design of targeted policies.
- Economic significance and heterogeneity: Family enterprises make a substantial contribution to employment, GDP, and regional resilience, yet they are highly heterogeneous in terms of size, sector, and governance model. This calls for a differentiated approach to their assessment and support.
- Legal and regulatory framework – fragmentation without specialised status: Inheritance and commercial law provide the foundation for business transfer,

but specific mechanisms for managing succession are lacking (e.g. simplified procedures for intra-family transfers, tax neutrality in restructuring). This generates transaction costs and legal uncertainty.

Chapter One outlines the fundamental role of family enterprises at both the global and European levels, emphasises their dual economic and social function, and systematises the principal definitional approaches. It highlights that the absence of a unified definition – particularly in Bulgaria – poses challenges for policymaking and access to finance, thereby necessitating clear terminological distinctions and adapted definitions for the purposes of the study.

CHAPTER TWO. ANALYSIS OF CHALLENGES AND SOLUTIONS IN BUSINESS TRANSFER AND SUCCESSION comprises four analytical sections followed by a set of conclusions. It is devoted to the examination of the principal challenges and potential solutions associated with the transfer of ownership and managerial control within enterprises. The discussion integrates strategic approaches, highlights exemplary international practices, and advances proposals aimed at strengthening institutional support mechanisms in Bulgaria.

The first paragraph „Conceptual Framework of Business Transfer and Succession“ presents the conceptual framework of business transfer and succession, examined in both scientific and practical contexts.

It is noted that business succession constitutes a critical process for the sustainability and long-term competitiveness of family enterprises. It encompasses not only the formal transfer of ownership but also the transmission of leadership, organisational culture, and strategic vision. In the scholarly literature, succession is conceptualised as a complex social and organisational phenomenon, in which the successor’s motivation, trust, communication, and preparation through training and participation in management play a pivotal role.

At the international level, business transfer is defined as the transfer of ownership and management of an existing enterprise – whether through intra-family succession or external sale. The European Commission regards it as a strategic process for safeguarding economic activity and preserving employment, emphasising the necessity of timely planning and institutional support. In the Bulgarian context, business transfer is regulated by the Commercial Act and the Inheritance Act, while the National SME Strategy (2021-2027) recognises it as a key mechanism for ensuring economic resilience in the face of demographic challenges.

The author proposes his own definition of *business transfer and succession*. ***The author’s definition of “business transfer and succession”*** conceptualises these processes as multidimensional mechanisms through which the ownership, management, and strategic leadership of an existing enterprise are transmitted from one entity to another – whether within the family or to external parties. They are not confined solely to legal and economic components but also encompass social, cultural, and organisational dimensions, which necessitate careful planning, adaptation, and institutional support.

In this respect, business transfer and succession should be regarded as strategic, socially conditioned, and legally regulated processes, the successful implementation of which requires systematic preparation and targeted policies that ensure the sustainability and long-term viability of entrepreneurial activity. In other words, business transfer and succession encompass not only legal and economic dimensions but also social, cultural, and organisational ones. They are thus conceptualised as strategic and socially conditioned processes necessitating systematic preparation and purposeful policies.

The literature highlights various models of succession. The classical model of Longenecker & Schoen (1978) emphasises the phased transition between generations; the IRM model (Al-Zaqeba, 2024) focuses on the management of hereditary risks through the assessment of financial resilience and liquidity; while Liu's multidimensional model (2018) integrates social capital, institutional trust, and financial preparedness. In the Bulgarian context, diverse approaches are observed – ranging from traditional family succession, through management buyouts and sales to external investors, to spin-off models, franchising, and licensing.

Business transfer and succession are described as a multidimensional process in which legal, financial, managerial, and social factors intertwine. Successful continuity depends on strategic planning, the preparation of successors, the establishment of financial buffers, and institutional support, which together guarantee the sustainability and long-term viability of family enterprises.

The second paragraph „Strategic Planning of Business Transfer and Succession as Part of Corporate Strategy" presents the strategic planning of business transfer and succession as an integral component of corporate strategy, examined in depth through contemporary theoretical models and empirical observations.

It is emphasised that succession should not be regarded as an isolated HR procedure but as an integrated element of corporate strategy. It must be aligned with the enterprise's market position, resources, and growth objectives. The concept of "parallel planning" synchronises business and family goals through clear rules concerning roles, ownership, and the involvement of successors. Particular emphasis is placed on strategic coherence – the successor's profile should correspond to the strategic trajectory of the firm (expansion, diversification, professionalisation) in order to avoid post-transition "strategic drift."

The managerial architecture encompasses a board with independent directors, a family council, and a family charter, all of which enhance the legitimacy of decisions. Risk management entails scenarios for the sudden withdrawal of the leader, insurance, trusts, and financial buffers. The codification of knowledge through manuals, process maps, and meetings with key clients accelerates the successor's adaptation.

Empirical studies demonstrate that early and formalised planning (five to ten years in advance) increases preparedness and reduces the risk of conflict. Conversely, delay leads to a "succession conspiracy," characterised by hidden resistance and ambiguous criteria. The founder plays a pivotal role, gradually

delegating responsibilities and assuming a mentoring position. The board of directors structures the process and balances the interests of the family and the business.

Successful succession is a multifactorial process in which personal, managerial, organisational, and financial elements interact. The successor's readiness is shaped through education, rotation across key functions, external experience, and mentoring. A fair process, based on transparent criteria and the inclusion of stakeholders, enhances legitimacy and commitment. The financial architecture – clear rules on dividends, liquidity, and tax-inheritance planning – protects against forced sales. Family culture and values support identity and facilitate difficult decisions.

Succession is also viewed as a process of organisational change requiring the integration of change management models (Kotter, ADKAR). Key elements include creating a sense of urgency, building a coalition of supporters, articulating a clear vision, achieving short-term wins, and institutionalising new practices. Effective communication and knowledge codification create organisational memory and facilitate the transition.

Strategic succession planning proceeds through successive stages: diagnosis of the starting point, design of the succession model, development of the successor, phased transition, and post-transfer consolidation. Success is measured by the retention of key talent, stability of financial results, client and employee satisfaction, and adherence to the timeline. The main risks – an unprepared successor, unclear roles, conflicts, and liquidity shocks – can be mitigated through advance planning, an independent board, and financial buffers.

When succession is strategically conceived, based on clear roles, a fair process, and disciplined execution, it becomes a catalyst for organisational renewal and the long-term sustainability of the family business.

The third paragraph „European and International Practices Supporting Business Succession" presents European and international practices for supporting business succession (including the STOB regions project, in which the author is a direct participant), examined as a set of policies, financial instruments, and institutional mechanisms aimed at facilitating the transfer and succession of enterprises.

At the level of the European Union, succession is systematically addressed through strategic documents and initiatives. As early as COM(2006)117, emphasis was placed on the fact that successful transfers constitute a more effective source of growth and employment than the creation of new firms. The European Commission recommends measures for early planning, reduction of transaction costs, facilitation of access to finance, and the establishment of advisory networks. More recent initiatives include national succession plans, standardised procedures, and platforms for "matching" sellers and buyers. EU financial instruments – COSME, InvestEU, and the guarantees of the European Investment Fund – provide credit and quasi-equity resources for SMEs. In addition, good corporate governance and family

control mechanisms are institutionalised through international guidelines such as those of the IFC.

National practices in the Member States combine tax incentives, simplified procedures, and specialised funds. Germany, France, and the Netherlands offer reduced or zero inheritance tax rates on the condition that business activity and employment are maintained. Austria and Finland facilitate registration and transfer procedures, while France and Spain develop guarantee funds and credit lines for successors and management. In several countries, online brokerage platforms and competence centres operate, together with educational programmes for successor preparation.

Concrete actions developed within the STOB regions project are also presented: Germany establishes competence centres and succession clubs; Denmark introduces mentoring programmes and consultation vouchers; Poland builds a "Successors' Network"; Finland and Romania create service and advisory platforms; Slovenia and Spain develop regional training programmes and financial products. Bulgaria adapts these proposals through improvements in the National SME Strategy 2021-2027.

Structured programmes outside the EU are likewise described. In the United States, the Small Business Administration supports acquisitions through the 7(a) Loan programme and advisory centres. In Canada, ESOP schemes are employed for phased succession alongside tax reliefs. In Japan, a special inheritance tax system (BSTS) operates, complemented by a network of "succession centres" providing expert support.

A comparative table is presented, systematising instruments by country – tax incentives, financial mechanisms, advisory support, and brokerage platforms. The analysis demonstrates that the most successful models are those combining predictable tax rules, access to finance, and institutionalised networks for advice and exchange. Examples of effective instruments include:

- Management Buy-Out (MBO) with public guarantees in France, which facilitates managerial buyouts and preserves organisational culture;
- Employee Stock Ownership Plans (ESOP) in the United States and Canada, which enable phased succession through employees and provide tax advantages;
- Public-Private Succession Funds in Finland and the Netherlands, which combine public and private capital and introduce external expertise;
- Japanese succession incubators, which offer structured training and mentoring for successors and external entrepreneurs.

Sustainable business succession requires an integrated approach that combines financial incentives, legal and fiscal predictability, advisory and educational infrastructure, as well as institutional support. This combination ensures a higher probability of successful transfer, the preservation of jobs, and the long-term competitiveness of small and medium-sized enterprises.

The fourth paragraph „Solutions and Approaches to Supporting Business Succession and Transfer in Bulgaria" presents the current state,

challenges, and possible solutions for supporting business succession and transfer in Bulgaria, examined within the context of European policies and international best practices.

