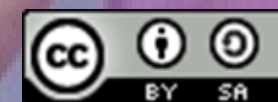




Green Transition Training Modules

MODULE 8: Family Dynamics & the Green Transition

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Takeaways

After completing this module, participants will:

- Understand the **four circles of family business** (Family – Ownership – Business – Unifying Purpose) and learn how they influence the success or failure of the ecological transition.
- Be able to recognize **typical conflicts and dilemmas** when making decisions about green investments and acquire methods for resolving them.

- Understand how to connect **family values** (continuity, responsibility, tradition, cohesion) with an ecological vision and turn them into a competitive advantage.
- Become familiar with the main **challenges and opportunities** of the green transition and learn to reflect on them with your own family.

Introduction

Family dynamics strongly shape how family businesses make decisions, especially when these decisions reflect shared values and long-term goals. Because sustainability choices are tied to identity and legacy, the green transition becomes not just a technical step but a cultural and value-driven process involving the entire family.

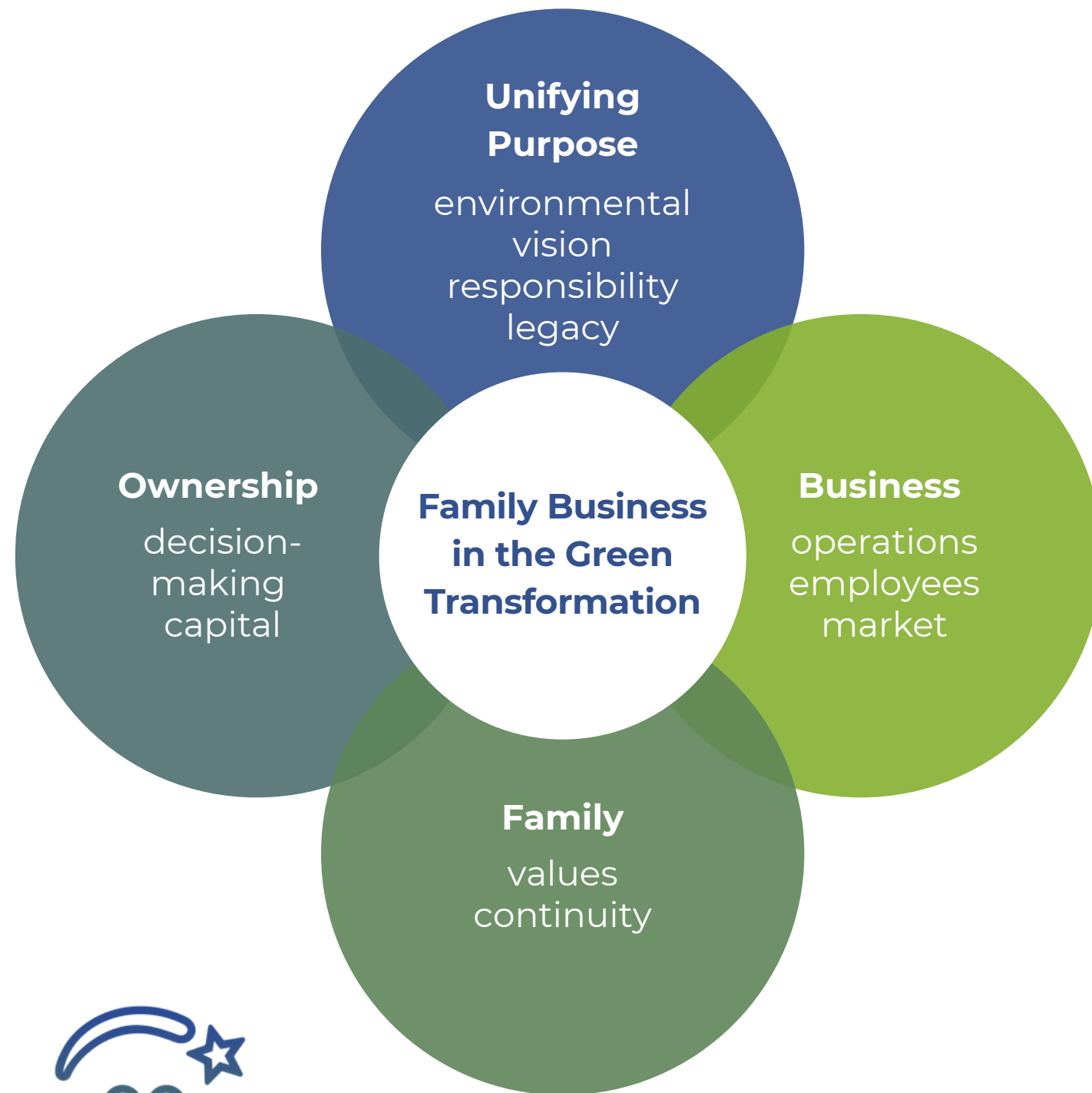
In this context, it becomes evident that **family dynamics** — that is, how family members communicate, resolve conflicts, and share responsibility — can be the decisive factor in the success of the ecological transition. If a family is able to align its interests and find a shared vision, the green transition can become a powerful driver of innovation and reputation-building for the company.



