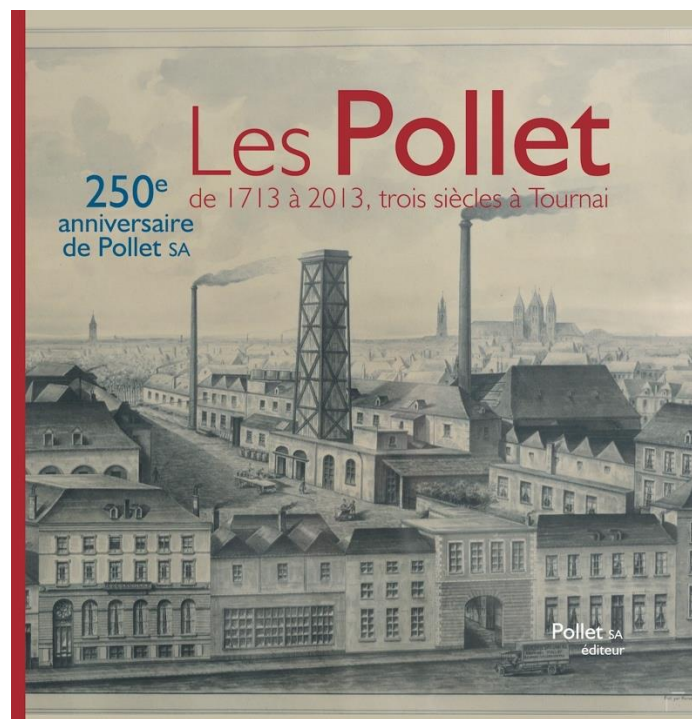


POLLET SA

Case Study



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Table of Contents

Table of Contents	3
1. Introduction.....	5
1.1 Pollet and Les Hénokiens	5
1.2 Main research questions	6
1.3 Methodology	7
2. Pollet: from the past to the present and into the future.....	9
2.1 The firm	9
2.1.1 A historical perspective	9
2.1.2 Current activities and markets	12
2.1.3 Key figures	13
2.1.4 Outlook for the future	14
2.2 The family	15
2.2.1 Origins	15
2.2.1.1 5th generation.....	16
2.2.1.2 6 th generation	17
2.2.1.3 7 th generation	17
2.2.2 The current generation	18
2.2.3 Continuing the family legacy in the future.....	20
3. Pollet: the strength of innovation	22
3.1 Different generations of visionaries.....	22
3.2 Pollet as a pioneer	24
4. Pollet: bringing SEW in to practice	27
4.1 Family control and influence	27
4.2 Identification of family members with the firm.....	28

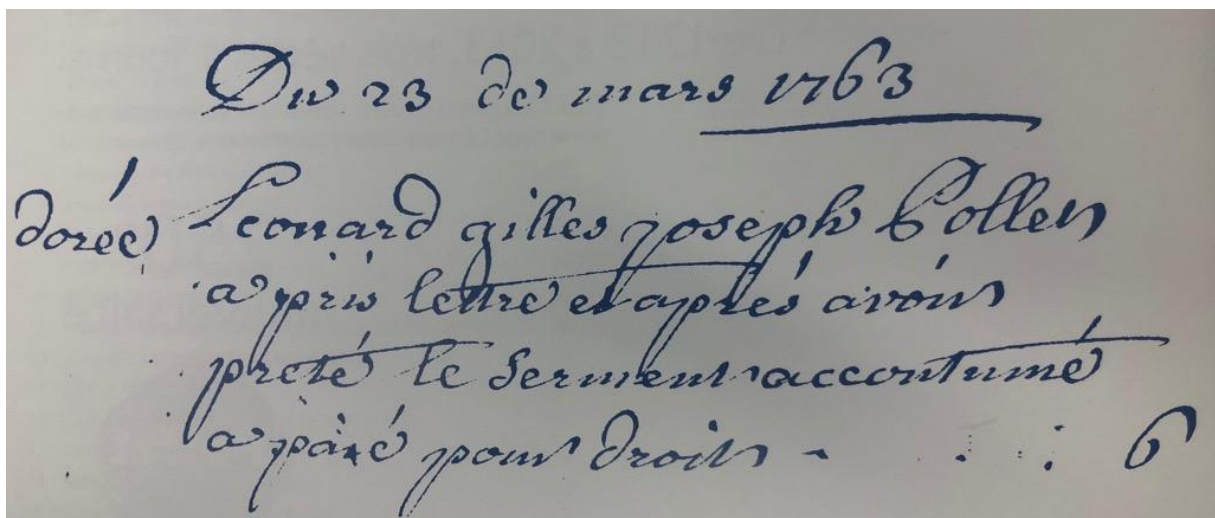
4.3 Bonding social ties.....	28
4.4 Emotional attachment of family members	29
4.5 Renewal of family bonds through dynastic succession	30
5. Conclusion	31
Bibliography.....	32

1. Introduction

1.1 Pollet and Les Hénokiens

Writing about the Pollet case has been a unique and exciting experience. Located in Belgium in the city of Tournai, our journey through this family business' history took us back to the 18th century, from the French Revolution to the independence of Belgium, passing the two world wars, and crossing the different industrial revolutions. And each time again, the company survived, and this already since its inception in 1763.

Figure 1: The foundation of Pollet SA in 1763.



In 2013 Pollet celebrated their 250th anniversary, but its origins go even further back in time. The latest discoveries seem to indicate that the company's history even goes back to the beginning of the 18th century. All clear illustrations that this unique Belgian family business forms a real Hénokiens, the international association of family businesses and bicentenary companies of which they got member in 2013.

Besides Pollet's longevity, the family behind this company also forms a unique story from another perspective. Francine Pollet, family member of the 7th generation, was at the end of the previous century owner of two bicentary family firms, Pollet SA and Casterman, an editing company founded in 1780 and well-known for the publication of the albums of The

Adventures of Tintin. Eventually, Casterman got in hands of the Groupe Flammarion in 1999. But today, Pollet SA is still fully owned by the Pollet-D'Hondt family.