Despite the strategic recognition of family enterprises in the National SME Strategy 2021-2027 (including the author's personal contribution and work within the STOB regions project), Bulgaria lacks a legal definition and a targeted infrastructure for business succession. This results in fragmented support, limited access to advisory services, and asymmetric information between owners and potential successors. In comparison with European policies, which emphasise early planning, standardised processes, and the combination of legal, fiscal, and financial instruments, the Bulgarian environment remains incomplete and weakly institutionalised.

The main deficits include: the absence of a central coordinating body or specialised transfer centre; unsystematised data on family enterprises; limited financial instruments for intra-family buyouts and management buyouts (MBO/MBI); underdeveloped advisory infrastructure outside major cities; lack of standards for consultants; and high transaction costs. Consequently, business transfers are often carried out spontaneously and in an unstructured manner, increasing the risk of enterprise and job loss.

As a solution, the introduction of a "family enterprises" subgroup into national statistics and policies is proposed, based on the European Commission's definition and including criteria for ownership, control, and succession intent. This would enable more precise targeting of measures, systematic monitoring of outcomes, and improved coordination between institutions and financial organisations.

Within the STOB regions project, the Bulgarian partner – the Regional Development Agency with Business Support Centre for SMEs in Plovdiv – has developed integrated proposals for structural support. They include:

- he creation of a network for successor-managers and entrepreneurs;
- the establishment of a regional business transfer platform serving as a hub for information, training, and brokerage;
- the introduction of financial instruments and voucher schemes to prepare enterprises for succession;
- mentoring through certified mentors and "shadow management" models.

It is further proposed to establish a national coordination network that would integrate the regional platforms into a single "one-stop" hub for information, financing, and advisory services. This would reduce transaction costs and ensure better coordination among institutions.

Another key element is the introduction of standards and certification for consultants and mentors, accompanied by a public register and mechanisms for quality monitoring. In this way, professionalism and trust in the services provided would be guaranteed.

Finally, emphasis is placed on the development of public–private partnerships with industry organisations and regional development agencies, which would mobilise expert capacity and enhance the effectiveness of policies.

The need is thus outlined for a systemic and integrated approach to business succession in Bulgaria, encompassing the institutionalisation of family enterprises as a specific category, the establishment of national and regional support infrastructure, the introduction of financial and advisory instruments, and the development of partnerships. Only through such structural improvements can the sustainability of family firms, the preservation of jobs, and the strengthening of the regional economy be ensured.

Conclusions from Chapter Two. Chapter Two outlines the strategic, political, and institutional dimensions of the process of business succession and transfer in family enterprises, analysing the interrelations between corporate planning, European and international practices, and solutions applicable to Bulgaria. By integrating theoretical models, best practices from other countries, and pilot actions developed within the STOB regions project, the chapter systematises the problems, barriers, and opportunities for enhancing institutional, financial, and advisory support for SMEs in succession stages, and draws the following key conclusions: Succession must be managed as a strategic project, integrated with corporate direction, governance, and financial architecture; early planning, merit-based selection, and disciplined execution reduce the risk of destabilisation.

European and international practices demonstrate that the combination of predictable fiscal frameworks, targeted financing (guarantees, mezzanine, funds), and institutionalised advisory and educational networks lowers the incidence of unsuccessful transfers and increases post-transition productivity.

In Bulgaria, the key lies in building a coordinated ecosystem: defining and statistically identifying family enterprises, establishing regional transfer platforms, introducing vouchers for consultancy and mentoring, setting standards for consultants, and developing public-private financial instruments for MBOs and intra-family transactions.

The integrated measures under STOB regions provide a practical, phased pathway towards greater succession readiness and enhanced competitiveness of Bulgarian SMEs.

CHAPTER THREE: SPECIFICS OF FINANCING AND VALUATION OF FAMILY BUSINESS IN ITS TRANSFER contains six paragraphs and conclusions. Chapter Three is devoted to the valuation and maintenance of company value during the transfer process, examining valuation methods, the factors that influence value, as well as strategies for its sustainable development. In logical continuation, the text analyses financing opportunities and applicable financial instruments in transfer and succession, discussing sources of capital, mechanisms for structuring transactions, and related tax aspects. In this way, a comprehensive framework is built that combines business value assessment with the provision of necessary financial resources and legal predictability for successful succession.

The first paragraph „Sources of Financing for the Transfer and Succession of Family Business“ presents an analysis of the sources of financing for the transfer and succession of family business, examining their role in building a sustainable capital structure and ensuring a smooth transition between generations.

The planning of the transfer is rarely based on a single source of capital. Instead, a so-called "capital stack" is built – a multilayered combination of own funds, bank financing, mezzanine and equity capital, as well as public instruments in the form of guarantees, subsidised loans, and grants. An additional element is seller financing through deferred payments or loans. The purpose of this architecture is to minimise the cost of capital, preserve managerial control, and ensure liquidity both for the founder's exit and for future investments. The main sources considered are:

- Own financing – inheritance, personal savings, reinvested profits, and intra-company loans. It is the most flexible and lowest-cost option, but concentrates risk within the family.
- Bank financing – acquisition loans, investment loans, leasing, and revolving credit lines. These are key for ensuring liquidity but require collateral and stable cash flows. They are supported by guarantee schemes at national and European level.
- Mezzanine financing and equity capital – intermediate instruments that provide flexibility and liquidity at a higher cost of capital. Equity investors often contribute managerial expertise as well.
- ESOP (Employee Stock Ownership Plan) – a mechanism for phased transfer of ownership to employees, combining financial and managerial dimensions, particularly valuable when no prepared successor is available.
- Public programmes and instruments – grants, guarantees, and subsidised credit lines that reduce risk and facilitate access to capital, while simultaneously supporting modernisation, digitalisation, and energy efficiency of enterprises.

The successful structuring of transactions requires a balance between liquidity, control, and sustainability. Excessive reliance on bank debt may lead to over-indebtedness, while excessive dilution of ownership through external investors may weaken family control. Therefore, the optimal combination of instruments must be carefully planned, taking into account the legal form, financial condition, tax environment, and strategic objectives of the enterprise.

Financing the transfer of a family business is a complex process in which different sources of capital are combined to ensure a smooth transition, the preservation of jobs, and the long-term sustainability of family enterprises.

The second paragraph „Financial Instruments and Mechanisms for Structuring Family Business Transfer Deals" presents the financial instruments and mechanisms for structuring family business transfer deals, with emphasis on their role in ensuring enterprise sustainability, preserving family control, and minimising risks.

Structured financing is not merely a technical process but a strategic instrument that determines the allocation of risks, the timing and manner of payments, tax implications, and the management of the enterprise after the transfer. In family firms, it is particularly important to balance fair value for the retiring

generation with liquidity for the successors, while at the same time preserving reputation and organisational culture.

A key choice in structuring the deal is between the sale of shares/equity (share deal) and the sale of assets (asset deal). A share deal ensures continuity and the preservation of contractual relations but carries a higher risk of "hidden" liabilities. An asset deal allows selective acquisition of assets and avoidance of past risks, but is more complex in documentation and requires new contracts and licences.

Another important aspect is flexible payment schemes, which reduce the initial need for capital and distribute risk over time. Among them stand out:

- Deferred payments – allow financing through future cash flows.
- Earn-out mechanisms – part of the price depends on results achieved after the transfer, creating a balance between the interests of seller and buyer.
- Seller financing – the former owner provides a loan, repaid from future profits.

Contractual mechanisms are also used to protect the parties: buy-sell agreements, escrow accounts for withholding part of the price until conditions are met, as well as warranties and representations by the seller regarding the state of the business. These instruments increase transparency and reduce the risk of disputes.

The third paragraph „Tax Aspects and Optimization of Financial Decisions" presents the tax aspects and opportunities for optimization in the transfer and succession of family business, examining their key importance for the sustainability of enterprises and the smooth intergenerational transition

The tax framework is one of the most decisive factors for choosing the form of transfer (donation, inheritance, sale of shares or assets), for the timing of the transaction, and for the required liquidity. Improper tax planning may lead to significant financial burdens and jeopardise the continuation of operations. The main tax regimes considered are:

- Inheritance and gift taxes – in different jurisdictions there are exemptions or high rates (up to 30-40%). Optimization strategies include gradual gifting, combining gifts and sales at preferential prices, as well as the use of trusts or foundations.
- Capital gains tax – arises upon the sale of shares or assets. Optimization involves exemptions for long-term held assets, offsetting gains with losses, and careful timing of the transaction. In intra-family transfers, rules for taxation at market value are often applied, which requires particular attention.
- Valuation discounts – Minority discount and Discount for Lack of Marketability (DLOM) reduce the taxable value of transferred shares, reflecting lack of control and liquidity. They can lead to significantly lower tax burdens if supported by an independent valuation and recognised by the authorities.

International aspects of tax planning are also considered. In conditions of global mobility of capital and owners, the risk of double taxation is high – simultaneously in the country of residence and in the country where the business is located. To mitigate this risk, international treaties and EU directives are applied. Additional attention is given to the different treatment of trusts and foundations in

various jurisdictions, as well as to the so-called exit tax regimes, which tax unrealised capital gains upon a change of tax residence.

Overall, tax planning should begin years before the actual transfer, in order to make maximum use of exemptions, avoid liquidity crises, and ensure the sustainability of the enterprise. In this sense, the tax framework is an integral part of the strategic management of succession and determines both the financial efficiency of the transaction and the long-term viability of the family business.

The fourth paragraph „Methods and Approaches to Valuing Family Business“ explores the methods and approaches to valuing the family business, examining their significance in the process of transfer and succession.

Valuation is not merely a technical act of determining a price, but a strategic instrument that supports decision-making regarding financing, tax planning, and the preservation of competitiveness. For family enterprises it has particular importance, as it is linked to intergenerational goals and the sustainability of ownership.

Valuation is carried out within a specific Bulgarian legal and tax context, which combines internationally established approaches with local regulatory particularities. The three classical approaches are applied – asset-based, income-based, and market-based – with the choice depending on the structure of the enterprise, its maturity, and the presence of intangible capital.

