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SUCCESSION PLANNING AND STRATEGIES IN FAMILY BUSINESS: A MULTIPLE CASE STUDY

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ABSTRACT

Family businesses represent a significant percentage of GDP and employability in developed economies, and their continuity and transition to a new generation is a crucial challenge. This study aims to analyse the nature of succession processes in small and medium-sized family business, exploring critical skills and succession strategies.

A qualitative methodology was adopted through the formation of a focus group with eight senior and junior members of family business from different sectors of activity. The results show that family businesses have characteristics that distinguish them from other companies, presenting experiences and obstacles that can put its continuity in cause, particularly the succession. Furthermore, these businesses generally adopt a long-term perspective, with family-centred decision-making and greater stability while the founder is the leader. This research contributes to extending knowledge about family business, especially the problems arising and experienced in succession processes from the first to the second generation.

Keywords: Family Business, Succession, Critical Events, Transition.

INTRODUCTION

A Family Business (FB) is considered one in which one or more members exercise considerable control over the company, due to holding a considerable percentage of capital ownership (Allouche & Amman, 2000). FBs are considered the oldest form of commercial organisation and the main contributors to all societies' economic and social well-being, and their longevity is a matter of concern due to the wealth and employment they create (Ingram & Glód, 2018; Venter, Boshoff & Maas, 2005).

Therefore, FBs and the matter of succession have rapidly become the "target" of numerous publications, projects and studies on entrepreneurship, and in parallel, succession is a challenge for executives (Cabrera-Suárez, Saá-Pérez & García-Almeida, 2001; De Massis, Chua & Chrisman, 2008; Sharma, Chua & Chrisman, 2003; Zahra & Sharma, 2004). In recent years this has gained importance and prominence, due to the retirement of various well-known business leaders (Molly, Laveren & Deloof, 2010). Succession is a strategic question shared by all FBs, due to the complexity of the decision to transfer leadership to the next generation or sell the business to third parties (Bjuggren & Sund, 2001; Ibrahim, Soufani & Lam, 2001).

General data show the serious threat these companies are under, jeopardizing countries' economic stability. Various theoretical and empirical studies show that FBs are

different from their non-family counterparts as regards behaviour and performance (Chua, Chrisman, Steier & Rau, 2012). A high proportion of FBs experience difficulties and do not pass to a second or third generation, so there is a need to increase survival rates among these firms (Cabrera-Suárez, 2005; Molly et al., 2010; Morris, Williams, Allen & Avila, 1997).

According to the Family Firm Association (AEF, 2018), in Portugal, it is estimated that in 2019 more than 70% of companies have a family structure and ownership, contributing 60% to GDP and corresponding to around 50% of employment in the country. At the European level, the data do not differ greatly. The Global Survey of Family Firms launched by PWC (2016) adds that 43% of European FBs do not have a succession plan and only 12% reach the third generation. However, Bjuggren & Sund (2001) conclude that 70% of firms pass to the fourth generation. This high percentage can be explained by the previous experiences of succession firms have come through. With each succession, new family members bring new knowledge and contributions, which has a positive effect on the company's innovation, growth and internationalization (Bjuggren & Sund, 2001; Molly et al., 2010).

Tan, Supratikno, Pramono, Purba & Bernarto (2019) show the need to carry out more research exploring questions related to succession processes in different countries. Studies of FBs should essentially lead to their improvement and to more thorough understanding of their underlying strengths (Sharma, 2004).

Therefore, the main objective of this study, as part of the project SPRING - Succession Planning and Regeneration in Family Businesses for New Growth through an innovative training program, is to analyse the nature of succession processes in Portuguese small and medium-sized FBs, exploring questions related to critical events, factors linked to continuity of the family business and preparatory actions for successors, as well as critical competences and succession strategies.

To do so, qualitative methodology was adopted through forming a focus group with eight senior and junior elements of FBs, from a total of six companies from different sectors of activity. The article aims to contribute to extending knowledge about Portuguese FBs, especially the problems arising and experienced in succession processes from the first to the second generation.

