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Volume 2, Issue 2

**Newsletter
highlights:**

- The STEP Global Summit
- Universidad de los Andes
- Dennis Family – Business case
- STEP Reflection
- STEP Europe Book

Summer 2010

Encouraged by the positive comments received from the re-launch of the STEP newsletter earlier this year, we are pleased to present the second newsletter for the year.

Sharing knowledge and information is one of the main purposes of this newsletter. This helps the STEP members and community to better explore the STEP world and get updates from all around the globe.

Following recommendations from our partners and Global Board, we have added some new content to orient this issue more towards families. You will find information on a STEP partner and family case, STEP reflection paper on family business ethos and information on upcoming events.

We hope that you enjoy and value your feedback on how we can further improve *STEPout*.

The STEP Global Summit: 4-7 November 2010

The 1st STEP Global Summit kicks off on 4th November 2010 in Boston. Celebrating 5 years of the STEP project, for the first time the entire STEP community of scholars and families will be together at one Summit!

The STEP Global Summit Program Committee has been working hard for past several months to develop a uniquely interesting and interactive conference. The planned Summit is exciting and distinctive; it creates a dialogue between the academics and the families, generating an environment for mutual learning.

Many STEP members have given us valuable input to make this event beneficial for both the families and academics. We would like to take this opportunity thank them all!

Major topics of the Summit include:

- Entrepreneurial Women in Family Firms
- Globalization of Entrepreneurial Family firms
- Maximizing Entrepreneurial Spirit Across Generations: A Two-Way Street between Sr. and Jr. Generations

The response from the STEP community has been great thus far with many confirmed attendees – both academics and families!

For more information please visit: www.STEPsummit.org



Meet a STEP Partner: The Universidad de los Andes

The Universidad de los Andes School of Management's (Uniandes) Latin America STEP team has been an active founding member. Currently, STEP Uniandes team is composed of **Gustavo Gonzalez**, **Ana Cristina Gonzalez** and **Luis Diaz**.

The team has written six cases since its beginnings with the Project in 2006:

- Saenz-Covinoc and Saab-Independence Drilling in 2007,
- Lopez and the Lozano-Huevos Santa Reyes in 2008, and
- Caballero-Transportes y Logistica and the Restrepo-La Patria, in 2009.

This year the team is working on its seventh case with the Montoya family and recently finished an article entitled: *The role of tacit knowledge in the identification of entrepreneurial opportunities: A qualitative analysis in the context of family-controlled businesses* for the Latin American STEP book.

In 2009, the Uniandes STEP team hosted the Regional Summit in November. This Summit was extremely successful with active participation from academics and families. Currently as part of their efforts to consolidate Uniandes as a reference for family businesses in Colombia, the team along with Family Business Network-Colombia are hosting the first international Summit for Latin American Families on September 2 and 3 in Cartagena, Colombia. The theme of the Summit is *Competitive family Businesses: conditions for their sustainability and growth*.

(Left to Right): Camila Valenzuela (Assistant for the 2009 STEP Summit at Uniandes), Ana Cristina González (member Uniandes STEP team), Maria Lorena Gutierrez (Dean of the Universidad de los Andes School of Management) and Luis Diaz (member Uniandes STEP team)

Upcoming Events

STEP Related

	When	Where
• LA Case Presentation and Planning Meeting	29-30 July 2010	InterAmerican, Puerto Rico
• STEP Global Summit	4-7 November 2010	Babson College, USA
• European Summit	28 April-1 May 2011	St. Gallen, Switzerland
• Asia-Pacific Summit	November 2011	Sun Yet Sen, Taiwan

Other Conferences

• Academy of Management: Annual Meeting	6-10 August 2010	Montréal, Canada
• Family Business Network: Colombia*	2-3 September 2010	Cartagena, Colombia
• Family Business Australia	2-4 September 2010	Sanctuary Cove, QLD
• FBN International Summit	30 Sept - 2 Oct 2010	Chicago, USA
• Family Firm Institute: Annual Conference	13-16 October 2010	Chicago, USA

*Special Registration Price for STEP Partners and their Families

Meet a STEP Family: The Dennis Family from Australia



In 1960, Bert and Dawn Dennis established a business that has grown to become one of Australia's leading, privately owned property industry companies. A third generation, family owned and operated business, Dennis Family Holdings' goals are aligned to maximizing the return from long term investments.

