



Dear CEFS newsletter subscriber,
you will find two short descriptions of current CEFS projects and a selection of CEFS news in this issue of our quarterly newsletter. For complementary information, please visit our website at <http://www.cefs.de>.

German Entrepreneurial Index (GEX)

In January 2005 Deutsche Börse Group added a new index called German Entrepreneurial Index (GEX) to its index family. It comprises German companies whose management holds at least 25% and at most 75% of the companies' ordinary shares. In addition, the ordinary shares may not be listed for longer than 10 years in the Prime Standard at the Frankfurt exchange. GEX' aim is to attract public attention to the performance of Small- and Midsized-Companies in their post-IPO phase, which has been proven to be the period of strongest growth. Especially in Germany, Small- and Midsized-Companies drive economic growth. Therefore, GEX emphasizes the extraordinary role of these companies, describes their development and serves as a benchmark for non-listed Small- and Midsized-Companies.

The index was developed jointly by CEFS and Deutsche Börse Group. GEX has been well received in the financial community. A number of certificates has already been issued on the GEX.

[Press reaction](#)

[Project description](#)

Family firms and Private Equity

Family firms are often said to take a negatively biased view on private equity. The KfW Chair in Entrepreneurial Finance, CEFS and Apax Partners conducted a joint study focusing on private equity in the eyes of family firms. The objective was to identify the roots of problems in the negotiation process between Private Equity companies and family firms through an examination of the parties' psychological patterns of behavior resorting to selected socio-psychological theories.

The research project consisted of 22 selective, in-depth, semi-structured interviews with entrepreneurs, business consultants, representatives from various business associations, managers and experts from Private Equity companies or banks, as well as lawyers and scientists. Results show that existing conflicts between family-run business owners and representatives from Private Equity companies are primarily due to significant differences in their respective corporate cultures.

[Overview of findings](#)

News

CEFS scientific director advises EU-US Working group on Venture Capital

The Directorate-General for Enterprise and Industry of the European Commission and the United States Department of Commerce established a joint working group on Venture Capital. This is part of the activities under the EU-US dialogue on SME competitiveness. Among other topics the comparability and transparency of data will be addressed. Furthermore, the working group analyzes the current industry structure to give advice on the role of the public sector. Representatives of industry associations and academia as well as other key stakeholders are invited to advise the group. We are very proud to announce that Univ.-Prof Dr. Christoph Kaserer was invited to join the working group as academic advisor.

GEX index certificate beats all other certificates in turnover on 19.03.2005 at the Frankfurt Exchange

The GEX index certificate (ISIN: DE000SG16HM0) issued by Société Générale was the certificate with the highest turnover on 19.03.2005. Overall, more than 44.000 certificates were traded at the Frankfurt exchange with a total volume amounting to more than 535.000 Euro.

CEFS working paper 2004 No. 6 available: Determinanten der Vorstandsvergütung in Deutschland: Paradigmenwechsel oder Versagen in der Unternehmenskontrolle

The paper was written by Univ.-Prof. Dr. Christoph Kaserer and Priv.-Doz. Dr. Niklas Wagner. It takes a closer look at corporate remuneration schemes for listed German companies and goes further into the question whether these schemes have changed from 1990 to 2002. In particular, the degree of performance orientation is analyzed.

[Download](#)

E.ON Science Award 2005 - CEFS member among laureates

The E.ON Science Award is accorded on an annual basis in cooperation with Technische Universität München. It is awarded for highly innovative diploma and doctoral theses. We are glad to announce that Dr. Simon J. Wahl, CEFS alumnus, received the E.ON Science award for his doctoral thesis.