



INTES Institute of Family Businesses

Activity Report

Sept. 1, 2012 — Aug. 31, 2013



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INTES Institute of Family Businesses

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Chair Holder's Foreword



Dear families,
Dear owners and managers in family firms,
Dear family business community,

Last year, in my foreword to the institute's report, I drew the picture of the institute moving from being an institute of family firms to a family business specific platform integrating and offering the whole breadth of management knowledge relevant for family firms. Today, we can conclude that WHU and its family business group have advanced in exactly this direction.

In September, thus after the period of this report, Professor Ayse Karaevli from Sabanci University Istanbul has joined the team holding the Chair of Organizational Change and Family Business. In 2014, we are looking forward to starting the first chair in economics of family firms looking at transgenerational economic policy. Furthermore, we are looking for an Assistant Professor for Family Business Finance. Thus, the platform will further grow.

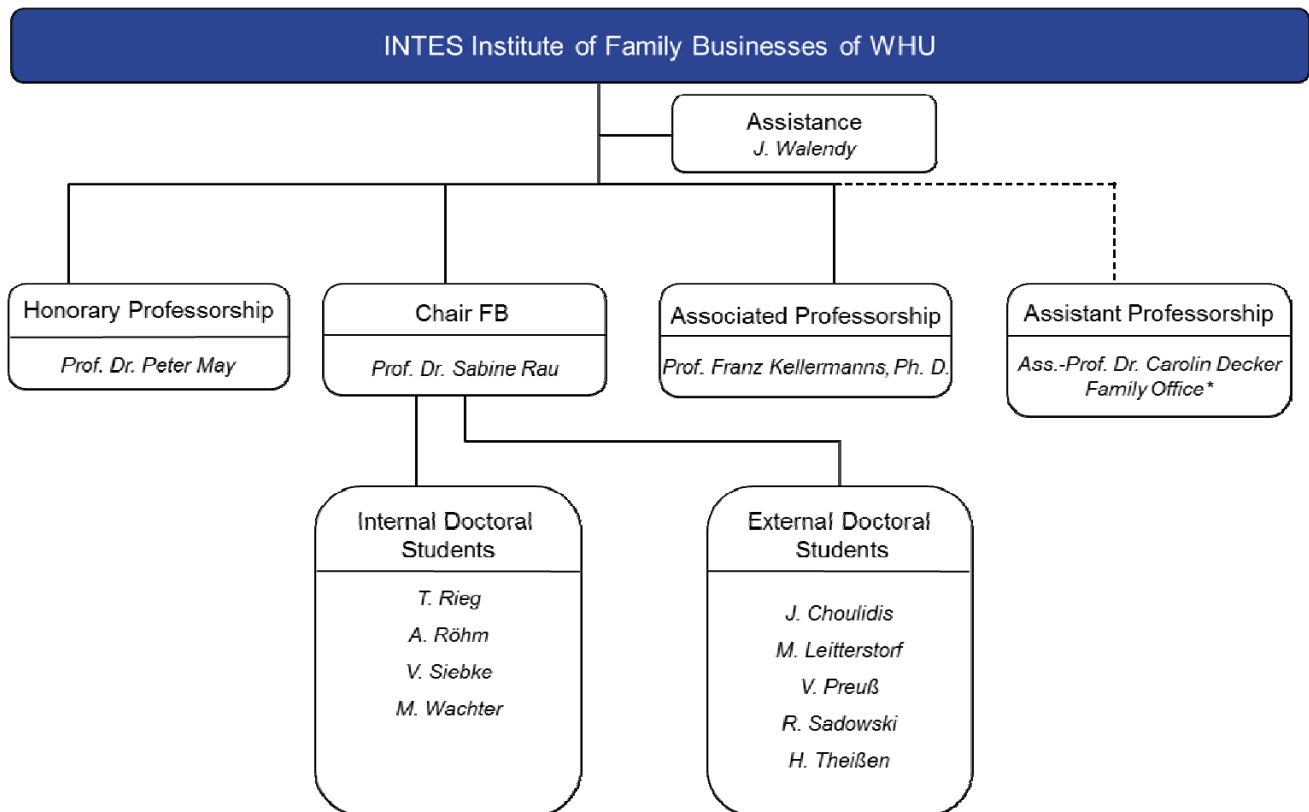
During the last year, we were building the basics for this development. Apart from fundraising activities, we concentrated on sound research and interactive teaching to raise enthusiasm for family firms with our students. The most outstanding success was the acceptance of our first A+ publication on IPO of family firms by Max Leitterstorf and me at Strategic Management Journal.