The Dennis family has created many new urban developments' over the past five decades in both South-East Queensland and Victoria, Australia. The company is currently developing land at a rate of 600 – 1000 lots per annum.

The Dennis Family Corporation is also the project manager for a number of Melbourne estates including Manor Lakes in Wyndham Vale, Rose Grange in Tarneit and The Hunt Club in Cranbourne East, Australia.

The Dennis family has been an active member of the STEP project through Bond University and played a significant role in the 2009 Asia-Pacific summit in Seoul, Korea

Call for Papers / Publication Opportunities

- **Strategic Entrepreneurship in Family Business**

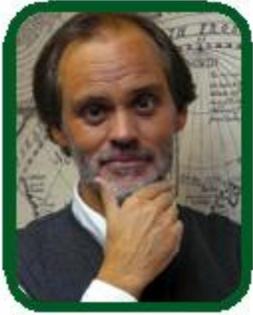
This SEJ Special Issue is devoted to understanding the role of strategic entrepreneurship in varied familial contexts. The SEJ welcomes papers that will offer new theoretical perspectives and empirical insights as well as consider in depth the issues, problems, contexts, or processes associated with strategic entrepreneurship in familial contexts. A variety of theoretical and empirical approaches to these issues are invited. **Submission deadline September 1, 2010.**

http://sej.strategicmanagement.net/family_business.php

- **Special Issue – Contextualizing Corporate Responsibility**

Over the last two decades, the role of business in (global) society has changed significantly. Corporations are asked to voluntarily accept social, environmental and ethical responsibilities arising out of their operations and practices. Globalization is one key driver of this debate. Corporations have started to split up their value chains to make use of lower factor costs in other parts of the world. This Special Issue aims to bring together scholars who reflect on and compare the different contexts within which corporate responsibility practices occur as well as in family businesses. **Submission deadline December 1, 2010** <http://bit.ly/bjHiYs>

The journals and special issues in this section could make good homes for the dissemination of STEP research. Please email us if you have opportunities that would be good to highlight here in the future.



Gonzalo Jiménez -
Director, Centro de
Empresas Familiares
Albert von Appen, UAI.

STEP Reflection - Family Business Ethos

- Contributed by Gonzalo Jiménez, María Pía Bartolomé's, Carolina Pérez-Iñigo and Karin Usach

Most companies around the world are family controlled and provide more resources for the entrepreneurial economy than any other source. Family Firms are top in several performance measures and Fortune 500 family-influenced companies consistently outperform non-family businesses. It seems they do better. What do they do differently? What can we learn from it?

Based on our consulting experience we developed the FBG Ethos Model in an attempt to answer those questions. We put it to the test studying on 33 family business group and 8 non family business groups. The FBG Ethos Model aims to discover the dominant logics behind the business decisions ruling the firm behavior. We define business behavior as a pattern in a flow of actions, and actions are a reflection of the ethos of the firm -the guiding beliefs, standards, values and ideals and resources that characterize it.

We discovered FBGs have distinctive characteristics in the way of using the strategic levers available in the pursuit of entrepreneurial success, showing a surprising coherence in their action over time, a dominant logic inherent to the action of each FBG, regardless of the particular sector analyzed. From the recurring patterns detected, we found that each FBG is influenced by four elements whose relative weights vary in importance: Industry, Resources, Business Model and Vision. Even though all four elements will always coexist in any FBG, the element with the highest influence will determine the type of Ethos to which each FBG belongs.