- Asset-based approach – suitable for asset-intensive enterprises or in cases of reorganisation. Methods include adjusted net asset value, liquidation value, and the excess earnings method.
- Income-based approach – evaluates future cash flows through discounted cash flow (DCF) or earnings capitalization. It is particularly applicable to growing firms or when a “key person” is present.
- Market-based approach – uses comparable companies or transactions, market multiples, and control premiums, while also considering regional or European benchmarks.

An important emphasis is placed on standards of value – fair market value, investment value, and fair value under International Financial Reporting Standards. In the valuation process, adjustments such as control premiums, discounts for lack of control, and discounts for lack of marketability are applied, which are particularly relevant for family businesses with limited share liquidity.

Attention is also directed to intangible assets – brand, client relationships, and organisational capital – as well as to the risk associated with a “key person.” The necessity of normalising financial results is highlighted (adjustments of remuneration, rents, services to related parties, elimination of one-off effects), in order to obtain a realistic basis for valuation.

The fifth paragraph „actors Influencing the Value of the Family Business during Transfer“ delineates the determinants shaping the enterprise’s value in the course of succession. It examines a complex interplay of financial, operational, managerial, legal, fiscal, ESG-related, and family-specific factors, which collectively underpin not only the market valuation but also the long-term sustainability of the firm.

Foremost attention is devoted to the financial profile of the enterprise – profitability, resilience of cash flows, efficiency in working capital management, capital structure, and liquidity levels. These indicators determine market multiples and the weighted average cost of capital.

The subsequent cluster comprises operational factors – productivity, quality, economies of scale, client and supplier concentration, barriers to entry for competitors, and the degree of product or service differentiation. Long-term contracts and "lock-in" relationships with partners provide revenue stability.

Managerial capacity constitutes another decisive element. Team depth, codification of processes, and succession planning mitigate the risk of dependence on a "key individual." The presence of clear rules regarding responsibilities and profit-sharing among heirs is critical for a seamless transition.

Corporate governance and transparency – family charter, independent directors, internal control mechanisms, and reporting aligned with international standards—further enhance value by reducing the discount for illiquidity.

The legal framework sets the parameters of the transaction: restrictions under commercial law, rights of first refusal, labour liabilities, and licensing requirements all exert influence on valuation. Tax treatment (VAT, corporate and personal taxation) determines net proceeds and the efficiency of the chosen structure.

Sustainability-related (ESG) factors are gaining increasing prominence – ISO certifications, safety standards, and commitments to social responsibility reduce risk and expand access to markets and financing.

Macroeconomic conditions – interest rates, credit availability, and regional risk – also affect the cost of capital and market multiples.

Finally, family dynamics remain a critical determinant: clearly defined rules for roles and dividends, equitable selection of a successor, and mechanisms for conflict resolution reduce the risk of post-succession decline.

The sixth paragraph „Strategies for Preserving and Enhancing Firm Value before, during, and after Transfer" outlines the strategic measures designed to safeguard and augment the value of the family enterprise across the entire succession process. It delineates a systematic approach aimed at ensuring resilience and long-term development.

Prior to transfer, emphasis is placed on strengthening financial stability and managerial maturity. Optimisation of the capital structure, refinancing of costly liabilities, and the establishment of liquidity buffers enhance resilience. Working capital management – through accelerated collection of receivables and inventory optimisation – generates additional free cash flow. Professionalisation via boards and independent directors, the introduction of a family charter, and policies governing related-party transactions reduce risk discounts. Further value is created through diversification of the client base, long-term contractual arrangements, and international certifications (ISO, IFS, BRC). Codification of knowledge and the introduction of "shadow management" mitigate dependence on key individuals. Tax–legal structuring (share deal, asset deal, Article 15 of the Commercial Act) ensures predictability and efficiency.

During transfer, the focus shifts to risk minimisation and protection of the value already created. Mechanisms such as earn-out provisions, vendor loans, and escrow accounts reduce information asymmetry and distribute risk. Revenue stabilisation is pursued through coordinated actions with key clients and suppliers, contractual annexes, and planned notifications. Compliance with labour and regulatory requirements (Article 123 of the Labour Code, licences, permits) prevents sanctions. Communication is equally critical – plans for informing employees, clients, and creditors limit rumours and prevent "value leakage."

After transfer, the primary objective is consolidation and growth. Key performance indicators and objectives-and-key-results systems are introduced, alongside post-event or post-project analyses to enable corrective measures. Investments are directed towards automation, digitalisation, and R&D, with disciplined evaluation of returns. ESG practices and certifications improve access to financing and mitigate risks. Capital and dividend policies are balanced between reinvestment for growth and shareholder satisfaction.

Taken together, these measures constitute a roadmap for the creation, protection, and development of business value, demonstrating that successful succession requires not only the preservation of existing value but also the establishment of conditions for its long-term enhancement.

Conclusions of Chapter Three. The financing and valuation of the family business during its transfer constitute a multifaceted process that necessitates an integrated approach, combining economic, legal, and managerial dimensions. The financial architecture of succession extends beyond the mere determination of enterprise value; it encompasses the choice of transaction structure, tax planning, liquidity provision, and risk management.

A sustainable transaction must simultaneously preserve economic value, safeguard family interests, and ensure operational continuity.

The conclusions highlight several critical aspects:

- Financial decisions in succession are inherently strategic – they encompass the assessment of fair value, the choice of capital structure, and tax optimisation. Neglect of any element may result in loss of control or even liquidation.
- A balanced capital stack is required, combining own funds, bank financing, mezzanine instruments, equity capital, and public programmes.
- Self-financing is the most flexible and accessible option, yet it concentrates risk within the family.
- Bank financing constitutes a central pillar, providing liquidity for acquisition and modernisation, but it demands substantial collateral, which renders public guarantees particularly important for SMEs.
- Mezzanine financing and equity capital broaden the scope for transaction structuring, offering a balance between liquidity and control, albeit at a higher cost.

- An employee ownership plan emerges as a valuable instrument for ensuring a smooth transition and retaining key personnel, especially in the absence of a direct successor.
- Public and European programmes, through grants, subsidies, and guarantees, reduce risk and support modernisation and sustainable development.

The findings demonstrate that the successful transfer of a family business is attainable only through the systematic integration of financial rationality with a long-term developmental vision. This necessitates integrated planning that ensures continuity, stability, and competitiveness in the post-transfer period.

CHAPTER FOUR. EMPIRICAL STUDY AND POLICY RECOMMENDATIONS FOR BULGARIA comprises three paragraphs and a set of conclusions. The chapter contains an empirical study conducted on a sample of Bulgarian family enterprises, based on secondary accounting data, which enables the construction of an Index of Readiness for Transfer (IRM). It further provides specific recommendations aimed at improving national policies, financial support instruments, and advisory services in the country.

The first paragraph „Methodology of the Empirical Study“ presents the methodological framework of an empirical investigation into the financial resilience of family enterprises in Bulgaria, with particular emphasis on the concept of Inheritance Risk Management – a strategic approach to managing risks associated with intergenerational transfer of ownership, control, and leadership.

IRM encompasses financial, legal, emotional, and managerial dimensions; however, within the scope of the present study it is operationalised through financial proxy indicators derived from annual financial statements. The research is quantitative, retrospective, and observational, conducted on a sample of twelve non-financial family enterprises that have operated for at least ten years during the period 2010-2019. Data were collected from the Commercial Register and other public sources, with the unit of observation defined as “firm-year.”

The principal focus lies on the liquidity buffers of the enterprises, measured through four key ratios: current, quick, immediate, and absolute liquidity. These are treated as indicators of the firms’ capacity to meet short-term obligations and to secure financial stability during ownership transfer.

The methodological approach combines descriptive statistics, fixed-effects regression modelling with control variables (size, profitability, leverage), and diagnostic tests for multicollinearity, heteroscedasticity, and autocorrelation. For deeper insight, a cluster analysis (k-means) was applied, grouping enterprises into three categories according to their level of readiness for transfer – low, medium, and high.

The text also acknowledges the limitations of the study: the indirect nature of IRM indicators, the absence of direct data on family ownership, potential sectoral effects, and the small number of observed firms, which reduces statistical power. Nevertheless, the approach adheres to the principles of scientific ethics and transparency, relying exclusively on publicly available data and ensuring confidentiality of the enterprises.

The methodology demonstrates how liquidity indicators can be employed to assess the readiness of family enterprises for intergenerational transfer. It offers an analytical framework that links liquidity resilience with organisational behaviour and succession preparedness, while simultaneously delineating the boundaries of applicability and the need for future research with broader samples and additional indicators.

The second paragraph „Empirical Study and Analysis of Results“ presents an empirical investigation and analysis of liquidity in Bulgarian family enterprises over the period 2010-2019, conducted on a panel of twelve firms. The study is directed towards assessing their financial readiness for intergenerational transfer through four key indicators: current, quick, immediate, and absolute liquidity.

The text begins with an examination of the current liquidity ratio, which measures the ability of firms to cover their short-term liabilities with available assets.