LITERATURE REVIEW

Characteristics of Family Firms

Family Firms (FB) present clearly different characteristics from non-family ones. They are seen as complex, dynamic, rich in intangible resources, with a high degree of commitment, and are of primary importance for the economies of developed countries (Cabrera-Suárez et al., 2001; Casillas & Moreno-Menéndez, 2017; Chua et al., 2012; Royer, Simons, Boyd & Alannah, 2008). Those differences are generally based on the objectives of family ownership, values and influences, being related to the objectives to pursue, management periods and centralized decision-making (Cabrera-Suárez, 2005; Morris, Williams & Nel, 1996). Indeed, Chua et al. (2012) add that FBs can be quite heterogeneous in their vision, objectives, size, levels of family involvement and control, internationalization, succession and professionalization.

FBs also face complex and difficult situations, needing to develop organisational skills so as to adapt to dynamic environments. Here, it must be considered that professionalization leads to better chances of survival (Ingram & Glód, 2018). Zahra (2005) concludes that FBs are more risk-averse than non-family firms, although little is known about whether that aversion evolves over the generations.

The long-term perspective that accompanies family involvement gives the firm an advantage in transforming resources, allowing differentiated innovation capacities (Chua et

al., 2012). Family-controlled businesses often have centralized decision-making processes, controlling less formalized systems, although changes can occur between generations (Morris et al., 1997).

FBs represent relatively stable systems as long as the founder is in place and functioning. However, various events can cause destabilization, such as the question of bringing a family member to a higher position or the founder's decision to leave the firm (Morris et al., 1997).

In general, FBs are formed with a view to financial and non-financial objectives, namely those motivated by the family's entrepreneurial tradition and social status (Zellweger, Nason & Nordqvist, 2012).

Many family businesses have created their competitive advantage through their human assets, with their being a link between business success, company survival, human resources and governance practices (Astrachan & Kolenko, 1994). FBs are still known to be more jealous of their privacy, considered as being reluctant to go outside the family circle and trusted advisors, presenting an orientation based on lasting relationships (Chua et al., 2012; Lichtenthaler & Muethel, 2012).

Succession in FBs

Succession is the main challenge for FBs for various reasons, including the need to address the question of transfer between generations, this being an adjustment of the mutual function between founder and the next generation of family members (Cabrera-Suárez, et al., 2001; Corbetta & Montemerlo, 1999; Handler, 1994; Royer et al., 2008).

Succession is characterised as a set of actions and events that lead to the transfer of a family member's leadership, involving the transfer of capital ownership (Breton-Miller, Miller & Steier, 2004; Sharma, Chrisman, Pablo & Chua, 2010). It is a multi-stage process, extending from before nomination of the successor to their growing involvement and effective management of family dynamics, where simultaneously, the predecessor reduces their participation, and various family members may be included in the process (Aronoff, 1998; Cabrera-Suárez, 2005; Cabrera-Suárez et al., 2001; Handler, 1994; Morris et al., 1996).

Inter-generational succession is a complex process, and should ideally be initiated, planned and executed during the entrepreneur's life. Problems arising can include the lack of a successor, their lack of interest, preparation or even the legal system, legislation and taxes related to inheritance (Bjuggren & Sund, 2001; De Massis, et al., 2008; Handler, 1994; Royer et al., 2008). Internal succession can simplify communication processes and build greater trust, with it being important that the chosen element is the most promising member among the set of potential candidates (Royer et al., 2008; Verbeke & Kano, 2012).

One question when considering the succession process is the option for a family member or someone outside, with the issue of nepotism emerging as a serious problem that may not be in potential shareholders' interest (Lee, Lim & Lim, 2003; Royer et al., 2008). Succession should also consider the perspective of the various stakeholders who interact with the firm at different levels (Cabrera-Suárez et al., 2001).

Miller, Steier & Le Breton-Miller, (2003) emphasize that successions can be i) conservative (the new CEO continues to depend on the old one), ii) oscillating (characterised by indecision, respecting the predecessor's policies, while wishing to exert influence) and iii) rebellious (the new CEO rejects the previous legacy, and there is a break with the past).

A potential challenge may involve the successor's preparation and capacity to acquire the predecessor's knowledge and skills in order to improve the company's performance, besides the factors of proximity and family trust, which facilitate the processes of transition planning (Cabrera-Suárez et al., 2001; Morris et al., 1997, 1996). However, Morris et al.

(1997) add that smoother transitions do not necessarily result in better post-transition performance. There is no clear evidence that a profitable FB is also affected by the succession, and as such, it should not be seen as a negative event in the firm's life cycle (Molly et al., 2010).