But if conflicts, distrust, or short-term thinking prevail, even well-intentioned projects can become a source of tension and failure.

This module therefore connects two seemingly different worlds: **the intergenerational functioning of family businesses and the challenges of the green transition**. It demonstrates how family values and relationship dynamics can support ecological change, while also highlighting the pitfalls that must be overcome. The module is designed especially for small and medium-sized family firms seeking practical tools, inspiration, and recommendations on how to embark on the path to more sustainable business without jeopardizing family cohesion and business stability.

Key Concepts



A family business is always more than just a company. At its core, two different worlds meet — the world of business and the world of family. While other companies may make decisions purely on the basis of numbers, emotions, traditions, mutual expectations, and family relationships also come into play in family firms. These can be tremendous advantage or, conversely, a source of conflict.

Family Dynamics in Business: Four Circles and the Unifying Purpose

A family business is always a space where different roles and expectations overlap. Traditionally, three circles have been identified — **Family, Ownership, and Business**. Each family member may be situated in a different circle: some are only part of the family, others work in the company, and still others are co-owners. Roles often overlap, and it is precisely in these overlaps that both conflicts and opportunities arise.

A modern approach, however, shows that this model is incomplete. Therefore, a **fourth circle** has been added — **Unifying Purpose**. This expresses the deeper meaning that connects everyone: why the family is in business, what its vision is, and what contribution it wants to make to the world. And this is precisely where the space for the green transition opens up. Ecology, responsibility toward the environment, and responsibility toward future generations can become the unifying element that links family, ownership, and business into a single vision.

Thanks to this fourth circle, ecological issues are no longer seen merely as “investments” or “costs.” They become part of the identity of the family firm and its long-term values. In this perspective, discussions about photovoltaics or recycling are no longer just about payback periods but about the **legacy left for future generations**.

A typical example:

The company **Plojhar** approached ecological innovations not because they were immediately economically advantageous, but because it saw sustainability as part of its family values.

Similarly, **Delfy** integrated the green transition into a broader family debate, which helped siblings and parents find consensus. In both cases, the ecological vision functions as a unifying purpose that bridges differences between generations and the roles of individual family members.



Typical Conflicts and Dilemmas

Family dynamics are fascinating because different perspectives intersect here:

Generational differences

e.g., the founder prefers certainty, while the younger generation wants to innovate and invest in renewable energy sources (RES)

Roles in the family vs. roles in the business

e.g., the older sibling may be respected in the family but may not have the strongest leadership skills in the company

Short-term profit vs. long-term sustainability

e.g., investing in photovoltaics means lower profits today but greater stability for the company in the next 20 years

The green transition acts as a **litmus test**. The move toward more sustainable business practices reveals both the strengths and weaknesses of family dynamics. Decisions such as whether to install solar panels, purchase electric vehicles, or invest in circular solutions are not just about technology and return-on-investment figures.

They are also about values:

- The founder asks: *“Will this endanger family wealth?”*
- The son or daughter — successor — says: *“We must lead by example; it is our duty to future generations.”*
- A sibling not involved in the company may worry that profits will decrease, reducing their share of dividends.

If these perspectives are not openly shared and addressed, even a well-intentioned ecological investment can create tension. On the other hand, a family that can identify differences in opinion and find a shared path strengthens not only its business but also its own cohesion.