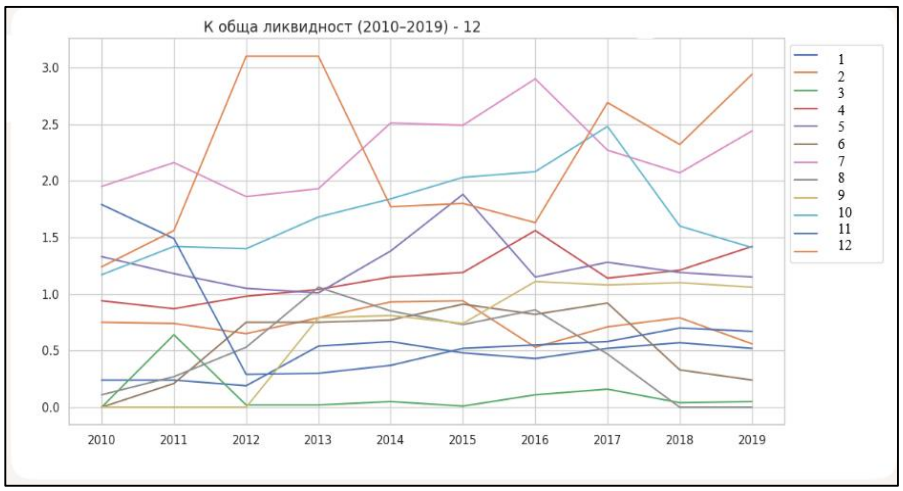


Figure No. 1. Current Liquidity Ratio (2010-2019, n=12)

Source: Own calculations based on panel data for 12 firms (2010-2019).

The data reveal pronounced differences among the enterprises – some maintain consistently high values (above 1), which suggests stability and readiness for intergenerational transfer, while others operate with chronically low levels, thereby constraining the possibilities for a secure transfer of ownership.

Subsequently, the analysis turns to the quick liquidity ratio, which excludes inventories and provides a more conservative assessment of solvency

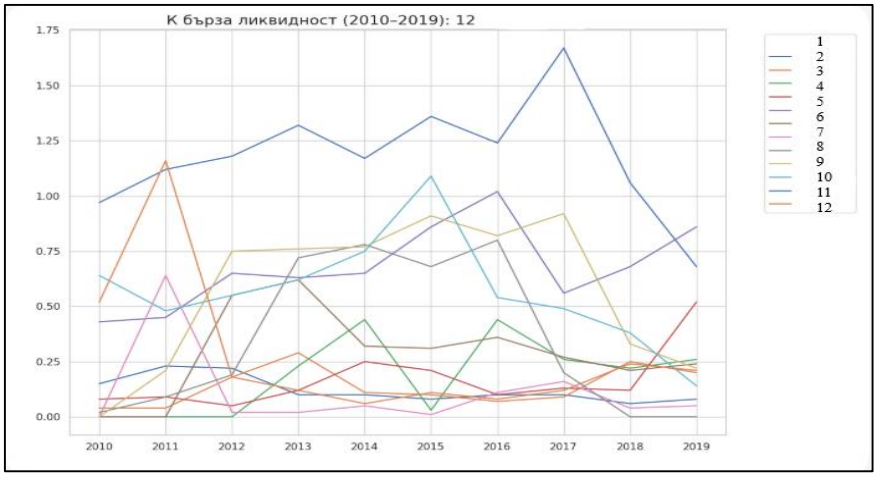


Figure No. 2. Quick Liquidity Ratio (2010-2019, n=12)
Source: Own calculations based on panel data for 12 firms (2010-2019).

The results reveal considerable heterogeneity – some firms exhibit stable values above 1, while others remain persistently below this threshold. This is interpreted as reflecting divergent strategies in working capital management and varying degrees of readiness to finance transfer mechanisms.

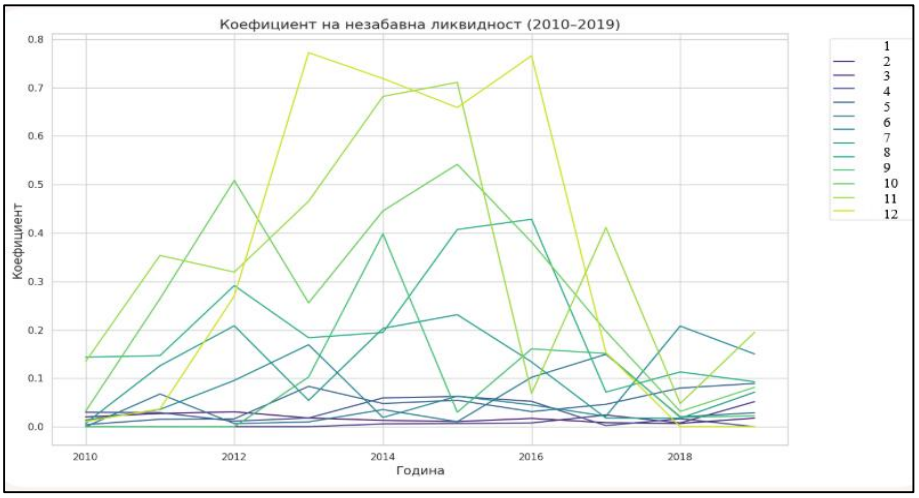


Figure No. 3. Immediate Liquidity Ratio (2010-2019, n=12)
Source: Own calculations based on panel data for 12 firms (2010-2019).

Most enterprises maintain values below 0.1, indicating the absence of significant cash reserves. However, some firms in certain years accumulate higher levels, presumably in preparation for investments or transfer-related events. This indicator is particularly important in transactions requiring advance payments or contingent transfers.

Absolute liquidity likewise displays low values across most enterprises, reflecting a limited cash base and dependence on the operating cycle to meet obligations. Temporary spikes observed in individual firms are associated with one-off events such as asset disposals or external financing.

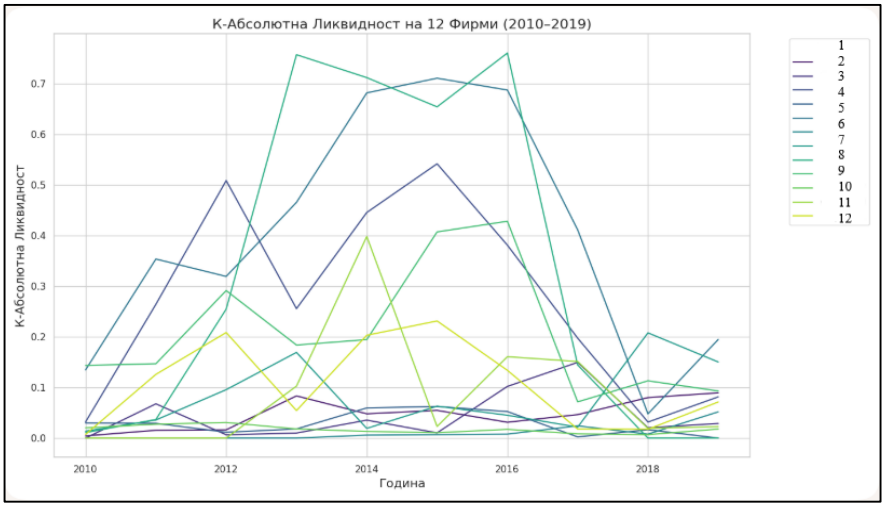


Figure No. 4. Absolute Liquidity Ratio (2010-2019, n=12)
Source: Own calculations based on panel data for 12 firms (2010-2019).

In the concluding section, descriptive statistics and regression analysis are presented, confirming a positive correlation between the Index of Readiness for Transfer (IRM) and liquidity. The results indicate that higher readiness for transfer is associated with significantly stronger liquidity positions. The control variables (firm size, profitability, leverage) also exert the expected influence – greater leverage reduces liquidity, while higher return on assets enhances it.

The overall interpretation is that liquidity constitutes a critical factor for the resilience and successful succession of family enterprises. Firms with stronger liquidity buffers are better positioned to finance transfer processes without jeopardising their operational stability, whereas those with weaker values are exposed to risk and require alternative mechanisms such as deferred payments, credit lines, or contractual instruments.

The third paragraph „ecommendations for Enhancing Financial Support and Policies on Transfer and Succession of Family Business in Bulgaria“ sets out proposals for improving financial support and succession policies in the Bulgarian family business sector. These recommendations are grounded in the experience of the international project STOB Regions (INTERREG Europe) and in the institutional recognition already achieved for family firms within the National SME Strategy 2021-2027.

The text emphasises that, despite this progress, several deficits remain – namely, the absence of a clear definition and systematic research, a limited range of financial instruments, and the lack of intermediary organisations.

Accordingly, specific measures are proposed in several directions:

- Financial support – the creation of specialised products such as credit guarantee schemes, succession loans with grace periods, mezzanine financing, and patient capital. It is further proposed to establish a public–private succession fund, preferential credit lines for heirs, key person insurance policies, and share buyout agreements.
- Tax and regulatory framework – the introduction of a definition of family enterprise into tax legislation, mechanisms for deferral or instalment of tax

liabilities, reliefs for intra-family transfers, assurance of tax neutrality in restructuring processes, and optimisation of notarial and registry fees.

- Advisory and training environment – the establishment of a National Competence Centre for Succession, certification of consultants, voucher schemes for small enterprises, joint training programmes with banks, and structured mentoring initiatives.
- Digitalisation – the development of online tools for financial forecasting, scenario simulators, and a national portal for financial solutions, accompanied by information campaigns promoting early succession planning.
- Institutional infrastructure – the encouragement of intermediary organisations, public-private partnerships, and regional pilot programmes, together with standards of good practice for the evaluation and structuring of transactions.

In conclusion, guidelines for future research are formulated – namely, a nationally representative survey of family business, an analysis of post-transfer resilience, access to finance, the role of intermediary organisations, regional disparities, gender and cultural dimensions, as well as international comparisons.

A plan for implementation is also proposed, involving pilot programmes, test financial products, an update of the strategic framework, and the establishment of a monitoring committee. Progress is to be measured through indicators such as: the share of enterprises with a succession plan, the number of supported transfers, growth in financing, the number of certified consultants, and the introduction of the definition of family enterprise into regulatory acts.

The overarching message of the text is that the sustainability of family business in Bulgaria requires an integrated approach that combines financial, legal, advisory, digital, and institutional instruments in order to ensure successful succession and long-term development.