Writing this case study allowed us to explore and understand the patterns that already exist for more than 250 years, and which form part of the explanation for the success of the firm in the past, the present, and very likely in the future as well. This unique story can be a large source of inspiration for business families that want to safeguard the continuity of their firm and steer it past the current wave of industrial revolution.

1.2 Main research questions

As scholars active in the family business research field for many years, we were able to use extant knowledge from previous research and practical experience to derive some core research questions. The main research questions we approached, are listed below:

1. What is the main industry of your business and how does this relate to the development and strategy of your family firm?
2. How did key environmental forces and (regional, national) cultural forces influence the development of your business?
3. What are the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today? And what are the most critical situations over the last generations?
4. To what extent has your family and business been oriented towards innovation and the generation of new ideas, experimentation and creative processes that have resulted in new initiatives/strategic actions, products or markets?
5. Do you generally have taken new initiatives/strategic actions ahead of your competitors proactively or have you preferred to “wait and see” and/or adopt “the new” later?
6. How did the history of your business develop with a focus on the family members’ role and involvement?

7. What are your family's core values that are foundational for your family business and how have they related to growth and entrepreneurship?
8. How have the succession processes been managed in the past, and how did your family business' ownership, governance and management enhance or constrain your decision making related to growth and entrepreneurial opportunities?
9. What is your family's vision for continued ownership, management and governance to support the future growth over generations?
10. How does the family and particular family members (historically and today) have played a role in (local) networks and initiatives and how did they influence the business?

1.3 Methodology

To understand and develop this case study, we used a mixed research approach based on desk research and qualitative semi-structured interviews. We focused on the family and business' history since its inception and tried to gain a more thorough knowledge and a deeper understanding by interviewing two generations of family members.

Specific steps have been followed in order to systematically gather useful data and subsequently develop the case study.

The first step was to collect secondary data through desk research focusing on multiple sources such as literature, websites and newspaper articles. This allowed to gain a general understanding of the family and the firm and its structure, and to properly prepare the case study and the subsequent face-to-face interviews with family members.

In the second step we investigated some major aspects that resulted from step 1 and tried to gain a more thorough knowledge and a deeper understanding by interviewing two generations of family members: Antoine D'Hondt, family member of the 7th generation and current chairman of the family firm, and Jean-Nicolas D'Hondt, family member of the 8th generation and current CEO of the family firm. In these interviews we discussed the evolution

of the family and the firm in general, and the more recent history since Antoine D'hondt got in charge in particular.

In total, four interviews were conducted: two with Antoine D'Hondt and two with Jean-Nicolas D'Hondt in the period between April and August 2018. Three interviews took place face-to-face, while one interview was conducted by telephone. All the interviews were held in Dutch and were recorded if agreed on by the interviewers.

In the third step we prepared the transcript and started drafting the final case study. In this phase we developed the overall storyline for the case by integrating the two previous steps. Once the case study was completed, both Jean-Nicolas and Antoine D'Hondt were asked to read and comment on the text in order to approve the final written statements.

2. Pollet: from the past to the present and into the future

2.1 The firm

Pollet SA has a rich history that goes back to its foundation in 1763. This whole period of more than 250 years was full of opportunities and challenges which made the company of what we see of it today: a healthy family business of medium size that has set its stamp on the market and which has bright growth opportunities for the future.

2.1.1 A historical perspective

When studying the company's history, several family CEO's and even external CEO's have been in charge of Pollet SA (see Table 1).

Table 1: Overview of CEO's

Name of CEO	Tenure	Family member
Léonard-Gilles Pollet	1763-1778	Yes
Widow Léonard-Gilles Pollet - Boucher	1778-1788	Yes
Simon-Léonard Pollet	1788-1830	Yes
Raphaël-Dominique Pollet	1830-1857	Yes
Widow Raphaël-Dominique Pollet - Pollet	1857-1868	Yes
Léonard Pollet & Edmond Cailliau	1868-1884	Yes
Edmond Cailliau & Robertine Pollet	1884-1895	Yes
Raphaël Pollet	1895-1957	Yes
Michel Pollet	1957-1978	Yes
Francine Pollet x Antoine D'Hondt	1978-2012	Yes
Patrick van Houtryve	1979-2007	No
Christophe Maisonneuve	2007-2012	No
Jean-Nicolas D'Hondt	2012-.....	Yes