Generally, founders try to extend their legacy and the firm's continuity, encouraging business behaviour, helping their children to develop their skills, values, confidence and learn to accept responsibility, hoping that family members will reach the highest levels of executive professionalism (Aronoff, 1998; Dyer & Handler, 1994; Miller et al., 2003). The incumbent generation's wish is to leave the business for the next generation, normally children keen to work with the family (Constantinidis & Nelson, 2020).

The study by Lee, et al. (2003) shows that the family prefers to nominate its children to lead the business, even though the children may be less competent than non-family managers, unless the successor is very poorly qualified. The family may not have a successor with the capacities, competence and talent required to manage the firm (Royer, et al., 2008), as academic training (e.g., management and leadership) is essential to promote that knowledge, as well as gaining business experience in companies outside the family (Cabrera-Suárez et al., 2001; Royer et al., 2008). External directors of FBs can be useful in training and enabling successors to enter the firm, having a positive influence on this process and being determinants of the firm's growth, through new visions (Corbetta & Montemerlo, 1999; Sharma et al., 2003), while education in FBs and specific consultancy favours the scenario (Aronoff, 1998).

The successor's willingness to take over the business and the relationship with the founder are important factors influencing the succession process and its success, above all if successors feel fulfilled and rewarded, but it is important that parents do not pressurize their children to enter the business, especially if they do not have enough qualifications (Cabrera-Suárez, 2005; Venter et al., 2005). Compared to an external owner, a family member is believed to have a high degree of family loyalty to the family, the firm and the local community, with this benefiting the business greatly, besides the advantage of effective transmission of essential knowledge to obtain a competitive advantage (Bjuggren & Sund, 2001; Royer et al., 2008).

Bjuggren & Sund, (2001) conclude that besides inter-family succession, business-people can make other decisions regarding the transition of firm ownership, namely, selling to someone outside the family or through a gift of shares (e.g., a will).

Failed Transitions

Miller, et al. (2003) point out reasons for successions failing, namely the lack of clarity in succession plans and the successor's incompetence or lack of preparation. In FBs, it is common for the matter of succession not to be dealt with in good time, although the lack of formal succession plans does not necessarily mean the absence of planning (Bjuggren & Sund, 2001; Morris et al., 1996).

De Massis, et al. (2008) show factors of failure that concern individuals, relations, context, finance or processes, and firm owners should establish a basis of family governance so as to reduce conflict in family businesses (Tan et al., 2019). Tension and conflict usually destroy FBs, which can establish clear guidelines and policies regarding members' involvement in business, their career progression and remuneration, etc. (Ibrahim et al., 2001).

Family governance mechanisms could help in the relational component, stimulating dialogue, transparency and trust, and open communication, with a view to inter-generational orientation between family members (Lambrechts, Voordeckers, Roijackers, &

Vanhaverbeke, 2018; Martin, 2001). Dyer & Singh, (1998) refer to these mechanisms as relationships of trust or reputation. The family governance process is centred on solid parenthood, as this involves the early transmission of family values, attitudes and beliefs (Martin, 2001). Shortcomings in configuring these mechanisms are another obstacle to effective succession.

According to Venter et al. (2005), various authors and consultants mention that the main reason for failure in the succession process, from the first to the second generation, is the inability to manage the complex and highly emotional process of ownership and management of succession. In addition, the founder's success could add tension to the process of succession to children, in which women can come in for harsher comparisons than men (Vera & Dean, 2005).

Sharma, Chua & Chrisman (2003) also report possible agency problems in FBs, when relations between the agent and the main actor (in the case of managers not being owners) are characterised by diverging interests, incurring costs. For Lee et al. (2003), a descendent is less opportunistic than an agent.

From another perspective, transfer from the first to the second generation has a negative influence on the rate of company debt, compromising its growth due to less willingness to take on risks and preserve the inherited wealth. FBs have a great preference to preserve rather than create wealth (Molly et al., 2010).

METHODOLOGY

This study adopts qualitative methodology which, according to Malhotra (2005), can provide contributions and understanding about a subject. The aim here is to understand the reasons and motivations underlying a phenomenon through a limited number of cases.

Other studies on family businesses are also based on this methodology, foreseeing that in the future it will be used more to develop theory and greater knowledge about the area. This is corroborated by Morris et al. (1996), who highlight that most studies of FB have been qualitative and oriented case studies, focusing above all on succession processes and the evolution of business.