Conclusions from Chapter Four. The text presents the conclusions of Chapter Four of the dissertation, devoted to the relationship between the concept of Inheritance Risk Management and the liquidity of family enterprises in Bulgaria.

It is emphasised that IRM constitutes a strategic framework encompassing financial, legal, emotional, and managerial dimensions of intergenerational transfer. Within the study, it has been operationalised through financial proxy indicators derived from accounting statements, with particular emphasis placed on various liquidity ratios.

The fixed-effects regression analysis confirms the existence of a statistically significant relationship between the IRM index and liquidity, while controlling for firm size, profitability, and leverage. This demonstrates that greater readiness for managing inheritance-related risks is associated with stronger liquidity positions.

The analysis of individual indicators reveals pronounced inter-firm heterogeneity:

- With respect to current liquidity, some enterprises demonstrate stable values above 1, which is consistent with readiness for transfer, while others remain persistently below this threshold.

- Quick liquidity reveals post-crisis weakness at the beginning of the period and partial improvement after 2013; however, the low values restrict the possibility of advance payments and necessitate reliance on credit lines.
- Immediate liquidity is systematically low (below 0.1) for most firms, indicating the absence of cash reserves; exceptions point to deliberate accumulation of funds in certain years.
- Absolute liquidity is likewise low, though in individual firms higher values are observed, enabling the direct financing of transfer transactions.

The cluster analysis based on the IRM index divides enterprises into three groups – those with low, medium, and high readiness for intergenerational transfer. For each cluster, specific measures and strategies related to business transfer and succession may be proposed. Validation through the silhouette coefficient and the Calinski-Harabasz index confirms the robustness of the classification.

In conclusion, the study demonstrates that sustainable liquidity is a key indicator of organisational readiness for inheritance transfer. Despite certain limitations – namely, the small sample size and the absence of direct ownership data – the results provide a reliable foundation for the formulation of policies and recommendations aimed at strengthening financial resilience and managerial continuity in family enterprises.

IV. CONCLUSION

The conclusion synthesises the work undertaken and the results achieved in the dissertation, which focuses on the transfer and succession of family business as a complex process of financial engineering, contractual structuring, and tax planning. The objective was to construct a comprehensive framework designed to minimise value loss and operational risks during changes of ownership and control, while simultaneously preserving the identity and sustainability of the enterprise.

In the course of the research, relevant theories and practices from corporate finance, contract law, and tax policy were systematised, and a consistent approach was proposed that integrates these elements into a coherent design for transaction structuring and post-transfer management.

The results indicate that successful succession is not a single act of transfer, but rather a process of mutually interlinked decisions, in which choices regarding financing, legal form, and tax treatment are coordinated over time and supported by managerial practices that address liquidity, control, and the motivation of key stakeholders.

The scope of the study encompassed the systematisation of financing sources, the analysis of transaction structures, and the assessment of tax effects, all situated within the specific characteristics of family enterprises: concentrated ownership and knowledge, long-term orientation, limited access to equity capital, and strong dependence on key individuals. This perspective necessitated evaluation criteria distinct from those typically applied to public companies, with emphasis placed on the preservation of control, the sustainability of cash flows, and the possibilities for smooth managerial succession.

From a methodological standpoint, the research combined theoretical synthesis, scenario and sensitivity models for value and risk assessment, and applied guidelines validated through practices typical of SMEs and family structures. The resulting framework enables systematic decision-making under conditions of incomplete information, a limited market for equity instruments, and the need to balance liquidity with long-term sustainability.

With regard to financing, the study demonstrated that ***the most sustainable transfers are those constructed through a multi-layered capital mix, combining equity participation, senior bank debt, subordinated instruments (mezzanine), vendor financing, and, where necessary, limited minority equity involvement.***

This layered approach minimises the weighted average cost of capital, provided that risk is reasonably recalibrated between the parties and that the controlling interest is preserved by the heirs or management. It was established that the capacity for bank financing is a function of the predictability of cash flows, the quality of collateral, sectoral cyclicality, and the level of returns after integration costs.

Mezzanine and vendor financing play a critical role as a bridge between buyer and seller valuations, particularly when the objective is to avoid excessive covenants and rigid repayment schedules during the early integration period. In this context, key metrics for the resilience of the capital structure were calibrated, such as the

DSCR (Debt Service Coverage Ratio—an indicator measuring a firm's ability to generate sufficient operating cash flow), net leverage, and interest coverage, with a recommendation for conservative thresholds during the first 12–18 months following the transfer.

The analyses emphasised that post-transfer liquidity constitutes a critical factor for success. Even an optimally structured transaction may exert pressure on working capital if repayment profiles are not aligned with the seasonality and investment cycle of the business. The empirically grounded recommendation is to provide for a revolving credit facility, clearly defined covenant buffers, a mechanism for temporary covenant re-basing, and an accelerated cash-cycle management programme (inventory, receivables, payables) within a "first 100 days" plan.

Strict discipline in the preparation and updating of cash flow budgets, together with stress-testing of key variables (margins, capex intensity, working capital cycle), reduces the likelihood of liquidity crises and supports compliance with contractual obligations to creditors. In this way, liquidity becomes a central design parameter rather than a subsequent operational concern.

In the structural-legal dimension, the study established that the choice between a share deal and an asset deal determines not only the tax outcome but also operational continuity, the inheritance of contracts and liabilities, and the time required for completion. Transactions that combine managerial continuity through management participation or MBO, clearly defined price-alignment mechanisms (earn-out based on auditable and unambiguously defined KPIs), and safeguards against information asymmetry (warranties and representations, escrow accounts, R&W insurance for larger volumes) demonstrate the greatest resilience under conditions of uncertainty. Particular attention was devoted to price adjustments for net debt and target working capital at the transfer date, as these reduce conflicts and ensure fairness in the handover of the business. The creation of family agreements (buy–sell, family constitution) and option schemes for key employees further stabilises the post-transfer period and preserves organisational memory.

In the field of business valuation, approaches relevant to family enterprises and SMEs were applied and compared: discounted cash flow (DCF) with conservative modelling of terminal value, market multiples from comparable companies and transactions, as well as buyer value analysis under different scenarios of synergies and investment needs. The necessity of a clear distinction between controlling and non-controlling values was emphasised, together with the application of discounts for illiquidity and minority interest in intra-family or limited-market transactions. Sensitivity analyses of WACC, growth, and margins revealed significant dispersion in possible values, which underscores the need for adaptive mechanisms (earn-out, clawback, price corridors) to distribute risk between the parties without obstructing the transaction.

Tax aspects emerged as a key determinant of the net outcome of the transfer. The study synthesised optimisation approaches including the choice of legal form of the transaction, the use of holding structures for dividend accumulation and reinvestment, temporal deferral of payments for the purposes of tax income

definition, and the application of exemptions and valuation discount methodologies where permitted by legislation. The importance of international treaties for the avoidance of double taxation in cross-border structures was highlighted, together with documentary discipline that ensures tax predictability and protection under subsequent audit. The practical conclusion is that tax planning should not be regarded as an adjunct, but as an equal axis of design, to be integrated with financial and contractual decisions from the very outset of the process.

From the perspective of management and human capital, the study confirmed that succession is not exhausted by the transfer of rights; it requires a plan for knowledge and culture. In this respect, guidelines were formulated for a plan to transfer roles and responsibilities, the definition of a clear managerial structure with mechanisms for control and accountability, and a programme for retaining key employees through performance-linked incentives. Communication with stakeholders – employees, clients, suppliers, and banks – should be proactive, with clear messages emphasising operational continuity and commitment to quality and service.

Although these measures may appear "soft" at first glance, they exert a direct impact on cash flows, risk, and valuation, as they reduce customer attrition, accelerate receivables collection, and facilitate the negotiation of financing under more favourable conditions. ***A significant outcome of the dissertation is the development of an integrated conceptual framework for the design and implementation of family business transfer.*** This framework builds upon the logic of the capital stack, combining contractual mechanisms for incentive alignment and safeguards against information asymmetry, while integrating tax planning as an inseparable component of the design. It is complemented by a set of applied instruments: criteria for choosing between a share deal and an asset deal, templates for defining KPIs and earn-out clauses, due diligence checklists, guidelines for covenant calibration, and steps for managing working capital in the first months following the transaction.

At the same time, the framework is sufficiently flexible to be applied across different sectoral and scale contexts, which makes it valuable for owners, heirs, managers, financing institutions, and consultants. ***In summary, it may be stated that the dissertation achieves its objective of proposing a scientifically grounded and practically applicable architecture for the transfer and succession of family business.*** It demonstrates how, through layered financing with carefully calibrated covenants and liquidity reserves, contractual structuring that aligns expectations and distributes risk over time, and tax planning that neutralises unnecessary frictions, the likelihood of preserving and multiplying value can be increased. The criteria, instruments, and recommendations presented provide owners, heirs, and financing partners with concrete guidelines for action in different scenarios, thereby making the process less dependent on chance and improvisation. In this sense, ***the contribution of the work is twofold: it advances theory through an integrated model tailored to the specificities of family enterprises, and at the same time offers***

a practical pathway for implementation that is sensitive to the constraints and opportunities of the real environment.

Ultimately, the general thesis established by the study is that succession in family business is both achievable and economically rational when it is planned and executed as a coordinated sequence of financial, legal, and managerial decisions, rather than as a single legal act. Attention to liquidity and the cash cycle, the alignment of incentives through transparent metrics and contractual mechanisms, and the integration of tax considerations into the core design create a structure capable of withstanding the inevitable uncertainty of the environment and transforming the transition into a source of resilience and growth.

This is a substantive message to all participants in the process – from owners and heirs to creditors, investors, and public institutions – and simultaneously a practical call to action: to approach transfer strategically, integratively, and in a timely manner.