Reflection Questions

FAMILY (relationships, security, expectations)

- Does our family have a clearly defined vision and mission for our business? Can this mission be transformed into an ecological vision—something that unites all generations?
- When was the last time we, as a family, discussed the future of the company not only in terms of profit but also in terms of responsibility toward the environment?
- Where do emotions arise in our debates about RES (fear of losing wealth, pressure on the successor, “this is not how we do things here”)? How will we address these moments (moderator, ground rules for discussion, taking a break)?
- What is the specific benefit or concern of each individual family member (not “the family thinks,” but “I need...”)?
- What will change in the family if we invest XY thousands of EUR into RES (dividends, founder’s time, successor’s role)?

OWNERSHIP (capital, risk, rights)

- What is our decision threshold: which green investments are approved by management, which by the family council, and which by the general assembly? (set a limit, e.g., % of assets)
- How do we balance reinvestment vs. dividends in green projects (over 3/5/10 years)?
- How much risk are we willing to accept when investing in the green transition—and where is the boundary for our family? (subsidies, regulatory uncertainty, electricity price volatility...)
- What is our “no-go”?
 - Financial no-go: “We will not invest in a project where the payback period exceeds 15 years.”
 - Environmental no-go: “We will not support a solution that lowers costs but increases the ecological footprint.”
 - Family no-go: “We will never jeopardize family cohesion over a dispute about an ecological project.”
 - Reputational no-go: “We will not adopt a technology that could damage our reputation with customers or the community.”



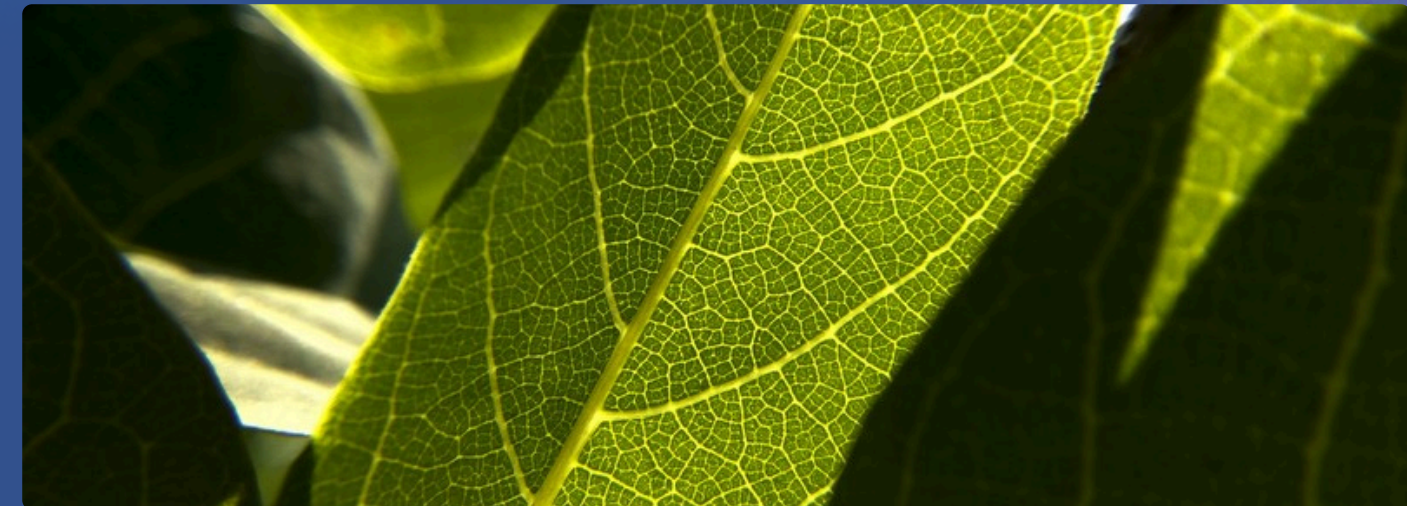
Reflection Questions

BUSINESS (operations, competencies, market)

- Which processes/facilities/fleet offer the fastest and most reliable savings (quick wins within 12 months)?
- Do we have an internal person responsible for the ESG/RES roadmap, and can we calculate TCO/ROI/LCOE[1]?
- How will we engage employees and suppliers (training, bonuses for savings, requirements in contracts)?