Zahra and Sharma (2004) & Cabrera-Suárez (2005) also state it is good practice to study and listen to FB owners and the various agents involved about the situations they face every day and find out about their difficulties.

Therefore, it was decided to form a focus group, which consists of an unstructured interview led by a trained moderator with a small group of respondents, the aim being to gain insights by listening to a group of people from an appropriate target speaking about matters related to the research (Malhotra, 2005). Silva, Veloso & Keating (2014) underline that this is a technique which aims to collect data and can be used at different moments of the research process, through the interaction of a group regarding a topic.

This focus group was formed in the scope of the SPRING project. This project involving 11 organisations from nine European countries aims to help FBs in the European Union (EU) to fulfil their potential. It aims to provide a complete package of training and mentoring to support and orient areas such as succession and continuity and growth of the family business, entrepreneurship and internationalization. The focus group formed intends to find out the real needs of FBs and the major restrictions they face.

Thus, we opted for this focus group methodology including several Portuguese FB members. The senior focus group had three participants, while the junior focus group had five. Each group interview lasted for 90 minutes with participants answering ten questions in total and being interviewed by a group of experienced researchers at the same time, although

in different rooms to ensure that the proximity of family members did not influence their responses and contributions to the study.

At the beginning, there was an ice breaker so that participants could meet each other and feel comfortable talking about their family business. Participants were asked to describe their family business, the industry, number of generations, location, the things they are proudest of, and finally, how they got involved in the company. Both group interviews were audio recorded and the transcription was reviewed individually and collectively for full understanding. All participants signed a consent agreement with the SPRING project researchers for internal use of the project and also for future publications.

The guiding questions adopted in this focus group were developed based on some literature review topics, as recommended by Jaskiewicz, Combs & Rau (2015) and also taking into account the suggestions of some consortium members with experience in FBs. This guide was used by all project partners of SPRING and applied in nine countries aiming to find out the real difficulties and succession problems faced by FBs. Thus, four topics were advanced and explored in this study:

1. Critical events in the family business's development.
2. Factors taken into account when deciding whether the FB should continue.
3. Actions that have been taken to prepare juniors (if senior) or how seniors (if junior) have prepared them to ensure business continuity.
4. Critical competencies needed and succession strategy planning.

Sample

The sample of this study consists of six Portuguese family SMEs from different sectors of activity, including in some cases, the presence of the founder (senior member) and successors (juniors). Eight elements in total participated in the focus group, three senior members and five junior members. Most companies are in the first generation, facing the transition process in the short term to the second generation who are already involved in family business management in different ways. Other companies in the sample have already completed the same process recently, finding themselves in the second generation. Table 1 shows the main characteristics of participants.

Interviewee	Role	Position	Company	Sector	Generation	Course/Level
#I1	CEO	Founder	A.Ezequiel, Lda.	Food and Drinks Distribution	1st	Administration/ Secondary School
#I2	Marketing Manager	Successor			2nd	Marketing Management/ Master
#I3	CEO	Founder	FITECOM & Quinta dos Termos	Textile & Wine production	1st	Textile Engineering
#I4	Operation Engineer	Successor			2nd	Electromechanical/ Engineering
#I5	CEO	Founder	Queijos Brás	Cheese production	1st	Basic School
#I6	International business and Client Manager	Successor	Twintex	Textile	2nd	Management/MBA
#I7	Manager	Successor	Queijaria Alpreade	Cheese production	1st	Law Degree
#I8	Financial Manager	Successor	A.Fernandes & Fernandes	Construction Materials	2nd	Management Degree

All the senior members interviewed started their own business very early, driven by family antecedents linked to the sector they represent today, essentially out of necessity, but also independently, hoping to build a better future for their young family (#I1, #I3, #I5). The junior members have also been involved in the FB since early times, and are currently completely integrated into the business, feeling proud of what their parents built and being part of the company success (#I2, #I4, #I6, #I7 and #I8). Nevertheless, some junior members felt pressurized by their parents to join the company after their degree (#I6 and #I8), while others did not (#I4 and #I7), experiencing other jobs before their definitive return.

It is the first generation's desire to transfer the family business to the next generation (Constantinidis & Nelson, 2020) and founders normally intend to perpetuate their legacy, encouraging business behaviour in their children (Aronoff, 1998; Dyer & Singh, 1998).