The FBG tangible and intangible assets, allowing actually or potentially to leverage eventual synergies among different business units form the Resource Ethos. An example is "Falabella" a Chilean department store with presence in Argentina and Peru, of the Falabella, Solari and del Río families, whose anchor resource is the CMR credit card. Key success factor is the capacity to interconnect businesses advantageously among each other.

The FBG value creation formula or strategic routines systematically reproduced as it ventures into new markets. This includes the ability for selecting, evaluating, acquiring, restructuring, organizing, operating, and selling companies; capabilities for industry's consolidation, ability to merge with others, and the expertise to identify, attract, negotiate and cooperate with strategic partners forms the Business Model Ethos.

The FBG ultimate objective that motivates them and dominates its decision-making processes forms the Vision Ethos. A case study is the Pereira's Family with The Votorantim Group, one of the largest private industrial conglomerates in Brazil whose beginning dates back to 1905, when founder Antonio Pereira, Portuguese by birth, started with a factory of edible oils. A portfolio building process followed suit in time with the apparent purpose of accommodating the family (or perhaps trying to defy the old saying that families grow faster than businesses).

It seems that successful family businesses are more aware of their Ethos than non-family businesses, probably because Business Ethos is interweaved with Family Ethos. There is still a lot of research to do to find out what make FBGs different and more successful than the average firm, but we think the FBG Ethos Model is a good place to start.

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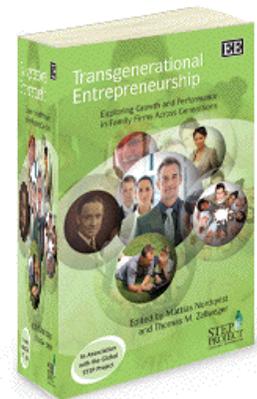
STEP Europe book

On behalf of the STEP Project community we would like to congratulate the editors, Mattias Nordqvist and Thomas M. Zellweger, on the completion of the STEP European book *Transgenerational Entrepreneurship*.

Congratulations and many thanks to *E. Bieto, A. Bloch, E. Brundin, A. Gimeno, T.G. Habbershon, A. Joseph, U. Lassini, L. Melin, C. Muehlebach, M.J. Parada, M. Plate, C. Salvato, M. Santi, C. Schiede, P. Sieger, F. Vallaud* and *A. von Schlippe* for their contributions in the book.

The book introduces a new concept in family businesses of Trans-generational Entrepreneurship which addresses how these businesses achieve growth and longevity through entrepreneurial activities. The book also focuses on the resources, capabilities and mindsets that families develop and draw upon in order to be entrepreneurial across generations, and presents findings from international research collaboration between family business researchers and practitioners.

The book can be purchased online at http://www.eelgar.co.uk/bookentry_main.lasso?id=13061



Transgenerational Entrepreneurship

Exploring Growth and Performance in Family Firms Across Generations

STEP Book Series: Where they stand

- **Asia-Pacific:** - Entrepreneurship in Family Firms in Asia
This book will be published by Edward Elgar Publishing Limited. This book includes ten cases of family entrepreneurship from six countries (China, Taiwan, India, Hong Kong, Malaysia, Australia).
- **Latin America:**
Most of the content of the book has been received from the Contributors. Editors are expected to send the content for publishing by end of August.

Edward Elgar is publishing a series of books based on STEP data from each of our regions.

News of Note

- The first STEP Europe award was presented at the EIASM conference in Barcelona this past June. The winners were Salvatore Sciascia, Francesco Chirico, and Pietro Mazzola for their paper '*Entrepreneurial orientation and performance in family owned Firms: The role of family management.*'
- Congratulations to Alexandra Joseph & Maria Jose Parada for their paper - *Sustaining Competitive Advantage in a World of Giants: The case of firms in the pharmaceutical Industry* that won the Best Doctoral Paper Award @ FERC in Cancun this past April.
- We would like to highlight more personal and professional news here so please contact rnason@babson.edu if you have anything you would like to share.