UNIFYING PURPOSE

- What is our one-sentence ecological mission? (e.g., “By 2030 we will reduce energy consumption by 35% and 100% of cartons will be FSC certified.”)
- What will we never do because of its impact on the community/landscape (clear moral boundaries)?
- How will we measure success beyond money (CO₂e, energy self-sufficiency, reputation, talent retention)?



OVERLAP OF CIRCLES (who decides, how we communicate)

- Who has the final say when economics and values collide? What is the process for conflict resolution?
- How will we communicate green steps to non-working shareholders, employees, and customers (what, when, who)?
 - If a project stalls, what is our Plan B (scaling, phasing, selling surplus, PPA, leasing instead of CAPEX)?



[1] ROI (Return on Investment) – the return on investment, i.e., how long it takes for the invested money to be recovered.

TCO (Total Cost of Ownership) – the total cost of ownership; not just the purchase price, but also maintenance, energy, and service costs over the entire lifespan.

LCOE (Levelized Cost of Electricity) – the average cost of producing 1 MWh of electricity from a source (e.g., solar, wind) over its entire lifetime. It allows for comparison of different technologies with each other.

Connecting Family Values and Ecological Transformation

Family businesses have one major advantage over other companies. Their decision-making is not driven solely by short-term profit, but also by values and a vision that are passed down across generations. While corporations often focus on quarterly results, family firms think in terms of decades. This makes them natural leaders in sustainability. After all, the green transition itself is a **long-term investment in the future**.

Continuity and long-term perspective

Families want their business to thrive in 20 or 50 years. That is why they are willing to invest in renewable energy, energy savings, or circular economy solutions, even when the return horizon would be considered too distant by other companies.

Responsibility to the community

Many family firms operate in regions where they also live. Caring for the local environment and maintaining a good name in the community is therefore just as important as financial results.

Respect for tradition

In some families, the ecological approach is rooted in agricultural traditions: “Our grandparents always valued soil and water, so we too look for ways to treat them with care.”

Cohesion and intergenerational dialogue

The younger generation often brings new ecological impulses (solar energy, electromobility, digitalisation), while the older generation provides experience and financial stability.

Reflection Questions

- Which of our family values are most closely connected with sustainability and the green transition?
- What ecological footprint do we want to leave as a legacy for future generations?
- Is our ecological vision clear and inspiring enough to unite the whole family?



Communication and Decision-Making on Ecological Changes

The green transition is not just an internal process. If it is to become a source of strength and credibility for a family business, it must also be communicated properly – within the family, inside the company, and externally.