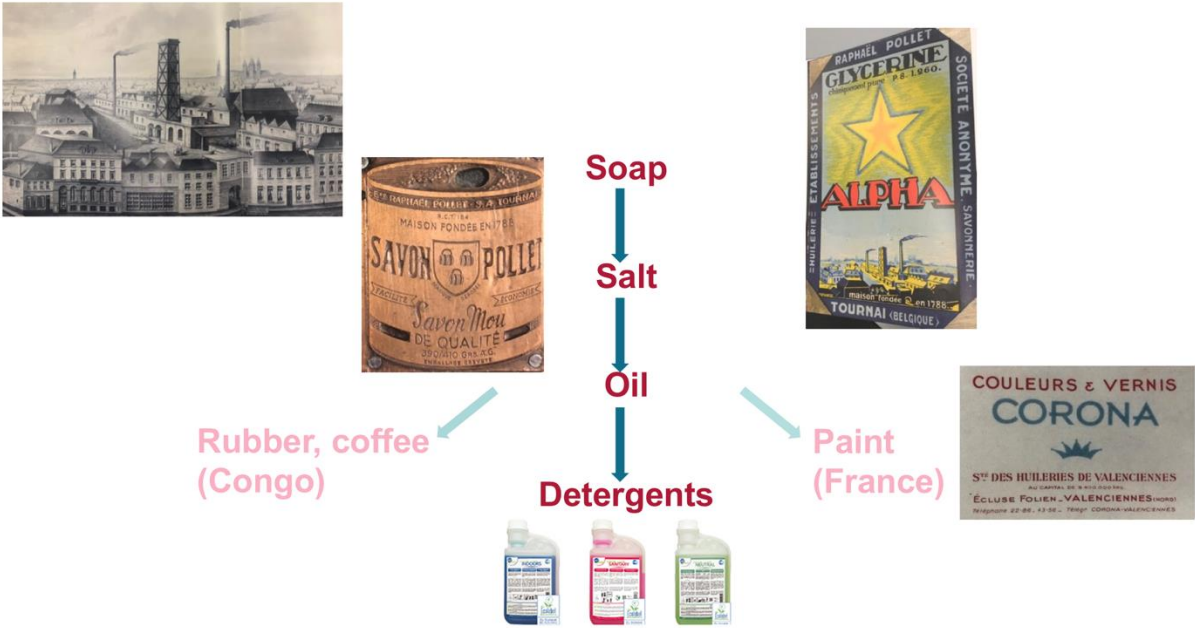
Over a period of 3 centuries Pollet family members have been involved in 4 professions: producer of soap, salt, oil and detergents. Léonard-Gilles Pollet started the family firm in 1763 in Tournai. The artisanal business was specialized in producing soap, an activity which lasted for more than 2 centuries. In a period of 15 years, he laid the foundation of this unique family business, that after his death in 1778 got into the hands of his wife, who transferred the business activity after 10 years to their son Simon-Léonard in 1788. It was Simon-Léonard who further developed the firm and turned it into an industrial activity. He also diversified the family business' activities by starting with the production of oil and salt. In 1830 when the independence of Belgium was proclaimed, Simon-Léonard's son Raphaël-Dominique Pollet took over the firm and continued the further industrialization of his father. Soap and salt were sold in large numbers. Also the oil activity was very successful, serving as a resource in the production of soap and paint, and as fuel for lamps. By the end of his tenure, the refinement of salt was strongly reduced due to the large competition experienced by large manufacturers, putting this product no longer central in the family business' activities. In the period that followed after the death of Raphaël-Dominique Pollet until the end of the 19th century, the company and the economy were going through rough times, almost leading to the closure of the family business. In fact, it was a combination of a deteriorating market, the aging of the firm's machinery, unsuccessful successions and differing strategic visions within the family that heavily impacted on the company. Especially the demand for lamp oil significantly reduced during this period, with the introduction of gas and electricity as a deathblow for this activity.

Luckily, a young engineer of 25 years old, Raphaël Pollet, grandson of Raphaël-Dominique, was ready to turn around the family business's desperate situation. Apart from the soap business, he developed between the 2 World Wars new activities, such as Corona, the family's paint business in Valenciennes (France), and Sicomac, the plantation business in Congo. Especially the paint business was strongly developed, as it served a new market for Pollet's oil manufacturing. Instead of supplying this resource to the paint industry, Raphaël decided to start with the production of paint himself. In less than 15 years Corona became the second paint manufacturer in France. In 1966 the company was partly sold to Americans and totally left the family's hands in 1983. With regard to the plantation business, this activity was finally

sold in 1976 after the independence of the Congo Republic, which ended the family's Congolese adventure which took about 50 years.

In 1957 Michel Pollet, son of Raphaël, took over Pollet SA. He was a real chemist who loved to experiment and create new products. Through a strategic partnership with an American partner, which ended earlier than expected, he planted the seeds of a whole range of new products, such as liquid soaps and detergents serving the industrial cleaning market, which still play a significant role today. Despite these inventions, Michel did not manage to translate this created new product stream into business sales, bringing the company in a weak financial position at the end of the seventies. It's at this point when Michel's son-in-law Antoine D'Hondt offered help in restructuring and financing the family business, in close collaboration with two consecutive external CEO's, Patrick van Houtryve and Christophe Maisonneuve. Over the following period of 30 years, the urgently-needed changes were made, such as the introduction of a new commercial strategy, the relocation and modernization of the production facility and the development of a new enzyme product range. They form the base of the success the company experiences today under the leadership of Antoine's son Jean-Nicolas D'Hondt.

Figure 2: Activities of Pollet over generations.



2.1.2 Current activities and markets

Today, the company is still dedicated to cleanliness responding to the everyday needs of professional customers with eco-friendly products. To accomplish this, the company is loyal to the following values:

- Respect towards all stakeholders
- Accountable towards the environment and stakeholders
- Innovative mindset to bring renewal to the market
- Pragmatism in finding solutions to problems and challenges
- Excellence in everything they do

Their current cleaning product range contains about 150 different products of which they manufactured more than 4.000 tons in 2017. Every morning about 4 million m² of floors in supermarkets, sports halls or railway stations are cleaned with Pollet products. Many of their products go to distributors which arrange themselves as a hygiene one-stop-shop. Some larger customers such as the Belgian Railway Company, Auchan or Carrefour are delivered directly by the company.

Producing ecofriendly products has always been a high priority for Pollet SA. The fact that they are a pioneer in using enzymes and bacteria already since 1993 is probably the best illustration of this choice. In addition, they strongly focus on using ecofriendly packaging and sourcing. All of their packaging is 100% recyclable, and 85% of their product resources come from suppliers located at a maximum distance of 200km from Tournai. Today, 56% of the total volume being sold concerns eco-friendly products, where the company's goal is even to reach 70% by 2020. To put that into perspective, the average in the market is currently only 20%. The company today is CO₂ neutral thanks to their ecological products, their use of green energy, and a compensation programme in Ouganda.

*“We are still a chemical company, but without sustainability,
there is no future for our company.” (Jean-Nicolas)*

The soap and detergent market today is largely in hands of a small number of multinational players having almost half of the market in their hands. The other half of the market is currently served by many local smaller players like Pollet SA. For the future, a consolidation is to be expected to take place in the market.

