

The Bernard Arnault Family: Mastering the business of the business – and the business of the family

BY: JESSIKA MCQUEEN

A global family empire. An aging patriarch. A lifetime spent acquiring power and fortune, often through aggressive acquisitions. All the leader's children hold high-powered company positions. And now it's time to plan for the next generation to take the helm. Sound familiar? Yes, you're right. This is the exact plot of *Succession*, a popular HBO television series. But it's also the real-life story of Bernard Arnault, currently the richest man in the world and owner of LVMH, a global family empire.

Bernard and his family could not be more different from the gripping Roy family drama on *Succession*. A recent [Wall Street Journal article](#) on the Arnaults caught CMG's attention. It reveals how Bernard educated his children at an early age and assigned them specific company roles and mentors as adults before making them joint owners of the family business. We celebrate Bernard Arnault for his mastery of the two key ingredients of success for family businesses: the business of the business and the business of the family.

Bernard is the founder, chairman, CEO, and majority shareholder of LVMH (Moët Hennessy Louis Vuitton), the world's largest luxury goods company. LVMH is currently worth nearly US\$500 billion and has over 196,000 employees. It controls Louis Vuitton, Christian Dior, Tiffany, and 72 other luxury brands. The company made a record-breaking **€79.2 billion** (US\$86.7 billion) in revenues in 2022.

With a personal fortune of over US\$200 billion, Bernard is facing one of the biggest challenges of his career: who will succeed him as CEO and chairman of LVMH?



All five of Bernard's children are high-level executives at LVMH, with the oldest two having spent decades climbing the corporate ranks:

- 47-year-old **Delphine** is chairperson and CEO (since February 2023) of Christian Dior Couture, LVMH's second-biggest brand. She previously served (2013-23) as executive vice president of its largest brand, Louis Vuitton. Delphine joined the LVMH Board of Directors in 2003, becoming the first woman and the youngest person to serve on it.
- In January 2023 **Antoine** (age 45) was named CEO of Christian Dior SE (the holding company that holds the bulk of the Arnault family's stake in LVMH) and vice chairman of its Board of Directors. He has been on the LVMH Board of Directors since 2006 and LVMH's head of image and environment since 2018.
- Executive vice president of Tiffany & Co, 30-year-old **Alexandre** is Bernard's eldest child from his second marriage to Canadian pianist Hélène Mercier. In the largest luxury acquisition in history, LVMH bought Tiffany & Co for US\$15.8 billion in January 2021. Alexandre had previously been CEO of Rimowa for four years after he persuaded his father to buy the German luggage brand in 2016.
- 28-year-old **Frédéric** has been CEO of Tag Heuer since 2020. Before that, he incrementally climbed the ranks at the Swiss watchmaker after joining LVMH full-time in 2017.
- **Jean** (age 24) joined the family business in 2021. He is the director of marketing and development in Louis Vuitton's watch division.



Bernard Arnault and wife
Hélène Mercier-Arnault,
center, with, from left,
Alexandre, Frédéric,
Jean, Delphine and
Antoine Arnault.

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Preparing the next generation for leadership

Bernard integrated his five children into the business from an early age. Alexandre states:

I feel like I've been in an MBA since I was born because every lunch or dinner conversation is probably about the business [...] [T]his MBA since I was born is definitely something that gave me competitive advantage to understand the luxury market, the luxury industry, from a very young age.

The Arnault children's "MBA since birth" has a highly specialized curriculum.

Bernard brought his children at a very young age into the LVMH offices and insisted they complete math exercises when he was in meetings. He was vigilant about being present in their education and keeping them present at the company. Bernard built their knowledge and familiarity with the business and company personnel. At the same time, he built a connection between their education and the business.

Bernard spends his Saturday mornings touring the main LVMH boutiques in Paris. This involves meeting with managers and getting first-hand updates about how the stores are doing. His children began accompanying him on these visits when they were small.

As they got older, the Arnault children came along on Bernard's international trips, often including LVMH entourages of 50 personnel, to visit stores and observe negotiations for new potential acquisitions.

Bernard also made a practice of pairing his children with senior company executive mentors to learn the ropes. For example, soon after joining Christian Dior in 2001 in her mid-20s, Delphine became an understudy to Sidney Toledano, Dior's CEO at the time.

Every month, Bernard holds a private lunch at LVMH headquarters with all five children. Lunch begins with him reading a list of business topics prepared beforehand. He then goes around the table, asking each child individually for their opinion on each topic. But this isn't just an exercise in hypotheticals or theory. Bernard takes their input to heart and puts many of their ideas into practice.