Reflection Questions

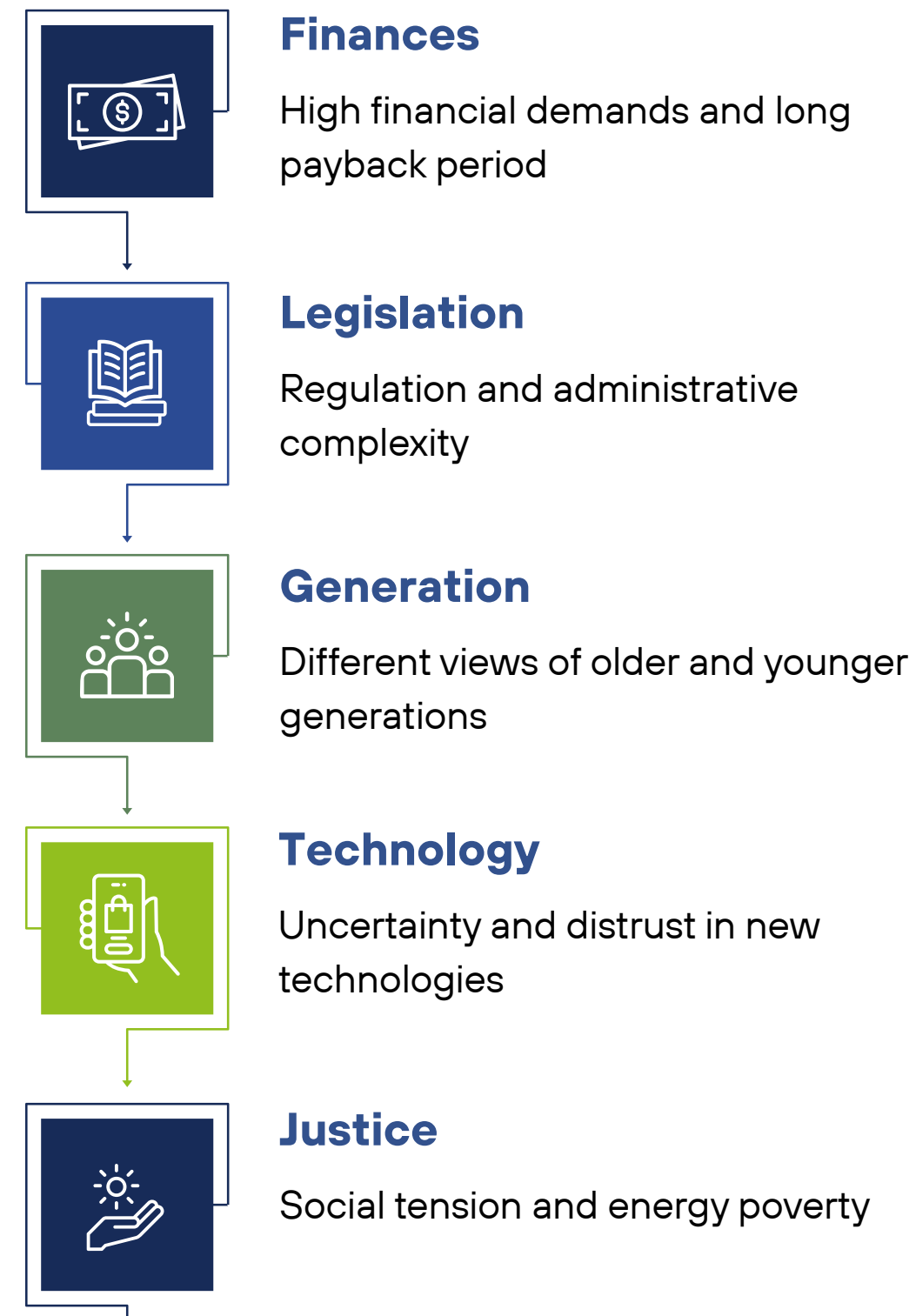
- Is our ecological strategy visible on the website and social media?
- How regularly do we inform employees about the company's ecological steps?
- Do customers perceive our company as environmentally responsible, or are we still not communicating it well enough?
- Do we have clearly defined sustainability requirements for our suppliers?
- How do we contribute to ecology in the local community – and do people around us know about it?



Mini-task

Open your company website and ask a simple question: “If I were a customer, would I recognize from these pages that our company is moving towards a green transition?” If the answer is NO, you already know the first task and where to start.

Challenges Most Commonly Faced by Family Firms



Opportunities That Arise





Future Scenarios of RES – What It Means for Family Businesses

The development of renewable energy sources (RES) is not predetermined. Whether by 2040 most electricity will come from solar and wind, or whether your country will remain dependent on fossil fuels and nuclear, depends on politics, investments, and the willingness of companies and households. That is why so-called development scenarios are used, showing possible variants of the future. For SMEs — especially family firms — these scenarios are not just theory. Each variant means different energy costs, different levels of risk, and different opportunities.

Scenario A – Stable Acceleration

(optimistic, coordinated development of RES)

By 2040, RES make up 40–45% of electricity generation. Photovoltaics expand on company and household roofs; wind farms add capacity. Community energy becomes a normal part of life for municipalities and businesses. Regional energy self-sufficiency is strengthened.

What SMEs can do:



Use subsidy programs (Modernisation Fund, New Green Savings for companies),



Join energy communities (sharing electricity among firms/municipalities),



Invest in photovoltaics, storage, and efficiency technologies,



Communicate sustainability to customers — being among the “first movers” strengthens reputation.

Scenario B – Gradual Adaptation

(moderate, compromise development)

By 2040, RES cover around 30–34% of energy consumption. Photovoltaics expand but mostly at the level of companies and households; community energy progresses slowly. Wind energy grows only minimally. Energy prices remain less stable, and regional disparities emerge.

