Spotlight
by CeFEO

Who should run the numbers in your family firm, and does it matter who?

Reviewing 39 studies reveals the accountant is often a family firm's most overlooked strategist

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Ask a family business owner to name the people who shape the firm's future, and they will usually point to the founder, the next-generation heir, maybe a trusted CEO. The accountant rarely makes the list. Yet in family firm after family firm, the person keeping the books turns out to be the first outsider handed real responsibility, and often the second most powerful actor after the owners themselves.

A systematic review by Mattias Sandgren, Timur Uman, and Mattias Nordqvist pulls together two decades of research on this overlooked figure. The message is blunt. The individual accountant in a family firm is not a back-office cost. They instigate change, broker trust, restrain impulsive decisions, and quietly hold the door open to banks and capital. Who you put in that chair, and what kind of person they are, shapes whether the firm grows, survives, and passes cleanly to the next generation.

WHAT WE STUDIED

The authors reviewed 39 academic articles published over roughly twenty years, drawn from Scopus and Web of Science and screened down from more than 3,400 candidates. They cast the net wide on purpose, defining the "accountant" as the principal accounting person in the firm. That category stretches from the CFO and finance director to the controller and the administration manager.

The evidence base leans empirical. Thirty-two of the 39 studies observe or test something directly, and the split between quantitative and qualitative work is almost even, at 17 to 15. Samples run from single-firm case studies to one analysis of more than 2,000 firms. Most of the data comes from Italy, Germany, and Austria, with the rest scattered across Europe and a handful of other countries. The most-cited paper in the set, a Spanish study of family financial logic, has been referenced nearly 600 times.

One caveat is worth keeping in mind. This is a map of what researchers have found, not a controlled experiment. The authors are careful to say the relationships they describe are correlational, often drawn from small samples, and not built for sweeping generalisation. Read it as a well-organised field guide rather than a rulebook.

KEY INSIGHTS

The accountant wears four hats

Across the studies, the accountant's role collapses into four recurring types. The bean counter handles the books and produces the numbers, nothing more. The decision-maker sets policy and builds the systems that steer behaviour, sometimes acting as a co-leader alongside the CEO. The advisor informs, proposes, and serves as a sounding board, the firm's economic conscience. The protector and mediator guards long-term interests and smooths conflict between family members. Most accountants play several of these at once. The roles shift as circumstances change.

The first outsider through the door

Accounting is usually the first professional function a family firm formalises, and the accountant is frequently the first non-family manager hired. That makes the appointment unusually consequential. This person often becomes second-in-command, the one most directly responsible for the firm's financial health, and on big decisions sometimes as influential as the CEO.

Fit beats credentials

This is the finding advisors most often get wrong. In family firms, formal education and technical pedigree matter less than they do elsewhere. What owners look for instead is fit: a long-term orientation, compatible values, the patience to absorb the firm's culture, and the social skill to navigate family dynamics. A job-hopper who commits for two or three years is a poor match. Knowledge of tax, law, and wealth management, the places where family and business overlap, often counts for more than a polished CV.

The combination that performs

Several studies converge on a specific pairing. Family firms tend to perform best, on return on assets, return on investment, and similar measures, when a non-family accountant works alongside a family CEO. That combination holds across generations. The non-family finance professional brings discipline and an outside perspective. The family CEO keeps the firm's identity and long-term commitment intact. Both ends pull their weight.

The picture is not unanimous. At least one study argues that what really drives performance is not whether the accountant is family or not, but whether they sit high enough in the hierarchy to influence decisions. Either way, the lesson points in the same direction. An accountant kept on the margins delivers less than one given a seat at the table.

Trust is the engine, and the risk

Trust runs through almost every study in the set. As it grows between owners and the accountant, so does the accountant's discretion and influence. That relationship is what lets a family firm hand its finances to an outsider in the first place.

The review flags a sharp edge, though. A Greek case study shows that too much trust can backfire: an over-admired accountant accumulated power well beyond their remit, running performance reviews of other staff, and drifted into what the researchers call a rogue agent. The remedy is unglamorous but real. Incentive structures, mutual monitoring through the top team, and CEO oversight keep discretion in check.

They open doors to banks and capital

Bringing in an external accountant tends to make a family firm more financially sophisticated, better at cash management, lending, and risk, and better connected to banks. One large study found that highly embedded external accountants were associated with higher survival rates and stronger sales growth. Then there is the bank-rating puzzle. Firms with external accountants sometimes show lower ratings. Read the right way round, that makes sense: struggling firms often hire outside help precisely to repair the rating.

The choice tracks your family's goals

Whether a family firm hires an external accountant at all turns out to follow a predictable logic. Owners who prize independence and tight control tend to resist the idea. They would rather keep the numbers in the family. Owners focused on reducing financial risk, or planning a succession, lean the other way and bring an outsider in. The decision is rarely about competence. It is about what the family is trying to protect.

Formal systems are how knowledge survives succession

One of the review's quieter threads is also one of its most useful. When an accountant formalises how the firm plans, measures, and reports, they are not just tidying the books. They are codifying the founder's priorities, values, and judgement into something that can outlast any single person. That codification turns out to be a vehicle for passing knowledge and intent from one generation to the next, and it helps prepare the firm for succession, outside investment, and a more fact-based way of deciding.

TAKEAWAYS FOR FAMILY BUSINESS LEADERS

For owners, advisors, and the next generation, the review points to a handful of concrete moves.

- Treat the first finance hire as a strategic decision, not an administrative one. This person may shape the firm for a generation.
- Screen for fit and staying power ahead of credentials. Values alignment and a long-term horizon matter more than a top-tier degree.
- Look for tax, legal, and wealth-management literacy. In a family firm, the accountant works where personal and business finances blur.
- Give the role genuine influence. The performance gains show up when the accountant is in the decision-making room, not parked in the back office.
- Pair external discipline with family continuity. A non-family finance lead under a family CEO is the configuration with the most support behind it.
- Match trust with structure. Incentives, monitoring, and clear boundaries stop a trusted accountant from becoming an unchecked one.

IMPACT

For practice, the implication is a change of mindset. Stop treating the finance function as overhead and start treating the person who runs it as a strategic appointment with consequences for growth, survival, and succession.

For research, the review is more sobering. Of the 39 studies, only 13 actually put the accountant at the

centre; the rest treat them as a footnote to larger questions about systems or owners. The field keeps insisting the accountant matters and then looking elsewhere. The authors call for studies that follow individual accountants over time, examine how their role is shaped and reshaped, and probe the fit between a particular person and a particular family firm. They offer an integrative framework, linking the firm's strategy and ownership structure, the accountant's own characteristics, and organisational outcomes, as a scaffold for that work.

The honest summary is that we know the accountant is important and still understand surprisingly little about why. For anyone willing to look closely at the person behind the numbers, scholar or practitioner, that gap is the opportunity.

RECOMMENDATIONS

1. Audit who currently holds your firm's principal accounting role, and ask honestly which of the four roles they actually play today.
2. When hiring, write a brief that weights cultural fit, long-term commitment, and family-business literacy alongside technical skill.
3. Give your finance lead a defined seat in strategic decisions, not only reporting duties.
4. If you run a family-CEO structure, consider whether a capable non-family finance professional would strengthen performance.
5. Pair any expansion of the accountant's discretion with matching oversight: incentives, board involvement, or CEO review.
6. Revisit the arrangement at succession. The role, and the right person for it, can change as the firm and the family change.

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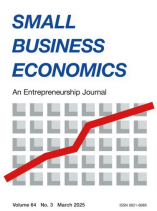

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