Successful succession and transfer of family business is a delicate balance between value and time, between control and liquidity, between family identity and market discipline. This dissertation demonstrates that when the financial architecture – capital sources, contractual structuring, and tax planning – is designed in an integrated manner and managed with attention to cash cycles and human capital, the probability of preserving and multiplying value increases significantly. The practical recommendations and frameworks developed herein provide owners, heirs, and financing partners with effective tools for informed decision-making, while offering policymakers a direction towards an environment in which succession is not a matter of chance but an expected outcome of a well-prepared process.

Business succession in Bulgaria requires a clearly structured ecosystem – comprising financial instruments, advisory support, educational initiatives, and institutional recognition of family business.

V. STATEMENT OF CONTRIBUTIONS

Scientific and Theoretical Contributions of the Dissertation:

- A comprehensive review of specialised scholarly literature on the subject of the dissertation has been undertaken, resulting in the formulation of clearly operationalised authorial definitions of the concepts “family business”, “family firm/family enterprise” and “business transfer/inheritance”. These definitions are tailored for empirical analysis and the design of policies in the field of business continuity and ownership transfer within the Bulgarian context.
- The sources of financing employed in the transfer and inheritance of family businesses have been systematically categorised, together with the financial instruments and mechanisms underpinning successful models of support for family enterprises during processes of transfer and succession.

- The methods and approaches utilised in the valuation of family businesses have been examined in depth, alongside the factors influencing their value during the transfer process.

Practical and Applied Contributions:

- A composite Index of Readiness for Transfer (IRM) has been constructed, representing both managerial and legal preparedness for the transfer of family businesses. The index predicts transaction sustainability and post-transfer resilience, based on a sample of twelve family enterprises in Bulgaria over the period 2010–2019.
- An empirical study employing regression analysis has been conducted, demonstrating a consistent and statistically significant positive correlation between the IRM index and the liquidity of the analysed family firms.
- Specific recommendations and measures have been proposed to enhance financial support and policies for the transfer and inheritance of family businesses, together with indicators for assessing the degree of their implementation in Bulgaria.

The present dissertation is conceptually and substantively linked to the international project "Succession and Transfer of Business in Regions – STOB Regions" (INTERREG Europe, 2020), funded under the INTERREG Europe programme. The author of the dissertation was a principal participant in the project, which exerted a significant influence on the choice of topic, the theoretical framework, and the empirical orientation of the study.

As a result of the doctoral candidate's active involvement in the project activities, within the process of developing the "National Strategy for Small and Medium-Sized Enterprises" (Ministry of Economy and Industry, 2021) for the period 2021-2027, substantial institutional recognition was achieved: the inclusion of "family firms" as a distinct and separate category in the strategic document. This represents an important step towards the formulation of policies attuned to the specific characteristics, challenges, and needs of family enterprises in Bulgaria.

Additionally, as a result of the transnational exchange of good practices and analytical approaches within the framework of the STOB Regions project, specific measures were integrated into the strategic document aimed at:

- Creation of specific instruments to support family business, including in the context of transfer and succession;
- Development of financial and advisory mechanisms aimed at supporting organisations that facilitate succession processes;
- Formation of an institutional framework that recognises transfer and succession as strategic processes linked to the sustainability of entrepreneurship

These results demonstrate the direct link between the doctoral researcher's scientific activity and the actual impact on public policies, while at the same time emphasising the importance of international cooperation for the development of national strategic documents.

VI. LIST OF REFERENCES

1. Гълъбов, М. (2007), *Показатели и модели за анализ на финансовото състочние на фирмата*, Научни трудове, том II, УИ „Стопанство“, София, с.218-219
2. Закон за данъците върху доходите на физическите лица (ЗДДФЛ). (2006). Обн. ДВ, бр. 95 от 2006 г. https://www.lex.bg/laws/ldoc/2135558367 (посетен на 20.08.2025 г.)
3. Закон за корпоративното подоходно облагане (ЗКПО). (2006). Обн. ДВ, бр. 105 от 2006 г. https://www.lex.bg/laws/ldoc/2135538633 (посетен на 20.08.2025 г.)
4. Закон за данък върху добавената стойност (ЗДДС). (2006). Обн. ДВ, бр. 105 от 2006 г. https://www.lex.bg/laws/ldoc/2135558368 (посетен на 20.08.2025 г.)
5. Кодекс на труда. (1986). Обн. ДВ, бр. 26 от 1986 г. https://www.lex.bg/laws/ldoc/1594373121 (посетен на 20.08.2025 г.)
6. Кръстев, Б. (2013), *Финансов анализ*, ВУАРР, ЦДО, В.Търново, с.35-36)
7. Министерство на икономиката и индустрията. (2021). *Национална стратегия за малки и средни предприятия (МСП) в България 2021–2027 г.* https://www.mi.government.bg/strategy-policy/natsionalna-strategiya-za-malki-i-sredni-predpriyatiya-msp-v-balgariya-2021-2027-g/ (посетен на 20.08.2025 г.)
8. Търговски закон. (1991). Обн. ДВ, бр. 48 от 1991 г. https://www.lex.bg/laws/ldoc/14917637 (посетен на 20.08.2025 г.)
9. Попова, Д. Д. (2018). *Ценностно-ориентираното управление на семейния бизнес.* Научно електронно издание. https://journal.vfu.bg/pdfs/D.%20Popova_2018-e-journal.pdf (посетен на 20.08.2025 г.)
10. Ърнст и Янг България. (2022). *Книга на фамилния бизнес в България: Проучване сред собственици на фамилни компании.,* EY Insights. https://www.ey.com/bg_bg/insights/family-enterprise/family-business-books-ey-bulgaria (посетен на 20.08.2025 г.)
11. Ърнст и Янг България. (2024, October 8). *Книга на семейния бизнес в България 2024.* https://www.ey.com/bg_bg/insights/family-enterprise/ey-family-business-book-in-bulgaria-2024 (посетен на 20.08.2025 г.)
12. Atanasova, A., & Koyundzhiyska-Davidkova, B. (2019). Analysis of the state of family business in Bulgaria. *Entrepreneurship*, 7(2), 123–135. http://ep.swu.bg/images/pdfarticles/2019/ANALYSIS_OF_THE_STATE_OF_FAMILY_BUSINESS_IN_BULGARIA.pdf (посетен на 20.08.2025 г.)
13. Astrachan, J. H., Klein, S. B., & Smyrnios, K. X. (2002). The F-PEC scale of family influence: A proposal for solving the family business definition problem. *Family Business Review*, 15(1), 45–58. https://doi.org/10.1111/j.1741-6248.2002.00045.x (accessed on: 20.08.2025)
14. Astrachan, J. H., & Shanker, M. C. (2003). Family businesses' contribution to the U.S. economy: A closer look. *Family Business Review*, 16(3), 211–219. https://doi.org/10.1177/08944865030160030601 (accessed on: 20.08.2025)
15. Azria, S. M. (2021). Business succession planning and transfers. *EBSCO Research Starters*. https://www.ebsco.com/research-starters/business-and-management/business-succession-planning-and-transfers (accessed on: 20.08.2025)
16. Bahmann, D., & Carbon, C.-C. (2025). The impact of innovation on leadership succession in family businesses. *European Journal of Family Business*. https://revistas.uma.es/index.php/ejfb (accessed on: 20.08.2025)
17. Baltagi, B. H. (2021). *Econometric Analysis of Panel Data* (6th ed.). Springer.
18. Baltazar, J. R., Fernandes, C. I., Ramadani, V., & Hughes, M. (2023). Family business succession and innovation: A systematic literature review. *Review of Managerial Science*, 17, 2897–2920. https://link.springer.com/article/10.1007/s11846-022-00607-8 (accessed on: 20.08.2025)
19. Baron, J., & Lachenauer, R. (2016). The 5 models of family business ownership. *Banyan Global*. https://banyan.global/ideas/the-5-models-of-family-business-ownership/ (accessed on: 20.08.2025)
20. Birdthistle, N., & Hales, R. (2023). The family business – Meaning and contribution to global economies. In N. Birdthistle & R. Hales (Eds.), *Family businesses on a mission: Attaining the 2030 SDG of Good Health and Well-Being* (pp. 13–25). Emerald Publishing. https://doi.org/10.1108/978-1-80455-209-420231002 (accessed on: 20.08.2025)
21. BNB. (2025). *Economic Review*, 1/2025. https://www.bnb.bg/bnbweb/groups/public/documents/bnb_publication/pub_ec_r_2025_01_en.pdf (посетен на 20.08.2025 г.)
22. Bulgarian Development Bank. (n.d.). Support for family businesses and SMEs. https://bbr.bg/en/Products-and-services-bbr/products-bbr/support-for-family-businesses-and-smes/ (посетен на 20.08.2025 г.)
23. Bundesministerium der Finanzen. (2016). *Erbschaftsteuerreformgesetz*. https://www.bundesfinanzministerium.de/Content/DE/Gesetzestexte/Gesetze_Gesetzesvorhaben/Abteilungen/Abteilung_IV/Erbschaftsteuerreformgesetz/ (accessed on: 20.08.2025)
24. Cabrera-Suárez, K., De Saá-Pérez, P., & García-Almeida, D. (2001). The succession process from a resource- and knowledge-based view of the family firm. *Family Business Review*, 14(1), 37–48.