What SMEs can do:



Invest gradually, starting with smaller installations (e.g., solar panels on administrative buildings),



Strengthen energy management — savings, heat recovery, efficient technologies,



Monitor legislation and use subsidy opportunities as they arise,



Look for joint projects with municipalities or business associations to avoid “falling behind.”

Scenario C – Structure of Inertia

(slow, stagnant development)

By 2040, RES remain at only 25–28% of energy consumption. Investments stagnate, permitting processes are complex, and public trust is low. The Czech Republic continues to rely heavily on energy imports. The risk of rising prices and energy insecurity remains high.

What SMEs can do:



Strive for maximum self-sufficiency — cover at least part of energy needs from own sources,



Protect against price hikes with long-term contracts (PPA),



Engage in lobbying for simpler legislation (business associations, chambers of commerce),



Seek partners and share costs (e.g., shared storage with another company).

Why Monitor Scenarios?

Energy shapes competitiveness. Energy costs can make the difference between growth and stagnation. Family businesses think long term. That is precisely the time horizon in which decisions about RES investments become decisive. The involvement of SMEs is crucial: in Europe, SMEs make up 99% of all businesses. If they do not start, the transition will not move forward.

Reflection Questions

- Which scenario are we currently closest to—A, B, or C?
- What is our plan if energy prices rise by 30%?
- Do we want to remain passive and wait, or actively shape our own energy future?

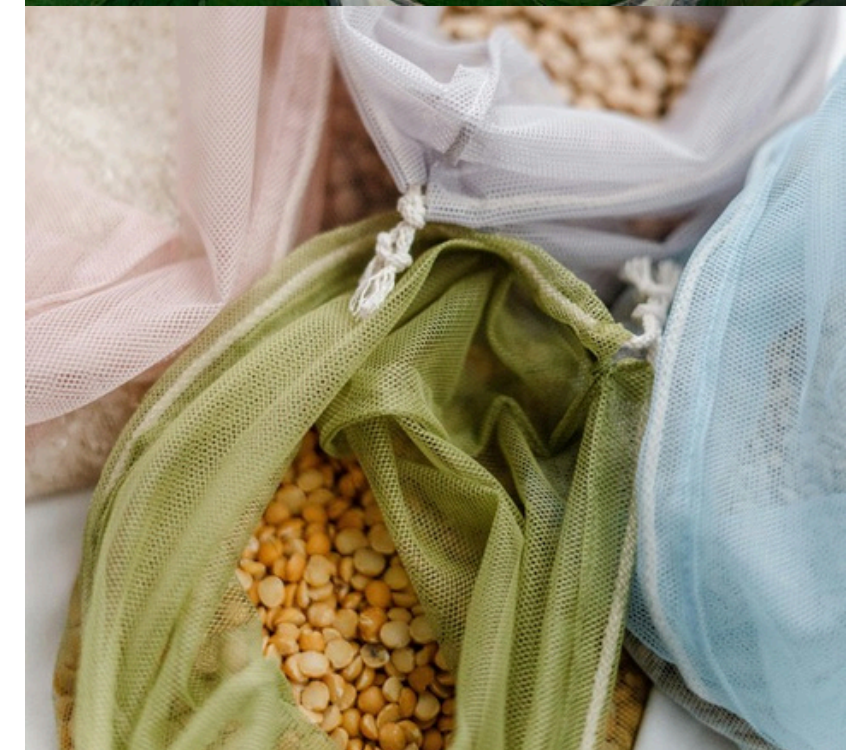
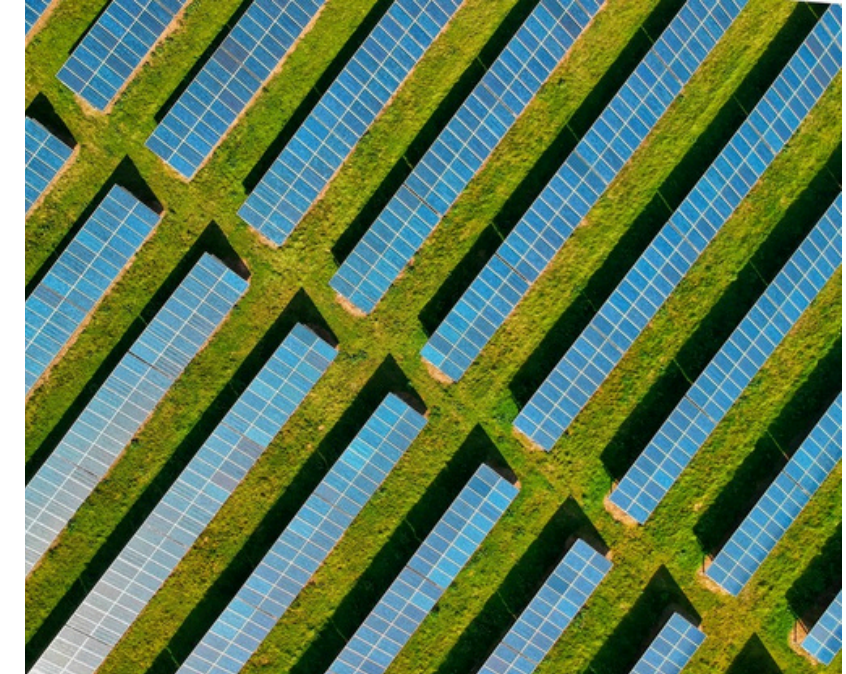