Despite its local presence in Tournai (Belgium), the company is very much international. They are present in 17 countries in Europe and beyond. Currently 65% of Pollet's sales figure is realized abroad, where France is their biggest market.

2.1.3 Key figures

Throughout history the family has had a large impact from a business-economic perspective. Especially the family's paint activity in Valenciennes (France) was very successful, employing 563 people in 1960 and realizing a sales figure of 350 million euro in 1966. At that moment, the family wasn't majority owner anymore after partly been taken over by the American PPG Industries Inc Pittsburg. Also Sicomac, the family's plantation business in Congo, was very successful, employing about 600 people at its top in the first half of the previous century. When turning to Pollet SA, the company employed about 100 people in the first half of the 20th century under the leadership of Raphaël Pollet. A number that felt back later on for various reasons. When Antoine D'Hondt and Francine Pollet got involved in the company in 1978 the family firm was not in best shape. However, the limited size of the company and the fact that the Pollet family had some other unrelated activities in their portfolio, definitely made it easier to deal with succession in the family. Since then, a lot of attention has been spent on creating a healthy company by focusing on profitability, optimization and cost reduction, thanks to Antoine D'Hondt's background and experience in banking.

"If we would have been large, there would not have been Pollet today." (Jean-Nicolas)

Today the company has a workforce of 44 people realizing about 8,5 million euro in revenue. Their ebitda is around 17%, which is really high in comparison to other companies in the sector. Where their realized growth in the past was around 1 to 3 percent, over the last three

years they realized a sales growth figure of about 20%. This can be explained among others by the strong focus on extending the sales team in the company in the last couple of years.

2.1.4 Outlook for the future

For the future, it's the ambition of Jean-Nicolas D'Hondt, Pollet's current CEO and family member of the 8th generation, to multiply the company over the next 25 to 30 years, while at the same time safeguarding the family's control and independence and the company's continuity.

Over the years, Pollet's 'tree' has become very tall, but it has never been pruned. Therefore, 3 to 4 years ago, the company heavily invested in a thorough strategic audit, which allowed them to clearly answer questions such as: what do we want to sell, to whom, and in which countries. Thanks to this strategic exercise, they have a much clearer focus now on how to look at certain products, markets (B2B versus B2C) and countries. Recently, for example, they started to explore and deliver the Chinese market as one of the new markets on their list.

Today the company is focused on organic growth, but in the future more attention can go to growing through acquisition. This would be a logical step given the consolidation going on in the industry. Nevertheless, Jean-Nicolas is very well aware of the potential dangers of an M&A where many companies don't manage to get rewards out of an M&A, mainly because of integration problems. Working on the further professionalization of his team that becomes ready to 'digest' such an M&A is therefore of importance for the organization.

To let the company further thrive in the future, and to explore further expansion opportunities, Jean-Nicolas D'Hondt makes sure he is surrounded by specialists. At the level of management, he managed to hire some experts around him with a rich background, which gives him an edge over competitors. In the last couple of years he has attracted a number of highly-skilled managers in different positions, who are well paid in line with their expertise. At the level of the board he plans to further professionalize and to hire by 2019 two new outside board members. Also the chairman will be a non-family member. Installing this new board will

allow the company to strengthen its capacity especially in the direction of marketing and sales growth.

7 to 8 years ago, there was only a paper board, thus without involvement of outside directors. When Jean-Nicolas at that time entered the firm, the board was activated and was comprised of Jean-Nicolas, his father Antoine D'Hondt, the external CEO at that time, and 1 outside director. Further professionalization has thus been put high on the agenda of Jean-Nicolas D'Hondt.

"I especially want to be challenged in the board." (Jean-Nicolas)

2.2 The family

2.2.1 Origins

Léonard-Gilles Pollet was only 35 years old when he founded the soap business in 1763. Since then, besides his lineal descendants, also in-law family members played a significant role in continuing the legacy. The death of a Pollet family member resulted a number of times in a company controlled by the widow of the former CEO (see also Table 1). But also more recently, the entrance of Antoine D'Hondt in the seventies, and Jean-Nicolas D'Hondt in 2012 illustrate the strength of bringing capable in-laws into the company.

As history further shows, during rough times from an economic and business perspective, there has always been a family member with a strong personality, who was family-driven, and who absolutely wanted to restore the company. Raphaël Pollet has definitely played a decisive role in the company in the first half of previous century, after which the firm was taken over by Michel Pollet, family member of the 6th generation. The firm was further restructured by Antoine D'Hondt, son-in-law and belonging to the 7th generation. In the final decades of previous century, he managed to build the fundamentals of what we see today. And with Jean-

Nicolas D'Hondt on board, family member of the 8th generation, the future looks bright for the family business.

2.2.1.1 5th generation

Raphaël Pollet, son of Léonard Pollet, took over the company when he was only 25 years old, a firm which was at that time close to bankruptcy. It was a period in which the business activities almost vanished, and the factory was largely obsolete. Thanks to his great vision he managed to keep the 132-year-old family business alive and to put Pollet on the map again in Tournai and beyond. His presence was thus of utmost importance in the family business' survival.

From the moment when he got control over the firm, he introduced all the new technologies that were necessary to respond to the changing circumstances in the market. It was the start of the modern society with the introduction of electricity, the automobile, the telephone and the first airplanes. He successfully managed to adapt to these new circumstances by diversifying and internationalizing the family firm. Even the first World War didn't stop him from developing new business activities.

Besides being devoted to the family business and its employees, he played a major role in supporting arts and the patronage in Tournai. He was a very generous business man who upheld human values to the highest degree. During the second World War he even opened a library and a school in Tournai oriented towards the Congolese activities in which many local civilians were involved.