The relationships and experiences that their father has fostered throughout their lives have helped the Arnault children grow their careers within the family empire. Bernard clearly believes that being a family firm makes the business strong. The key advantage is that the vision can be long-term and business decisions can be made accordingly.

A cautionary tale

Bernard is acutely aware that vulnerable generational transitions can make or break a family business. Divisiveness between relatives can often prove fatal. In his acquisition efforts, he has targeted these divisions in takeover battles with other family-run businesses. In fact, Bernard has weaponized fault lines in their succession planning and used their family friction to his own advantage. One case, however, was very close to his heart.

In 2003, Bernard's close friend and tennis partner, Jean-Luc Lagardère, died unexpectedly. Another titan of French business, Lagardère had built an enormous empire. When his son Arnaud took over, the lack of an adequate succession plan became painfully obvious. Arnaud had to continuously sell off pieces of his family company. In 2021 he lost control of the business his father had built.

The story of Lagardère is notorious among French business leaders. It is a cautionary tale of the critical importance of diligently preparing and putting succession plans into place – before it is too late.

Bernard's continued reign



The family remains unanimously quiet about who will one day take over LVMH. When asked, each response is along the lines of this **statement from Frédéric**: “This is not a topic we think about. We hope [Bernard] is going to stay as long as possible in this role.”

Indeed, Bernard has shown that he is not planning to retire just yet. In 2022 he changed LVMH company bylaws to raise the age limit for his roles. This allows now 74-year-old Bernard to remain CEO and chair until the age of 80, up five years from the previous limit of age 75.

Who will be his successor?

Bernard never talks publicly about his succession plan. But he does make it clear that succession is on his mind. In late 2022 he put his LVMH ownership under a private holding company equally owned by his five children. This holding company has the power to take control of LVMH. The move tightens the family's hold on LVMH and solidifies its transition to the next generation. Bernard remains in charge, but his children are now empowered. They could decide at any time to remove him from leadership and control the conglomerate collectively.

Undoubtedly, Bernard has a roadmap for his children's progression in company leadership. He now seems to be putting their abilities to the test, perhaps in an effort to identify which one of his children will be his successor. According to **Alexandre**:

Yes, it's a publicly traded company. It's very big, with a lot of employees. But in the end, it's a family that is represented by our family. And that is the biggest value that was transmitted to me, which I hope will transmit to my own children as well.



Here's what stood out for us in this extraordinary story:

- **Education and training for the next generation is a must.** Bernard Arnault recognized the importance of integrating his children into the family business at an early age. Handing over the company to the next generation will be done “according to their will, their abilities, their skills,” says Arnault. According to Peter Creaghan, partner at CMG, “Bernard did just that by providing his children with a specialized ‘curriculum’ to build their knowledge of the family business. He actively sought their opinions and implemented many of their ideas. This helped them to trust and have confidence in themselves, as well as in key LVMH advisors. This approach highlights the advantages that other business families can gain and exploit: instilling long-term vision and alignment for the family and the business.”
- **It is never too late – or early – to start planning.** Bernard started preparing his children and company early on. But, as Peter explains, “even if a business has operated without a clear succession plan for many years, it is never too late to act. Circumstances can change and unexpected events can occur at any stage of a family business lifecycle. Planning minimizes disruption during transitions and allows for continuity, maintaining the company’s vision, values, and growth trajectory.”
- **It is possible to master the business of the family while building a successful business.** Like the Arnaults, business families must understand the balance between business objectives and family unity, trust, and collaboration. “It is not easy”, says Peter. “But it’s possible to achieve this with dedication and effort from all parties involved, especially the leading generation and the next generation. It requires strong communication, shared values, and a common vision for the future. These are the building blocks of a successful family business to ensure family members are comfortable with their roles and responsibilities and everyone is on the same page.”

As the five Arnault children build their experience and expertise across the business, they are becoming more and more crucial to the success of LVMH. When Bernard eventually steps down, he will have made the next generation as ready as they possibly can to take over.

For now, we can only speculate about the future leader of this luxury empire – and keep watching LVMH and the Arnault family grow and thrive.

FURTHER READING:

Read the full The Wall Street Journal article [here](#). It’s an intriguing story about the family.

Here are additional reads in the [Financial Times](#), [The New York Post](#) and [Forbes](#).

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