We are optimistic that we will proceed on this way in the next year in order to even better serve the family businesses and business families, our students, the academic community and the WHU.

Vallendar, September 2013

Prof. Dr. Sabine Rau

The Institute | Organization Chart



* not integrated in INTES institute but closely collaborating

Prof. Dr. Sabine Rau is the chairholder of the INTES Institute of Family Businesses. Beyond that Prof. Franz W. Kellermanns, Ph. D. (University of Tennessee) as an associated faculty member and Prof. Dr. Peter May as an honorary professor of WHU are closely connected to the institute. This also applies to the Assistant-Professorship of Family Offices represented by Dr. Carolin Decker.

Four research assistants strengthen the institute's team respectively doctoral students. Beside this five external doctoral students do research on different topics in parallel.

Last but not least Jutta Walendy supports the chair actively as a personal assistant and takes care of all matters concerning the day-to-day office routine.

Prof. Dr. Sabine B. Rau | Chair Holder

For more than 20 years Sabine Rau does research on Family Businesses. Coming from a Family Business where she was part of the advisory board and temporarily worked as CEO she focuses on the company characteristics which arise from the family influence. At the same time she is interested in the influences the firm exerts on the family especially the development of the next generation. Sabine Rau studied management and psychology at University of Münster und Munich (LMU) and received a doctorate by Dr. Lutz von Rosenstiel (LMU) and Prof. Diether Gebert (Uni Bayreuth) on the subject „Der Einfluss von Werten auf die Gestaltung von Organisationen.“ Before accepting the chair at WHU at the beginning of 2010 she lectured and did research at University of Trier, later at INSEAD in Fontainebleau and build up the division „Family Firms“ at EBS between 2004 and 2009. From 2003-2007 Sabine Rau was president of the international research association in the field of family firms (www.ifera.org) and is active as a board member and reviewer for different academic journals. Besides numerous journal publications she has written the first textbook in the field of family business, that meanwhile has been released in the third edition.



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Jutta Walendy | Assistance

Jutta Walendy is a trained office-clerk and state-certified Master of Business Management for Tourism. After her vocational training she worked some years for Deutsche Lufthansa AG in Frankfurt as a Ticket Agent and changed to work for a publishing house for 17 years. Since September 2008 Jutta Walendy supports the WHU Team as an assistant and started at the INTES Center for Family Businesses which became later the INTES Institute of Family Businesses. She also is a member of the WHU staff choir.



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Prof. Franz W. Kellermanns Ph.D. | Associated Member of the Faculty

Franz W. Kellermanns is the Addison H. & Gertrude C. Reese Endowed Chair in International Business and Professor of Management at Belk College of Business at the University of North Carolina – Charlotte. He holds a joint appointment with the INTES Center at the WHU–Otto Beisheim School of Management (Germany).

He received his PhD from the University of Connecticut. His research interests include strategy process and entrepreneurship with a focus on family business research. He is an Editor of *Entrepreneurship Theory and Practice* and former associate Editor of *Family Business Review*. He has published in journals such as *Organization Science*, *Journal of Management*, *Journal of Management Studies*, *Journal of Organizational Behavior*, *Journal of Business Venturing*, *Entrepreneurship Theory and Practice*, *Family Business Review*, *Academy of Management Learning and Education*, etc.



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Prof. Dr. Peter May | Honorary Professor

Peter May is a lawyer and economist and grew up in a family business which he successfully managed for several years. The founder of the INTES is to be considered as an expert for family firms. He was owner of the Wild Group chair of Family Business at the IMS in Lausanne and holds a honorary professorship at WHU – Otto Beisheim School of Management in Vallendar.

Peter May gives advice to leading owner families, publishes, gives a speech regularly and launched several important initiatives as e.g. the “Governance Code for Family Businesses” and the award “Family CEO of the Year”. He is the author of the book “Erfolgsmodell Familienunternehmen–Das Strategie-Buch” which was published in 2012.