The period after the second World War was quite difficult, where Raphaël, already aged 75, struggled to introduce the necessary strategic changes. He stayed on board until he died in 1957, after which his son Michel took over the firm with the help of his cousin. The succession of Raphaël to his kids didn't go smoothly, which is one of the explanations for the extremely long tenure of Raphaël who eventually was in charge of the company for more than 60 years.

2.2.1.2 6th generation

Michel Pollet, son of Raphaël, took over Pollet SA at an age of 37 after his father died in 1957. At that moment he already worked for the company as a chemist for 15 years. As a chemical engineer he was a brilliant scientist, but not a naturally-born business man. Despite this, he has always been highly respected by Antoine D'Hondt (7th generation), his son-in-law, and Jean-Nicolas (8th generation), his grandson. He was a master in experimenting in his laboratory and to create new products.

He run the company at a time when many technological changes took place. The market of soft soaps was gradually replaced by detergents, and also glycerin, one of the resources to produce soap, became synthetic. It was the period of the golden sixties, but the company struggled to adapt itself to the changing circumstances. Michel got help from his cousin Raphaël-Franz Pollet and his brother-in-law, and together they decided to phase out the production of oil and glycerine. In search of a new diversification strategy, they decided to develop an industrial cleaning activity together with an American partner in Boston, leading to the creation of a joint venture in 1963. A couple of years later, after the Americans lost interest in the European activities, Michel Pollet obtained all the know-how of industrial cleaning activities from the former partners in Boston. It continued his drive to develop a range of new products, such as liquid soaps and various detergents.

Today, still about a fifth of the firm's cashflow finds its origin in products invented by Michel. But invention is one thing. Bringing them to the market is another. And that's where Antoine D'Hondt, family member of the 7th generation, came in.

2.2.1.3 7th generation

Antoine D'Hondt is 78 years old and married to Francine Pollet, daughter of Michel Pollet. He currently is still the chairman of the board of directors, after taking over this position from his wife in 2007. Together with his wife Francine they are the only shareholders of Pollet SA which is quite exceptional for a company with such a long history. However, pruning the family tree has never been a conscious choice in the history of the business family.

Antoine D'Hondt developed a rich career in the banking industry in different top management positions at Kredietbank Group, a large Belgian financial institution, which didn't allow him to take up an operational position within the company. However, he also had experience with the soap industry in which his own family was actively involved for many years.

Before Antoine and his wife became full owner of the company in 2003, the company was owned by Michel Pollet, his 3 sons and 1 daughter Francine, and his son-in-law Antoine. Antoine understood that he could only built up his involvement in the company defensively and with great respect towards his father-in-law. Given his top management position in the banking industry, operational involvement was not an option for Antoine. Therefore, in the period after the retirement of Michel Pollet at the end of the seventies, the leadership of the company was mainly in hands of two consecutive external CEOs who worked in close collaboration with Antoine D'Hondt. Monthly they had a meeting, especially to take strategic and financial decisions. At that time, also a minority of the shares was in hands of the management. Today, Antoine and his wife fully own the company, and the second external CEO is still on board in the top management team. He actually formed for a number of years a co-CEO-ship together with Jean-Nicolas, family member of the 8th generation, which was a good choice for Jean-Nicolas to gain the trust of the employees and other stakeholders.

For Antoine the company has always been an important way to develop the family patrimony and to safeguard the independence of the family. Thanks to his background as a banker he had analytical skills and knowledge of all the techniques of how to run a business. Never purely driven by financial motives, but especially by his Christian persuasion and human values. In this respect, Pollet SA has also been an important instrument for him to give an answer to the excesses of Neoliberalism broadly found in society.

2.2.2 The current generation

Jean-Nicolas was born in 1980 and graduated as commercial engineer. He entered the family business in 2012 after working for 7 years with Delhaize as a retail improvement director in Belgium and abroad. At first, he was not really interested in taking over the company. But

especially thanks to his father and his former brother in-law he gradually gained interest in becoming an entrepreneur and in having your own company. When Jean-Nicolas' father eventually wanted to take a step back from the company he gave him the choice of becoming actively involved in the firm. It was then that Jean-Nicolas left Delhaize to build up with much interest a career at Pollet SA.

He was only 31 when he took over the firm, but Delhaize gave him the right preparation. Working in a large multinational gave him the opportunity to gain international experience and to learn all about people management and how to act local but think global. He is the first D'Hondt that actually takes up the position of CEO. Jean-Nicolas very well understands that he has the whole history and legacy of his family in his hands. But he wants to take up that responsibility and show to his father and his two sisters that they made the right choice of letting him run the firm.

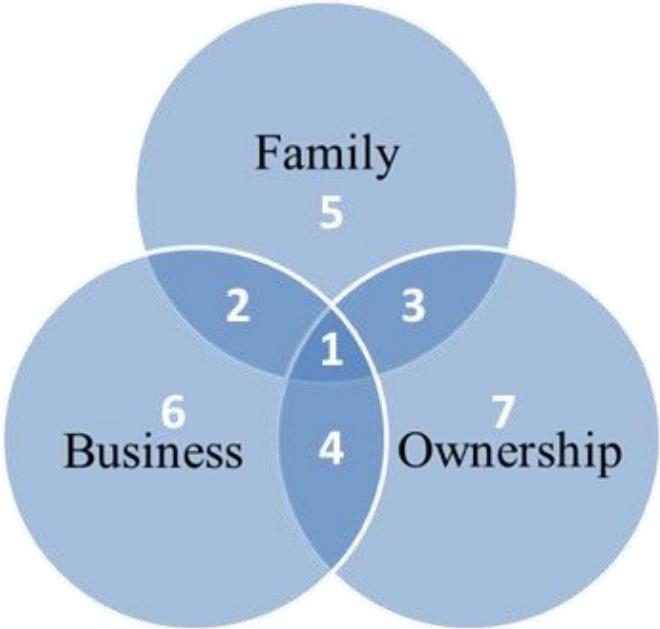
"I want to do it right. I cannot mess it up" (Jean-Nicolas)

Jean-Nicolas sees himself as a music conductor, a chief meaning officer, who doesn't play the instruments himself, but empowers people to work together and play a beautiful song. This requires finding a balance between the kind of decisions that he wants to take himself, and those that are the responsibility of his employees. He especially tries to focus on the firm's strategy and on innovative projects. At the same time, he strongly focuses on the human factor and integrates the strength of emotional intelligence. In serving the company today, he got inspired by at least 4 people: the way of thinking of his father, the mentoring by the former CEO of Delhaize Belgium, the entrepreneurial spirit of his former brother in-law, and the outside perspective of one of the external directors who is already on the board for more than 7 years.