Conclusion and Recommendations

The green transition is not only a technological change. Above all, it is a change in mindset, culture, and values. Family businesses have a unique position in this respect: their long-term perspective, intergenerational responsibility, and strong values make them natural leaders in sustainable business.

During this module, we have shown:

- How family dynamics influence decision-making about ecological investments,
- Why it is important to connect family values with a green vision,
- How to properly set up communication within the family, inside the company, and externally,
- What the main challenges and opportunities are and how SMEs can address them,
- Finally, we looked at possible scenarios for the development of RES in the Czech Republic and the role that small and medium-sized family businesses play in them.



Recommendations for Family Firms

Don't be afraid of small steps

Every energy saving, every recycled package, every new employee idea is a piece of the larger puzzle of change.

Use available tools

Monitor subsidy programs, energy communities, and shared projects—these are opportunities for SMEs to reduce costs and risks.

Communicate openly

Whether with family, employees, customers, or the community—explain why you are taking steps toward sustainability.

Think long-term

Ecological investments may not bring immediate profit, but they strengthen the stability and reputation of the company over decades.

Start within the family

Clarify what your “unifying purpose” is. If the vision can be shared, the green transition will become a natural part of the business.



Final Thought

Family businesses are built on continuity, values, and responsibility toward future generations. The green transition is not a threat but an opportunity — both to strengthen the company and to leave a positive legacy. Every step, even a small one, matters.



More to explore (Resources & Further reading)

- **ESG News.** (2025). ESG News – Sustainability News, ESG Investing, Events ... ESG News.

A website full of current news, reports, and analytical articles on ESG trends, green technology, regulation, and climate finance. Link to the website: <https://esgnews.com/>.

- **FamilyBusiness.org.** (2025). Family Business – Improving entrepreneurship and family business effectiveness through research and sharing of best practices.

International portal with a rich database of articles, research, and case studies on family businesses, their values, succession, and sustainability. Link to the website: <https://familybusiness.org/>.

- **IMD – Institute for Management Development.** (2024). How green are family businesses? iBy IMD.

Blog and research studies dedicated to how family businesses approach ecological transformation, including their specific advantages and challenges. Link to the website: <https://www.imd.org/>.

- **Family Firm Institute (FFI).** (2025). Family Business Review & FFI Practitioner.

Professional association with access to the peer-reviewed journal Family Business Review and practical newsletters focused on strategy, governance, and sustainability in family businesses. Link to the website: <https://www.ffi.org/>.

- **Circular Economy Alliance.** (2025). Circular Economy Alliance: Home.

A platform focused on education, knowledge sharing, and supporting the adoption of circular economy principles in businesses, including family firms. Link to the website: <https://circulareconomyalliance.com/>.

- **IESE Family Business Blog.** (2025). The “S” in ESG: Social commitment in family business.

University blog reflecting on the role of social responsibility and values in family businesses, offering practical insights on the connection between ESG and family dynamics. Link to the website: <https://blog.iese.edu/family-business3/>.

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- Domańska, A. (2024). Family firm entrepreneurship and sustainability initiatives: Role of women leaders as change agents. Business Ethics: A European Review.
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