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Ass.-Prof. Dr. Carolin Decker | Assistant Professor

Dr. Carolin Decker studied business education at Johannes Gutenberg-University in Mainz from 1998 to 2003. After that, she was a doctoral student at the University of Leipzig, the University of Paderborn, and Freie Universität Berlin where she received her doctoral degree in 2007. Before joining WHU, she was a post-doctoral researcher at the Institute of Management and the DFG-funded research center “Organizational Paths” at Freie Universität Berlin and a guest lecturer in organizational knowledge management at Berlin University for Professional Studies. She has been an Assistant Professor for Family Offices at WHU – Otto Beisheim School of Management since January 2011.



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Thomas Rieg, M.Sc., M.A. | Research Assistant

Thomas Rieg was born in Stuttgart and studied Business Administration at under- and postgraduate level at the University of Mannheim as well as Durham (U.K.) and Queen's University (Canada). During his stay at Queen's University in Canada, he got a second master's degree through the University of Mannheim's double-degree program. He gained practical experience as a summer intern at Ernst & Young as well as working as a university research assistant during his time in Canada. After his graduation, he started working as a research assistant and doctoral student at the Chair of Family Business Research held by Prof. Dr. Sabine Rau.



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Andreas Röhm, M.Sc., M.A. | Research Assistant

Andreas Röhm holds a Bachelor of Science in business administration of the University of Mannheim and a Master of Science in finance of the London School of Economics (LSE). Additionally, he spent a semester at the University of Belgrano, Buenos Aires. During his studies, he completed several internships in German firms, including the project finance team of Deutsche Bank, gaining practical insights into different industries. Since 2012 Andreas Röhm is working as a research assistant and doctoral student with Prof. Dr. Sabine Rau at the INTES Institute of Family Businesses. His field of research is hereby focused on the effects of market liquidity of family business shares.



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Dipl.-Kffr. Viktoria Siebke | Research Assistant (until June 30, 2013)

Viktoria Siebke, originally from Düsseldorf, studied business administration and romance studies at the University of Mannheim and the Universidad Autónoma de Barcelona. Amongst others, she interned at Verlagsgruppe Handelsblatt in the area of Media-Marketing and gained further practical experience at Deloitte & Touche Transaction Services. Alongside her studies, Viktoria Siebke also volunteered for Leo-Club Mannheim and worked as an undergraduate research assistant in order to gain initial experience with academia. Since her graduation as Diplom-Kauffrau in 2010, she is employed as a research assistant and doctoral student at the Chair for family businesses (Prof. Dr. Sabine Rau). Her dissertation examines the influence of family values on the behavior of family businesses and their performance.



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Maximilian Wachter, M. A. | Research Assistant

Maximilian Wachter studied Economics at the University of Heidelberg as well as Accounting and Finance at the University of St. Gallen. Throughout his studies he gained practical experience. Amongst others he worked as a project manager for the Wachter GmbH & Co. KG and at Bertelsmann Financial Services (BFS). Since March 2013, Maximilian Wachter is employed as research assistant and doctoral student at the chair for family businesses held by Prof. Dr. Sabine Rau. His dissertation examines the influence of family firm identity on strategic behavior.



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Jannis Choulidis, M. Sc. | External Doctoral Student

Jannis Choulidis studied business administration at the European Business School in Oestrich-Winkel and joined the chair of Prof. Dr. Sabine Rau at WHU in 2010 as external doctoral student. Before starting his doctoral studies at WHU he founded two start-ups and is still significantly involved in them as managing partner. The entrepreneurial experience he achieved is influencing his research which deals with the influence of different family networks on the performance and survivability of start-ups.



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Dr. Max Leitterstorf, Dipl.-Kfm. | External Doctoral Student

From 2004 until 2008 Max Leitterstorf studied Business Administration at the WHU in Vallendar, the Waseda University in Japan, and the EM Lyon in France. His majors were corporate finance and family firms. He completed several internships - amongst others at the investment bank Lazard in France and at the consultancy Roland Berger in Belgium. Max Leitterstorf has worked for the Boston Consulting Group (BCG) since 2008. In 2011 he started his dissertation program at the chair for family firms at the WHU. His dissertation topic is financing of family firms.



On June 26, 2013 he successfully finished his doctoral studies at WHU—Otto Beisheim School of Management.