Figure 3 below shows the famous 3-circle model of Tagiuri & Davis (1992) to illustrate which roles the business family members play today. The model makes a distinction between three subsystems, namely the business, the ownership and the family subsystem. Jean-Nicolas is currently family member without shares, who has actively taken up the role of CEO of Pollet SA since 2012 (position 2). His parents are the only shareholders, and his father is currently

still the chairman of the board, but without operational involvement in the company (position 3). Thus, over the last 6 years, there has been a clear distinction between ownership and leadership in family's hands. Finally, Jean-Nicolas has 2 sisters who are no shareholder and are not taking up responsibilities within the firm (position 5).

Figure 3: Different roles of current business family members



2.2.3 Continuing the family legacy in the future

For the future the family is doing their homework to keep the business healthy and the family satisfied, and to make sure that the company will remain in family's hands. With regard to corporate governance we refer to section 2.1.4 which illustrated the increased professionalization of the firm in the last decade. But also family governance is high on the agenda. As a former successor, Antoine understands very well that transferring the business is not easy at all, especially if you want to avoid that family members become frustrated over time or even start fighting. To handle this, Antoine is considering the creation of a foundation in which the continued family ownership can be embedded and safeguarded.

When taking into account the viewpoint of the 8t generation, Jean-Nicolas is strongly convinced that family members should get a chance to become actively involved in the company if they have the right competences but being a family member will not automatically give them a free ticket to become involved at all levels of the firm, i.e. the management, the governance, and the ownership level. He strongly believes in the right (wo)man in the right place.

3. Pollet: the strength of innovation

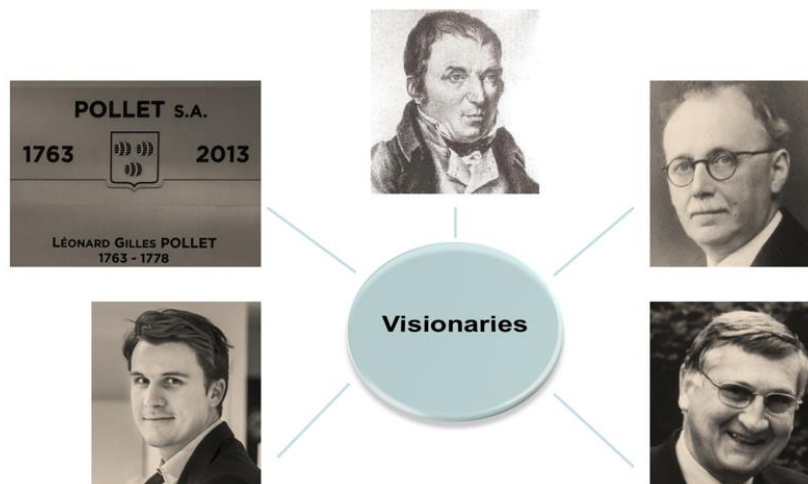
In the whole history of Pollet SA and still today, innovation belongs to one of the strengths and drivers of the company's values, strategy, success and survival. Over more than two centuries, Pollet SA reinvented itself several times, going from salt, to oil, to soap, and to detergents to stay relevant. From the moment markets got disrupted, and for example lamp oil was replaced by electricity, or the black soap industry totally dried up, the company had no other choice to reinvent itself. And every time they found within the family the capacity to renew.

"If we want to stay independent, we need to keep on innovating." (Jean-Nicolas)

3.1 Different generations of visionaries

Throughout history, the family has proven that they managed to bring forward several strong visionaries who have been responsible for the transformation and survival of the family business (see Figure 4). The origin of Pollet SA lies in the first industrial revolution. Thanks to their Christian and strict education the Pollet family managed to adapt to the new world. The family had a background as "maître graissier" and gradually started to use the animal fats as a basic ingredient to produce soap. For them it was not about surviving but rather about participating to the new industrial revolution. Especially the name of the founder Léonard-Gilles and his son Simon-Léonard come forward as one of the first visionaries in the family business' history.

Figure 4: Visionaries in the Pollet family



Although Pollet SA managed to make the switch to electricity, they struggled at the beginning of the second industrial revolution. The firm survived but got significantly smaller over the years. It had to wait to finally get in the hands of Raphaël Pollet, who can be considered as the third visionary in the company's history. He successfully transformed the company in several ways, while at the same time keeping a strong balance between financial and ethical motives, and between tradition and renewal. It was Raphaël who made the switch from oil to soap.

The focus on detergents started with Michel Pollet who made a deal in 1963 with a company in the US which was actively involved in the detergent industry. However, the joint venture only lasted for a year, after which all the knowledge got into the hands of Michel Pollet. As a chemist, he developed in the seventies more than 50 new products over a period of only a couple of years, but he didn't care much about marketing and sales. As a result, the company didn't adapt to the third industrial revolution, which strongly weakened the competitive position of the firm. But luckily, at that moment, Antoine D'Hondt came forward.