Particularly, #I1 feels proud because both sons are integrated in the company. This was the main reason to diversify the business area and the decision to make a big investment in new, modern facilities. #I6 also pointed out his parents' investment in new facilities, a decision based on the firm's continuity. Interviewee #I4 mentioned pride in becoming a reference in the wine sector while #I5 highlighted the product quality and also the fact of having several family members involved in his company.

DATA ANALYSIS AND DISCUSSION

Critical Events in Family Business Development

The senior members interviewed mentioned beneficial strategic decisions that led the family business to success, such as investment in new facilities, subsidiaries and exploring new markets (#I1), importing raw materials from abroad which made them more competitive (#I3) and strategic partnerships that allowed them to learn and improve the business (#I5).

Regarding junior members, they tended to highlight family aspects in their companies. For example, #I6 felt that it was really his own involvement, and that of his younger brother, in the company, that had contributed to the family business's continuity. In addition to highlighting his entry into the company, #I8 said he needed to adapt to what was already created and break down some barriers. For #I7, the challenge of the succession process has been the most important critical event till now in the company. In turn, #I2, #I4 and #I8 pointed out as critical events, the investment in new facilities and equipment that allowed the diversification of products for other strategic markets and business areas.

Factors taken into account when deciding whether FBs should continue

#I1 considers that the successors' knowledge of management, together with market experience, were determinant in ensuring the family business would continue in the future. #I3 said "My sons should be completely involved in the firm's philosophy, get knowledge of several crucial areas and show a great sense of responsibility in managing family resources. This is the most important thing for me, and I feel that they are on the right road". The ability to adapt to new scenarios is the most crucial aspect for #I5.

Junior members had different opinions about these factors. #I8 started by saying that "We need to understand if there is unanimity about a strategic plan and then to know if the second and third generation will be interested in maintaining the business and the same principles and values. If that generation is interested in continuing as intervening shareholders and executives, they will decide about family business continuity". #I7 considers that the family tradition, heritage and reputation are determinants in deciding to

continue. In turn, #I2 and #I6 consider business projection for the next 5 years is crucial to ensure the continuity, and total responsibility and “knowing where it comes from, knowing where it is going”.

The successor’s willingness and the relationship with the founder are noted among all respondents, these being relevant aspects in the succession process and influencing the FB successor (Cabrera-Suárez, 2005; Venter et al., 2005), as well as dialogue, transparency, trust and early transmission of values (Lambrechts et al., 2018; Martin, 2001).

Actions carried Out to Prepare Juniors/Seniors to Ensure Business Continuity

To prepare junior members (son and daughter), #I1 from an early stage had involved them in the FB. “This allowed them to develop an interest in business sciences and after completing their degrees, I involved them in the top management team in the financial and marketing department, and they realized the family business would be their future”. Regarding succession, #I1 confirmed that this has been prepared by an external consulting company aiming to prepare the succession plan and family protocol. The same was confirmed by junior member (#I2), who emphasized that his parents always challenged him, testing his ability to adapt to various departments of the company.

#I3 is already preparing a succession plan. He highlights again his sons’ higher education and considers they complement each other. #I5 has three sons, but just one of them will continue in the firm in future. He is considering hiring a specialized external entity to solve several succession problems within the company, but he has been postponing this decision.

#I6, #I7 and #I8, as junior members, present their family business differently. #I6 highlights the family principles, learning to believe in humanity, determination and academic preparation as being crucial to ensure the firm’s continuity. #I7 considers that the “older generation is always concerned about transferring the main principles and working methods, in order to guarantee a smooth transition. There has been persistent monitoring during this period and the decisions have been taken together”. He concludes that his parents have shown the desire to keep the company in the family for a long time and the main principles and corporate culture should remain.

All of this is in line with Cabrera-Suárez, et al. (2001), Morris, et al. (1996) and others, since predecessors intend to prepare successors by passing on the knowledge and skills required to lead a business to success and ensure its longevity.

Interviewee #I8 pointed out that the company is moving to the second generation and they do not have a family protocol ready for the third generation. “The first generation has prepared the successors for a long time, through the family and corporate governance, defining the shareholder and executive structure. Consequently, the second generation has started to participate in meetings and decisions about the future”.

Critical Competencies Needed and Succession Strategy Planning

The senior members of the focus group totally agree that the most critical competencies needed are management skills and market experience. #I3 also focused on the relationship with human resources, while #I5 highlighted adaptation skills, market experience and relationships with stakeholders. Knowledge of the industry in which they operate is also relevant.