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Dr. Veronika Preuß, Dipl.-Kffr. | External Doctoral Student

Veronika Preuß studied business administration at the University of Mannheim specializing in Finance/Banking, Insurance Management, and International Management. During several internships in Germany and abroad she gained practical experiences. Amongst others she worked for the M&A department of HVB Consult in Munich and Commerzbank AG in New York. During her studies in Mannheim she was employed as a working student at Bilfinger Berger AG. From February 2010 on Veronika Preuß worked for two years as a research assistant at the INTES Family Business Institute and supported the team of Prof. Dr. Sabine Rau. She received a scholarship and finalized her dissertation project on “Stakeholder support in family businesses: The influence of successor legitimacy on stakeholders’ decisions”.



On December 13, 2012 she successfully finished his doctoral studies at WHU—Otto Beisheim School of Management.

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Dipl.-Kfm. René Sadowski, M.A. | External Doctoral Student

After completing business training, Rene spent 2 years in the Netherlands and Belgium before returning to Berlin to take up studies in Business Administration. Upon finishing his degree, he joined the team at Egon Zehner International (EZI) and simultaneously completed a master's program in Political Science, also in Berlin. In addition to his work as a Practice Specialist at EZI, he has been an external doctoral candidate under Prof. Sabine Rau, working and researching CEO succession in family business since 2012.



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Hubertus Theißen, M. Sc. | External Doctoral Student

Hubertus H. Theissen holds a B.Sc. in General Management from the European Business School (EBS) in Oestrich-Winkel and a M.Sc. from Ludwig-Maximilians-Universität (LMU) in Munich. He spent two semesters abroad, one in Stockholm (Stockholm School of Economics) and one in Oxford. In 2009 Hubertus became certified Exchange Trader for Eurex. During his studies he also worked for Miele & Cie. KG, Clifford Chance LLP and Deutsche Bank AG (M&A MidCap) as an intern respectively. Since October 2011 Hubertus does research as an external doctoral candidate at our institute on questions concerning Corporate Governance practices in Family Offices. He is being supervised by Prof. Dr. Sabine Rau and Prof. Dr. Markus Rudolph. Hubertus now lives in Muenster.



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Past Doctoral Students

- Prof. Dr. Peter Jaskiewicz | Associate Professor | University of Concordia, Canada | Prof. Rau | 2007
- Prof. Dr. Torsten Pieper | Ass. Professor | Kennesaw State University, Georgia, U.S.A. | Prof. Rau | 2007
- Dr. Christian Niedermeyer | Fraport, Frankfurt | Prof. Rau | 2008
- Dr. Simone Chlosta | Lecturer | Frankfurt University | Prof. Rau | 2009
- Dr. Jesica Ebert | Foundation Manager at Claudia-Ebert-Stiftung | Darmstadt | Prof. Rau | 2010
- Dr. Markus Hehn | Senior Manager | Deloitte S.A. | Luxemburg | Prof. Rau (Co-Supervisor) | 2010
- Dr. David Hanisch | Bain & Company | Prof. Rau | 2011
- Prof. Dr. Fabian Bernhard | Ass. Professor | INSEC Business School, Paris | Prof. Rau | 2011
- Dr. Benedikt Herles | Bain & Company | Prof. Rau | 2011
- Dr. Katharina Heinrichs | Prof. Rau | 2012
- Dr. Veronika Preuß | Assistant to CEO | Trumpf GmbH | Prof. Rau | 2012
- Dr. Hannes Hauswald | Consultant | Bain & Company | Prof. Kellermanns (Co-Supervisor) | 2012
- Dr. Stephan Wessel | Arianta Capital | Zurich | Jun.-Prof. Decker (Co-Supervisor) | 2013
- Dr. Oliver Ahlers | Prof. Kellermanns (Co-Supervisor) | 2013
- Dr. Max Leitterstorf | The Boston Consulting Group | Prof. Rau | 2013
- Tim Krume | NordInvest | Hannover | Prof. Rau (Co-Supervisor) | 2013

Changes



Viktoria Siebke quit her collaboration as a research assistant by June 30, 2013 at INTES Institute and continues her doctoral studies and research as an external doctoral student.