When Antoine D'Hondt got involved in the family business in the seventies, the firm was not in best shape. Profits were really low, and the company had hardly evolved over the years. If the company wanted to be ready to successfully start the third industrial revolution, things had to change. Antoine D'Hondt can be considered as the fourth visionary in Pollet's history, as he looked through the weak financial position of the company to see the opportunities in

the market. Based on his banking experience he managed to restructure the company and to create a healthy financial position, allowing the firm to make the necessary investments that should have been realized much earlier. Over the period 1980-2010 he realized investments for more than 13 million euro in the company, among others going to the modernization and automatization of the firm and the relocation to a modern industrial area outside of Tournai. The major investment of about 1 million euro in a new IT and ERP system in 2010 is another example of his drive to let the company thrive. But also the switch to ecological products was inspired by Antoine.

“If family descendants are not able to handle industrial revolutions, you get into trouble.”

(Antoine)

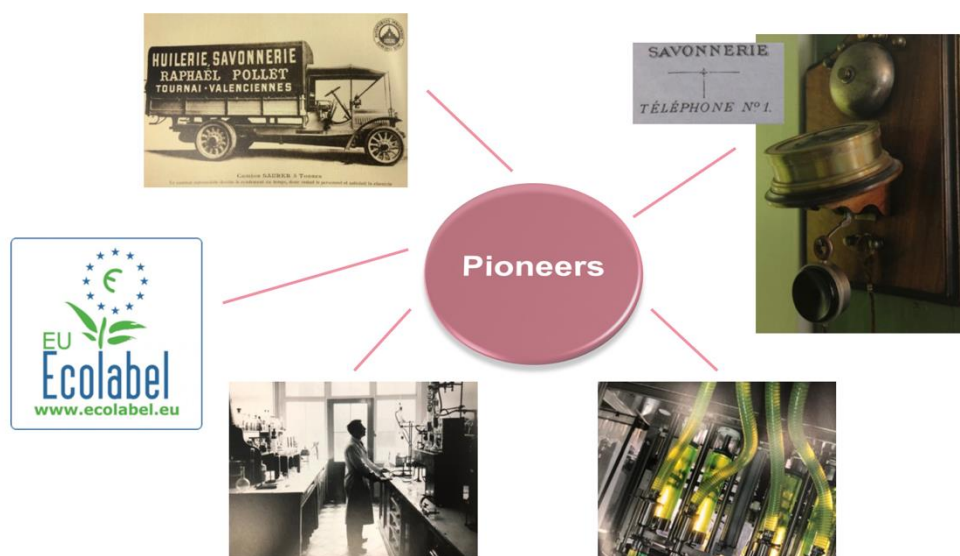
The fifth visionary is Jean-Nicolas, current CEO of the company. He left his successful position at Delhaize to jump into the major adventure of Pollet SA. Since then he has continued the path of strategic and innovative renewal like his predecessors. In 2017, he successfully launched a brand-new product line ‘Caps programme’ which has also been patented. It allows the company to sell and distribute concentrated versions of various detergents, which drastically reduces packaging and distribution costs. The company received a number of awards with the introduction of this highly innovative product. Jean-Nicolas looks forward in everything he does today. His constant time window in the future is about 18 to 24 months. He is convinced that if you want to take the next step within 2 years, you should start building the foundations already today. For him, innovation is more than just stimulating revenues. It’s also a way to position yourself on the market and to build an image in the industry.

3.2 Pollet as a pioneer

Throughout the whole history of Pollet SA, the company has always put innovation high on the agenda. This becomes visible among others through a number of decisions and activities where Pollet SA often proved to be first on the market (see Figure 5). They were one of the first in the region to install a telephone line, illustrated by the telephone number 1 to be dialed to reach the company. They also were one of the first in Belgium to make use of a truck in transporting their products to the customer. They were one of the first in Europe to bring

liquid soaps to the market after the second World War, as well as products with ecolabels. Today Pollet SA is very active with enzymes and bacteria, which is the new trend in the industry. However, the company already started with that in 1993, and no one else did that before them. In 2006 they were the second company in Belgium receiving the European Ecolabel. Being a pioneer thus always comes back in the history of the firm. Even though being first is not a conscious choice, they have a continuous drive to bring innovation the market.

Figure 5: Pollet as a pioneer



Today, in the industry a number of trends can be noticed, such as manufacturers who want to work without chemistry, or the evolution in the direction of probiotics. Pollet SA strongly believes in the latter, which explains why Jean-Nicolas and his team are already working on that for more than 1,5 years.

In 2017 the company integrated 38 product improvements. And in the next 12 months they have two new product lines in the pipeline with another pending patent. The company also proves to be successful on the market with these innovations. The four latest product launches represent 15% of Pollet's current sales figure.

With regard to innovation, Jean-Nicolas sees some advantages for his company regarding innovation in comparison to large multinationals. Although these large groups are much

stronger in terms of resources and capabilities, they are large ships difficult to turn and thus often struggle with innovation. This becomes visible from the longer lead-time in getting an innovation accepted and implemented in these organizations. They often copy the smaller innovations from smaller players that have been proven successful.

Since Pollet SA is strongly focusing on innovation, they meet on a monthly basis with their innovation committee, in which Jean-Nicolas and a number of managers are represented. The main tasks of this meeting are: ensuring that innovation stays central at Pollet SA; analyzing the evolutions in the market and scientific discoveries; looking at customers' questions; and implementation and control of projects in relationship to external parties. The innovation committee thus allows to structurally discuss all matters concerning innovation.

In addition, Pollet SA has 1 employee who is fulltime working on innovation. They also have 4 employees in their lab, of which 2 are engineers. Jean-Nicolas estimates that in total around 8 to 12% of the sales figure goes to innovation.

Pollet SA also believes in open innovation, since they understand that they cannot find everything internally. They very closely monitor the innovations of suppliers, and they test products internally and externally in cooperation with other organizations such as hospitals and universities. Pollet SA also developed an Academy some years ago, where they bring together and educate employees, customers and distributors, with the main purpose to share know-how and experience, and to co-create new products. They also installed a mobile system allowing customers to continuously receive virtual education on Pollet's product range.