25. Calinski, T., & Harabasz, J. (1974). A dendrite method for cluster analysis. *Communications in Statistics*, 3(1), 1–27.
26. Carlock, R. S., & Ward, J. L. (2001). *Strategic planning for the family business: Parallel planning to unify the family and business*. Palgrave Macmillan. https://link.springer.com/book/10.1057/9780230508750 (accessed on: 20.08.2025)
27. Carlock, R. S., & Ward, J. L. (2010). *When family businesses are best: The parallel planning process for family harmony and business success*. Palgrave Macmillan.
28. Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the family business by behavior. *Entrepreneurship Theory and Practice*, 23(4), 19–39. https://doi.org/10.1177/104225879902300402 (accessed on: 20.08.2025)
29. Chrisman, J. J., Chua, J. H., & Sharma, P. (1998). Important attributes of successors in family businesses: An exploratory study. *Family Business Review*, 11(1), 19–34. https://newsletters.isb.edu/FamilyBusiness-Newsletter/File/ImportantAttributesofSuccessorsinFamilyBusinesses.pdf (accessed on: 20.08.2025)
30. Chrisman, J. J., Chua, J. H., & Sharma, P. (2003). Current status of family business research. *Journal of Family Business Strategy*, 1(1), 19–39.
31. Davis, J. A. (2018). Three-circle model of the family business system. https://johndavis.com/three-circle-model-family-business-system/ (accessed on: 20.08.2025)
32. Davis, J. A., & Tagiuri, R. (1982). Bivalent attributes of the family firm. Цитирано в Birdthistle & Hales (2023).
33. De Massis, A., Chua, J. H., & Chrisman, J. J. (2008). Factors preventing intrafamily succession. *Family Business Review*, 21(2), 183–199.
34. Decker, C., Heinrichs, K., Jaskiewicz, P., & Rau, S. B. (2016). What do we know about succession in family businesses? Mapping current knowledge and unexplored territory. In F. Kellermanns & F. Hoy (Eds.), *The Routledge Companion to Family Business* (pp. 15–44). Routledge.
35. Demirova, S., & Ahmedova, S. (2020). Analytical study of family business in Bulgaria. *Innovations*, 8(1), 18–20. https://stumejournals.com/journals/innovations/2020/1/18 (посетен на 20.08.2025 г.)
36. Díaz-Moriana, V., Hogan, T., Clinton, E., & Brophy, M. (2018). Defining family business: A closer look at definitional heterogeneity. In A. De Massis & N. Kammerlander (Eds.), *The Palgrave handbook of heterogeneity among family firms* (pp. 333–374). Palgrave Macmillan. https://doi.org/10.1007/978-3-319-77676-7_13 (accessed on: 20.08.2025)
37. Directive 2001/23/EC of the European Parliament and of the Council. (2001). On the safeguarding of employees' rights in the event of transfers of undertakings. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32001L0023 (accessed on: 20.08.2025)
38. EIF. (2021). EIF guarantee facilities and SME access to finance. *European Investment Fund*. (accessed on: 20.08.2025)
39. EIB. (2022). EIB Group support for SMEs: Annual report. *European Investment Bank*. (accessed on: 20.08.2025)
40. European Bank for Reconstruction and Development (EBRD). (2022). SME finance and development report. (accessed on: 20.08.2025)
41. European Commission. (2006). Implementing the Lisbon Community Programme for Growth and Jobs: Transfer of businesses—Continuity through a new beginning (COM(2006)117). https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52006DC0117 (accessed on: 20.08.2025)
42. European Commission. (2013). Facilitating transfer of business in Europe: A policy guide. (accessed on: 20.08.2025)
43. European Commission. (2020). Entrepreneurship 2020 Action Plan. https://ec.europa.eu/ (accessed on: 20.08.2025)
44. European Commission. (2021). Access to finance for SMEs: EU programmes 2021–2027 (COSME/InvestEU). https://single-market-economy.ec.europa.eu/ (accessed on: 20.08.2025)
45. European Commission. (2023). Family business in Europe: SME fundamentals. https://single-market-economy.ec.europa.eu/smes/sme-fundamentals/family-business_en (accessed on: 20.08.2025)
46. European Commission. (2023). Restrictions on successions – special rules. *European e-Justice Portal*. https://e-justice.europa.eu/topics/family-matters-inheritance/inheritance/restrictions-successions-special-rules_en (accessed on: 20.08.2025)
47. European Commission. (2024). Business transfers. https://single-market-economy.ec.europa.eu/smes/continuity-and-exit/business-transfers_en (accessed on: 20.08.2025)
48. European Commission & European Family Businesses. (2014). Expert Group Report on Family Business. Directorate-General for Enterprise and Industry. https://www.aidaf.it/wp-content/uploads/2014/09/expert-group.pdf (accessed on: 20.08.2025)
49. European Economic and Social Committee. (2015). Family businesses as a source of renewed growth and better jobs. https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/family-businesses-source-renewed-growth-and-better-jobs (accessed on: 20.08.2025)

50. European Investment Fund (EIF). (2021). EIF guarantee facilities and SME access to finance. (accessed on: 20.08.2025)
51. EY. (2022). *Global Family Enterprise Report*. Ernst & Young Global Limited.
52. EY Global. (2023). *EY Family Business Index 2023*. Ernst & Young Global Limited. https://www.ey.com/en_gl/insights/family-enterprise/family-business-index (accessed on: 20.08.2025)
53. EY Global. (2025). *Largest 500 family businesses amount to world's third largest economy*. Ernst & Young Global Limited. https://www.ey.com/en_gl/newsroom/2025/03/largest-500-family-businesses-amount-to-world-s-third-largest-economy (accessed on: 20.08.2025)
54. Faccio, M., & Lang, L. H. P. (2002). The ultimate ownership of Western European corporations. *Journal of Financial Economics*, 65(3), 365–395. https://doi.org/10.1016/S0304-405X(02)00146-0 (accessed on: 20.08.2025)
55. Family Business Institute. (2023). Succession planning statistics. https://www.familybusinessinstitute.com (accessed on: 20.08.2025)
56. FMFIB. (2024). *National Strategy for Small and Medium-Sized Enterprises (SMEs) 2021–2027*. Council of Ministers of the Republic of Bulgaria. https://www.fmfib.bg/en/knowledgehub/document/125/overview (посетен на 20.08.2025 г.)
57. Gersick, K. E., Davis, J. A., Hampton, M. M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Harvard Business School Press.
58. Gimeno, A., Baulenas, G., & Coma-Cros, J. (2010). 3 Family business models. In *Family business models* (pp. 57–71). Palgrave Macmillan. https://link.springer.com/content/pdf/10.1057/9780230282148_4.pdf (accessed on: 20.08.2025)
59. Government of Canada. (2022). Business succession planning. https://ised-isde.canada.ca/site/canadian-company-capabilities/en/business-succession-planning (accessed on: 20.08.2025)
60. Greene, W. H. (2018). *Econometric Analysis* (8th ed.). Pearson Education.
61. Hall, A. (2012). *Family business dynamics: A role and identity-based perspective*. Edward Elgar Publishing. https://www.e-elgar.com/shop/gbp/family-business-dynamics-9781845428303.html (accessed on: 20.08.2025)
62. Handler, W. C. (1994). Succession in family business: A review of the research. *Family Business Review*, 7(2), 133–157. https://doi.org/10.1111/j.1741-6248.1994.00133.x (accessed on: 20.08.2025)
63. Harms, H. (2014). Review of Family Business Definitions: Cluster Approach and Implications of Heterogeneous Application for Family Business Research. *Journal of Entrepreneurship and Public Policy*, 2(3), 280–300. https://www.mdpi.com/2227-7072/2/3/280 (accessed on: 20.08.2025)
64. Hiatt, J. M. (2006). *ADKAR: A model for change in business, government and our community*. Prosci Learning Center Publications.
65. IFC. (2018). *Family Business Governance Handbook* (4th ed.). International Finance Corporation. https://www.ifc.org/content/dam/ifc/doc/mgrt/family-business-governance-handbook.pdf (accessed on: 20.08.2025)
66. IFC. (2020). *Mezzanine finance for SMEs: Instruments and best practices*. International Finance Corporation. (accessed on: 20.08.2025)
67. INTRAMA. (2020, January 29). *Book of Family Business in Bulgaria*. https://www.intrama-bg.com/en/post/book-of-family-business-in-bulgaria (посетен на 20.08.2025 г.)
68. Investopedia. (2025). Multiples approach: Definition and example. https://www.investopedia.com/terms/m/multiplesapproach.asp (accessed on: 20.08.2025)
69. IRS. (1959). Revenue Ruling 59-60: Valuation of closely held stock. Internal Revenue Service. https://www.irs.gov/pub/irs-tege/rr59-60.pdf (accessed on: 20.08.2025)
70. IRS. (1968). Revenue Ruling 68-609: Excess earnings method. Internal Revenue Service. https://www.irs.gov/pub/irs-tege/rr68-609.pdf (accessed on: 20.08.2025)
71. Kaplan, S. N., & Strömberg, P. (2009). Leveraged buyouts and private equity. *Journal of Economic Perspectives*, 23(1), 121–146.
72. Kaufman, L., & Rousseeuw, P. J. (2005). *Finding groups in data: An introduction to cluster analysis*. Wiley.
73. Klaczak, K. (2023). Legal and Economic Aspects of Family Businesses in Poland. *Innovations*, 1, 131–137. https://stumejournals.com/journals/innovations/2023/1/18.full.pdf (accessed on: 20.08.2025)
74. Klein, S. B. (2000). Family businesses in Germany: Significance and structure. *Family Business Review*, 13(3), 157–181. https://doi.org/10.1111/j.1741-6248.2000.00157.x (accessed on: 20.08.2025)
75. Koller, T., Goedhart, M., & Wessels, D. (2020). *Valuation: Measuring and managing the value of companies* (7th ed.). Wiley.
76. Kotter, J. P. (1996). *Leading change*. Harvard Business Press.
77. Kotter, J. P., & Schlesinger, L. A. (2008). Choosing strategies for change. *Harvard Business Review*, 86(7/8), 130–139. https://hbr.org/2008/07/choosing-strategies-for-change (accessed on: 20.08.2025)
78. KPMG. (2020). *Succession planning in family businesses: Challenges and opportunities*. KPMG International.