Regarding junior members, #I6 emphasizes that the customer management process, technologies adopted and multiple advanced training programs could be critical competencies for success. #I4 considers the investment in innovation and new product development as crucial for the longevity of family business. #I2 pointed out market knowledge and skills to

expand the business, while #I7 preferred to stress the trusting relationships with customers and suppliers.

Succession strategy is a theme that divides opinions. #I1 said that usually the matter is discussed among family members, but he is asking for help from a specialized external entity. His son (#I2) backs up that position: “I have talked with some entrepreneurs who are in the same situation. No two cases are the same and there is a lack of information. It seems that smooth successions are more effective in large companies that initiate the process in advance and are supported by consultants who are not within the family”.

Due to several problems #I5 is facing in his company, he recognizes the need for collaboration with an external company. “(...) we have serious problems to solve in our family before the succession, and I think that alone I won't be able to lead this process”. #I8 also indicates that “In our family we talk about this frequently and we are looking for a consultant company specialized in succession issues to conduct the process effectively although I think that this process will take place in a long time”. Currently, this FB is already in its second generation.

On the other hand, #I3 said that family members speak to each other and he thinks the succession process will be natural and without problems. For that reason, they do not need external collaboration. #I7 agrees, saying that “Our Company never had any contact with consultants to prepare the business succession plan. The succession strategy is only addressed and discussed within the family in an informal environment. However, during my master degree in Entrepreneurship I had a subject involving succession issues and I have acquired some useful knowledge to lead the succession process together with my father”. #I6 says there have been several conversations between him, his brother and his parents about succession. He considers that they should listen to some business partners before but thinks the issue should not be a problem in the future.

Although not all companies are planning succession properly, the process is being treated in a more or less formal way, still during the life of the senior member, as stated by Cabrera-Suarez et al. (2001).

CONCLUSION

This study shows that family businesses have characteristics that distinguish them from other firms, presenting experiences and obstacles that can call their continuity into question, particularly the matter of succession. These companies generally adopt a long-term perspective, with decision-making centred on the family and greater stability as long as the founder is in charge.

An FB's competitive advantage lies to a great extent in the implementation of regular practices of family governance, and above all in the proximity and trust between the founder and the successor, as was found in the sample of FB participating in the focus group. Internal successions of able direct family members, who have gradually become involved in the firm and who have also had experiences in other companies, is generally the ideal scenario for FBs, facilitating the succession process, according to Morris et al. (1997), Cabrera-Suárez et al. (2001).

Also considered is successors' willingness to take over the business, and the relationship with and proximity to the company founder (or predecessor) as factors influencing the succession process and business success (Cabrera-Suárez, 2005; Venter et al., 2005). The focus group formed here revealed that FB successors present a high level of involvement and integration in the family business, supported by robust practices of family governance, knowledge of the business and the ability to adapt to markets.

As for critical events for FBs, besides factors such as family members entering the firm in management posts, the business-people highlighted strategic decisions that let them define new directions for the FBs, for example, investment in new infrastructure, new branches, key partnerships and others. Together, all these factors contribute to FBs' continuity and longevity.

Another interesting fact gathered from the focus group is that the business-people (founders) decided on investment and the capital invested according to their children's continuity in the firm. There seems to be a tendency for the parents to begin and consolidate business with the expectation that their children will extend and develop the patrimony they built up.

In addition, the interviewees have prepared certain actions with regard to business continuity. The senior elements mention that to this end they seek to involve potential successors in the business from an early age, encouraging and preparing them and passing on the central knowledge and skills to lead the firm in the future. They also seek to transfer principles, work methods and above all the firm's philosophy and values. As for the junior members, they mention the importance of academic training, especially in the area of business science, to ensure business continuity, the incentives and gradual transfer of responsibility from their parents.

The succession plan is also a topic addressed by the respondents, and it may be said that the firms are making preparations, although at different stages. Some FBs are turning to specialized firms for support, but in general, the succession plans seem to be clear for the junior elements of the sample, which augurs well for the succession (Miller et al., 2003).

Various competences are indicated as essential by the interviewees. These are essentially management capacities, experience and detailed knowledge of the market, relational competences with stakeholders and the firm's human resources, as well as a permanent focus on innovation.

The main limitation of this study is the fact of not being able to join in the focus group an equal number of senior and junior elements. This gives rise to a future line of research in order to convey a fuller and more realistic vision of FBs.

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