Jean-Nicolas tries to find a balance between internal and external innovation. The former allows to keep ownership of their own recipe, but by doing everything internally, precious time is lost, and knowledge becomes very quickly inadequate. They understand very well that you have to profit from others' expertise. To cover the latter, they also extensively work together with the best consultants on the market. The company considers this as intangible investments, which have the last couple of years become even more important than investments in tangible assets.

4. Pollet: bringing SEW in to practice

Socio-emotional wealth (SEW) has gained a lot of attention in the academic literature in the last couple of years. Family business owners not only care about financial goals, they value, consciously or nonconsciously, also non-financial or affective aspects that result from their family control and identity. Pollet SA is driven by family-oriented motives in running the company and forms a clear illustration that SEW can be largely present within a family-owned firm.

SEW can lead to favorable outcomes (e.g. employee commitment, emotional attachment, better environmental performance) or to unfavorable outcomes (e.g. nepotism, incompetent family management, inefficient use of firm resources). Given the 5 fundamental values proposed by Pollet SA (respect, responsibility, excellence, result driven and innovation) we believe that the bright side arguments of SEW will be more important than the dark side arguments. Value-driven leadership by Pollet may be also a proof and guarantee of a bright future.

Berrone, Cruz, and Gomez-Meija (2012) showed that SEW is a multidimensional concept. They made a distinction between five dimensions: family control and influence, identification of family members with the firm, bonding social ties, emotional attachment of family members, renewal of family bonds through dynastic succession.

4.1 Family control and influence

The ownership of the company has been always in hands of family members. Today Pollet SA is 100% family-owned. Over the past generations the CEOs were mostly family CEOs (except for two external CEOs). Although the company has experience with working together with external CEOs, Pollet SA has the preference to have someone from the family to run the company (but only if they have the right competences).

We may conclude that preservation of family control and independence are important goals for the company

4.2 Identification of family members with the firm

Today, all family members experience a major pride of being part of such a great family business with such a rich history. Especially over the last decade, the old lady has become a young sexy lady, which strongly increases the attractiveness of the company. That's one of the reasons why family members want to be involved in the ownership, although they are not operationally involved in the firm. The available dividend policy will allow the family to decently deal with this situation of passive family ownership.

Like any family business, also Pollet SA strongly counts on the capacity of non-family employees. Treating them well and making them feel good at work are therefore important priorities for the company. This translates itself into a strong base of loyal employees where a number of them even have more than 30 years of experience in the firm. In the company's history there even was an employee who worked for more than 60 years for Pollet SA.

Family members are proud to tell others that they are part of such a great family business with such a rich history. If people leave the firm, some of them come back after a couple of years. Just like newcomers, they come to the firm because of its strong project, its beautiful story and its rich history.

4.3 Bonding social ties

In the whole history of the company, many family members did a lot for the local community in Tournai. Many initiatives they took were driven by their Christian values which included among others: no excesses and not showing off. Their main goal has never been to create financial wealth, but to find a middle ground between profit and doing good for stakeholders and society as a whole.

“Profit can be a consequence, but it should never be a main motivation” (Antoine)

Family members in different generations were active in promoting activities in the local community – several family members are active in the chamber of commerce or other organizations.

The current CEO sees himself as a music conductor, who empowers people to work together.

“Treat the employees well and make them feel good at work”

People who work at Pollet SA are listened to and are supported wherever they can. Temporally helping them out (financially) is something the company and its family members care about. The most beautiful example of this are the forced factory closures during the 2 world wars, where the family decided to keep on paying their employees and to give them alternative work. But also more recently, the company has shown to be open to support employees who are personally going through rough times.

4.4 Emotional attachment of family members

As a family member you take decisions differently, for example by strongly taking into account the family’s perspective. External CEOs are less likely to do that.

“As a family member you take decisions differently, eg. by strongly taking into account the family’s perspective”

Emotions and sentiments can affect decision-making processes.

“Family members are never purely driven by financial motives, but more by Christian persuasion and human values”

It is good that the company strives for a strong balance between financial and ethical values.

4.5 Renewal of family bonds through dynastic succession

Being a Hénokiens is something to be proud of as a family, but also from a business perspective it plays a significant role. As such, being a bicentary firm does not influence the firm's products directly but having such a rich history and long-term perspective sometimes gives the company an edge over competitors, especially in terms of the firm's credibility and in the creation of relationships with stakeholders.

Perennity is the word that is central when talking to Antoine D'Hondt and his son Jean-Nicolas. In everything they do, the continuity of the firm in hands of the family comes first. Even though the next generation is still too young or not showing interest yet in the company, his purpose is to stay independent and to transfer the company to the next generation.

Continuing the family legacy is an important goal for the company.

“Strong will to keep the family business into the same family”

Being prudent is a natural consequence of the family's strong focus on continuity. They think very careful on things, do it step-by-step, and are especially interested in the long term. They behave thrifty and don't jump into the wild without having considered things wisely.

“Short term thinkers can rarely last long”

5. Conclusion

Family businesses form a strong pillar in the world's economy, and that is not different in Belgium. Lambrecht & Molly (2011) identified that about 77% of the Belgian companies can be considered as family firms, contributing about a third to the Belgian GDP. Many of them are still in their first or second generation, but a significant number have a much longer history, sometimes going back more than 200 years. In Belgium, two of these companies can proudly state to be a bicentary firm and to be member of Les Hénokiens. This case study has been devoted to one of them, Pollet SA.

Writing about Pollet SA has been an inspiring journey. Diving into the family's and the firm's history deepened our insights and knowledge on the survival of a family business over more than 2 centuries. It's a story about passion, perseverance and the persistent capacity to link firm renewal to a changing demand in the market. This case study allowed us to identify the main drivers of the family business' growth and evolution that will undeniably form an inspiration for any organization that wants to grow and develop over future generations.

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