79. KPMG. (2023). Planning for a family business transfer. https://kpmg.com/us/en/articles/2023/planning-family-business-transfer.html (accessed on: 20.08.2025)
80. KPMG Private Enterprise. (2023). *Global family business tax monitor 2023*. https://kpmg.com/xx/en/our-insights/transformation/global-family-business-tax-monitor.html (accessed on: 20.08.2025)
81. Kreitler Financial. (2023, October 26). Transfer tax implications in a family-owned business. https://kreitlerfinancial.com/transfer-tax-implications-in-a-family-owned-business (accessed on: 20.08.2025)
82. La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (1999). Corporate ownership around the world. *Journal of Finance*, 54(2), 471–517.
83. Lansberg, I. (1988). The succession conspiracy. *Family Business Review*, 1(2), 119–143.
84. Le Breton-Miller, I., Miller, D., & Steier, L. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory and Practice*, 28(4), 305–328.
85. Liu, Y. (2018). Multidimensional succession planning in family firms: The role of trust, social capital, and financial literacy. *International Journal of Entrepreneurial Behavior & Research*, 24(3), 512–530. https://doi.org/10.1108/IJEBR-03-2017-0102 (accessed on: 20.08.2025)
86. Longenecker, J. G., & Schoen, J. E. (1978). Management succession in the family business. *Journal of Small Business Management*, 16(3), 1–6. https://www.proquest.com/openview/longenecker-schoen-1978 (accessed on: 20.08.2025)
87. METI Japan. (2023). Business Succession Support. https://www.meti.go.jp/english/policy/sme_chiiki/sme/succession/index.html (accessed on: 20.08.2025)
88. Ministry of Economy and Industry. (2014). *National Strategy for Small and Medium-sized Enterprises 2014–2020 – Small Business Act*. https://www.mi.government.bg/en/strategy-policy/national-strategy-for-small-and-medium-sized-enterprises-2014-2020-small-business-act (посетен на 20.08.2025 г.)
89. Ministry of Economy and Industry. (2021). *Transfer of an enterprise*. https://www.mi.government.bg/en/business-handbook-for-sme/transfer-of-an-enterprise/ (посетен на 20.08.2025 г.)
90. National Statistical Institute. (n.d.). Family business statistics. https://www.nsi.bg/en/content/17312/family-business-statistics (accessed on: 20.08.2025)
91. Nielsen Valuation. (2024). Income approach in business valuation: What it is and examples. https://nielsenvaluation.com/income-approach/ (accessed on: 20.08.2025)
92. Nonaka, I., & Takeuchi, H. (1995). *The knowledge-creating company: How Japanese companies create the dynamics of innovation*. Oxford University Press. https://academic.oup.com/book/52097 (accessed on: 20.08.2025)
93. OECD. (2019). *Financing growth and succession in SMEs: Policy approaches*. OECD Publishing. https://doi.org/10.1787/9789264311911-en (accessed on: 20.08.2025)
94. OECD. (2022). *Financing SMEs and Entrepreneurs: An OECD Scoreboard*. https://www.oecd.org/cfe/smes/financing-smes-and-entrepreneurs-23065265.htm (accessed on: 20.08.2025)
95. OECD. (2025). *Inclusive Entrepreneurship Policy Assessment – Finland*. https://www.oecd.org/en/publications/inclusive-entrepreneurship-policy-assessment-country-notes_3dcac57d-en/finland_48ded06c-en.html (accessed on: 20.08.2025)
96. Parada, M. J., et al. (2020). Family business research: A bibliometric analysis. *Journal of Family Business Strategy*, 11(3), 100–112.
97. Poza, E. J. (2014). *Family Business* (4th ed.). South-Western Cengage Learning.
98. Poza, E. J., & Daugherty, M. S. (2014). *Family Business* (4th ed.). South-Western Cengage Learning.
99. PwC. (2021). *Global Family Business Survey*. PricewaterhouseCoopers LLP.
100. Ramadani, V., & Dana, L. P. (2023). *Family Business in the Baltic States*. Emerald Publishing. https://www.emerald.com/insight/content/doi/10.1108/978-1-80455-209-420231002/full/html (accessed on: 20.08.2025)
101. Regulation (EU) No 650/2012 of the European Parliament and of the Council. (2012). On jurisdiction, applicable law and the recognition and enforcement of decisions in matters of succession. https://eur-lex.europa.eu/eli/reg/2012/650/oj (accessed on: 20.08.2025)
102. Rosenbaum, J., & Pearl, J. (2020). *Investment banking: Valuation, leveraged buyouts, and mergers & acquisitions* (3rd ed.). Wiley.
103. Rousseeuw, P. J. (1987). Silhouettes: A graphical aid to the interpretation and validation of cluster analysis. *Journal of Computational and Applied Mathematics*, 20, 53–65.
104. Sandu, R., & Nye, T. (2020). Intergenerational succession in family firms: Challenges and strategies. *Journal of Family Business Strategy*, 11(2), 85–97.
105. SBA. (2023). 7(a) Loan Program. *U.S. Small Business Administration*. https://www.sba.gov/funding-programs/loans/7a-loans (accessed on: 20.08.2025)
106. Sharma, P., Chrisman, J. J., & Chua, J. H. (2003). Succession planning as planned behavior: Some empirical results. *Family Business Review*, 16(1), 1–15. https://doi.org/10.1111/j.1741-6248.2003.00001.x (accessed on: 20.08.2025)

107. Sharma, P., & Irving, P. G. (2005). Four bases of family firm successor commitment: Antecedents and consequences. *Entrepreneurship Theory and Practice*, 29(1), 13–33.

108. Sonfield, M. C., & Lussier, R. N. (2004). First-, second-, and third-generation family firms: A comparison. *Family Business Review*, 17(3), 189–201.

109. Sułkowski, Ł., Marjański, A., & Sułkowska, J. (2018). Entrepreneurship of Family Businesses in the European Union. In G. Suder (Ed.), *Doing Business in Europe* (pp. 255–270). Springer. https://doi.org/10.1007/978-3-319-72239-9_12 (accessed on: 20.08.2025)

110. Surge Business Law. (2025, January 6). Transfer business to a family member: A complete guide. https://surge.law/transfer-business-to-family-member-a-complete-guide/ (accessed on: 20.08.2025)

111. Tagiuri, R., & Davis, J. A. (1996). Bivalent attributes of the family firm. *Family Business Review*, 9(2), 199–208. https://doi.org/10.1111/j.1741-6248.1996.00199.x (accessed on: 20.08.2025)

112. Török, Á., & Pichler, R. (2016). Family business governance and contracts: Insights from Central Europe. *Journal of Family Business Law*, 4(2), 85–102.

113. Valoracción. (2024). Business valuation by comparable multiples approach. https://www.valoraccion.com/business-valuation-by-comparable-multiples-approach/ (accessed on: 20.08.2025)

114. Van der Heyden, L., Blondel, C., & Carlock, R. S. (2005). Fair process: Striving for justice in family business. *Family Business Review*, 18(1), 1–21.

115. Vallejo, M. C. (2011). A model to study the organizational culture of the family firm. *Small Business Economics*, 36(1), 47–64. https://doi.org/10.1007/s11187-009-9172-7 (accessed on: 20.08.2025)

116. Villalonga, B., & Amit, R. (2006). How do family ownership, control, and management affect firm value? *Journal of Financial Economics*, 80(2), 385–417. https://doi.org/10.1016/j.jfineco.2004.12.005 (accessed on: 20.08.2025)

117. Ward, J. L. (1997). Growing the family business: Special challenges and best practices. *Family Business Review*, 10(4), 323–337.

118. Ward, J. L. (2011). *Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership*. Palgrave Macmillan.

119. Wooldridge, J. M. (2010). *Econometric Analysis of Cross Section and Panel Data* (2nd ed.). MIT Press.

120. Yordanova, D. (n.d.). Development and selection of successors in family firms: Evidence from Bulgaria. *Yearbook of Sofia University "St. Kliment Ohridski", Faculty of Economics and Business Administration*, 10, 1–22. http://www.feba.uni-sofia.bg/sko/yrbook/Yearbook10-06.pdf (посетен на 20.08.2025 г.)

VII. SCIENTOMETRIC INDICATORS

for the fulfilment of the minimum national requirements in the dissertation for the award of the educational and scientific degree “Doctor” in the scientific specialisation Finance and Banking within the professional field 3.8. Economics

№	Title	Points
1	PETROV, Velizar, *Possible Solutions in Support of Succession and Business Transfer in the Regions*, XVI. IBANESS Congress Series on Economics, Business and Management – İstanbul/Turkey, September 11-12, 2021, ISBN: 978-619-203-308-8, p. 228-233, НРС ID № 4743 https://www.ibaness.org/conferences/istanbul_2021/ibaness_istanbul_proceedings_draft_3.pdf	10
2	Велизар Петров, *Изследване ликвидността на семейни фирми в България*, СБОРНИК доклади от международна научно-практическа конференция „България на регионите“ = Proceedings of the International scientific and practical conference “Bulgaria of regions". – Пловдив: Висше у-ще по агробизнес и развитие на регионите, 2024, с. 103-108, ISSN 2815-5262, НРС ID № 5156	10
3	Петров, Велизар, *Не малки и средни, а семейни и традиционни предприятия в България: унаследяване и трансфер на бизнес (Not Small and Medium-Sized Enterprises but Family and Traditional Enterprises in Bulgaria: Succession and Transfer of Business)*, НОВО знание = New Knowledge – Пловдив: Висше у-ще по агробизнес и развитие на регионите, Vol. 9, №2, 2020, ISSN 2367-4598 (Online), с.67-76, НРС ID № 2677 http://science.uard.bg/index.php/newknowledge/issue/view/40/showToc	10