

Taking over a Family Business in a Crisis

By Caroline Hoellein
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Caroline Hoellein is a shareholder and strategic advisor to **Carolinenhütte**, a German family business in its fifth generation. Yet, she had not envisioned that one day she would be running the family business and having to save its legacy. Caroline was pursuing her career in strategy consultancy in Brazil, far from Germany and the iron foundry business run by her father. When he unexpectedly passed away in 2011, Caroline was confronted with a dire situation: her father had initiated several business ventures that were diluting the core activities of the 100-year-old business. Despite the roadblocks facing Carolinenhütte, Caroline knew her father's deepest wish was to pass on the business to one of his children, and it did not matter to him whether it was his son or daughter. With a younger brother in the midst of his engineering studies and too young to take over a family business in trouble, Caroline stepped up as first female CEO of the family business. Drawing on her experience and the time spent in the foundry business with her father when she was young, Caroline worked on an agenda to save the family legacy in peril: first survival, and then, focus.

In an industry dominated by males, Caroline learnt to embrace her femininity while building trust and strengthening relationships with stakeholders, making sure to keep everyone on board to overcome the crisis. In those hard times, she became a supporter and an anchor for her family while able to count on external support. People quickly appreciated her different approach to

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problems, and that despite the difficult decisions she had to take, she showed goodness and great care for the business along her journey.

Caroline identified cost-cutting measures and took efficiency improvement steps to lead the firm through an insolvency plan accompanied by lawyers and creditors. Clear communication, transparency, and continuous trust building were the keys to this transition. To refocus the business, she defined long-term sales and marketing strategies, while strengthening the external sales team, revising the corporate image, increasing brand awareness and improving customer service. After years of hard work at restructuring the business, Caroline put it back on track successfully. Meanwhile, her younger brother was now ready to take over her leadership role at Carolinenhütte and to perpetuate the family's legacy. Passing the torch to her brother she advised him: “Now that you are in the family business, embrace the leadership role from day one. Make sure you are visible as a leader and build up a clear profile that will set you apart from your ancestors.”



CAROLINENHÜTTE
Eisengießerei



About Carolinenhütte

Carolinenhütte GmbH originated in the Middle Ages and since 1885, has been run as family business in its fifth generation. The company has developed into a modern foundry and trading company, focusing on the production of sophisticated, high-quality castings in grey and modular cast iron which can weigh up to nine tons. Carolinenhütte focuses on time-critical projects around prototypes and small product series. Its castings are used in turbine construction, gears, presses, pumps, tools, blade wheels, bearing housings and in other areas of mechanical engineering. The firm's key customers are located mainly in Germany, Austria and Switzerland.

About Caroline Hoellein

Caroline Hoellein is an experienced CEO with a demonstrated history of working in and advising B2B companies in various business sectors. Prior to joining the family business, she worked for an investment banking boutique in M&A where she advised medium-sized companies in the USA and Europe. She also worked in strategy consulting. After the death of her father in 2011, she joined the family's iron foundry, and restructured and successfully repositioned the company on the market. She then handed over the operational management of the family business to her younger brother. She is shareholder in the family business and serves on the advisory board. She is currently transitioning into an external CEO role in a third-generation family business in Munich, succeeding the owner. Caroline has an MBA from INSEAD (MBA'08) and completed her undergraduate studies in international business administration at Pace University in New York.