During the past academic year we offered several courses within the different WHU programs. The detailed activity diagram is as follows:

Program	HS 2012	FS 2013
Bachelor of Science	Distinct questions of family firms (Rau)	Distinct questions of family firms (Rau)
		Knowledge Management in Organizations (Decker)
Master of Science	Managing the family business (May)	Institutions in contemporary society with focus on family firms (Rau)
	Family Business Management (Decker)	
Doctoral Program	How to write publishable papers (Kellermanns)	Survey methods II (Decker)
	Recent development in the field of family business (Rau)	A short introduction to SPSS and AMOS (Kellermanns)



Bachelor of Science

Distinct questions of family firms

Prof. Dr. Sabine Rau

Family firms are prevalent around the world. In Germany they represent more than 50% of GDP and workforce. Family influence makes a firm special therefore to manage a family firm or work with it as a supplier, banker or consultant is different. In this course, we will explore these differences by looking at the family firm from a systemic point of view. The subsystems of family, ownership, leadership and the business itself will be in our scope of work. Related theories as well as practical implications will be discussed.

Knowledge Management in Organizations

Ass.-Prof. Dr. Carolin Decker

We focus on various topics in knowledge management with a special emphasis on the creation, transfer, and retention of knowledge in strategic alliances. Previous research has mainly focused on the choice between contract-based alliances and equity joint ventures. However, recent research has identified at least four different types with different governance features, such as (1) unilateral contract-based alliances, e.g., unilateral licensing agreements, long-term supply contracts, R&D contracts; (2) bilateral contract-based alliances, e.g., technology sharing agreements, cross-licensing agreements, joint research agreements, co-marketing agreements; (3) minority equity alliances; and (4) equity joint ventures. Alliances have an impact on the knowledge bases of the participating partner firms. Therefore, in this seminar, we focus on different processes that we define as follows:

Knowledge creation occurs when new knowledge is generated in an alliance. Alliance partners must have access to people or groups with specialized information, be able to absorb and combine information that has been exchanged, and anticipate value from the exchange and combination process.

Knowledge transfer occurs when the experience that has been accumulated in one partner firm affects another. The transfer of tacit knowledge comprises, e.g., marketing know-how, managerial techniques, and knowledge about foreign cultures

and tastes. The transfer of explicit knowledge is a result of codification and deliberate learning efforts that can affect, e.g., technology, management, and procedural manuals.

Knowledge retention involves embedding knowledge in a repository so that it may persist over time and be available for subsequent utilization.

These processes affect and are affected by the context of knowledge management in strategic alliances that alludes to the properties of the alliance partners, the relationships between the partner firms, and the types and amounts of knowledge in question.

Master of Science

Managing the family business

Prof. Dr. Peter May

The Students acquire in-depth knowledge concerning major concepts and instruments needed for the successful management of family businesses (discipline-specific knowledge and competence) and will learn how to analyze family and firm structures to develop a sound corporate and family governance (management-specific skills). They learn about the complexities of managing the family firm and the owner family (global business environment) and the classes will be very interactive. Students have to solve case studies and are provided with numerous practical examples (Teamwork and responsible leadership). We teach critical thinking and problem solving skills. The Students have to analyze complex situations and consequently develop recommendations and will learn to recognize and deal with the advantages and challenges of family firms with the help of examples and case studies (managerial and entrepreneurial practice).

Family Business Management

Ass.-Prof. Dr. Carolin Decker

In family businesses, owner families exert a strong influence on decisions and strategic actions. Families and their businesses act as more or less overlapping subsystems that are affected by different ownership and management structures as well as internal and external stakeholder groups and environmental pressures. Structures, mechanisms, and practices for governing family businesses – those that focus on the business and those that refer to the family – need to be implemented to enhance performance and preserve the business as a legacy for future generations.

We explore and analyze the special challenges that concern family businesses, such as ownership transition processes, feuding families, or the implementation of effective governance mechanisms, based on scholarly publications and students' subsequent and complementary practical projects on selected "real" cases.

Institutions in contemporary society with special focus on family firms

Prof. Dr. Sabine Rau

Society is guided by major institutions such as the family, democracy, bureaucrazy, free markets, and religion alike. Issues like isomorphism, institutional entrepreneurship, legitimacy, resistance, and change will be integrated in a specific institutional approach to family firms.



Doctoral Program

How to write publishable papers

Prof. Franz W. Kellermanns Ph. D.

General aspects of academic writing are discussed. A focus on the conference and journal review process with highlight important pitfalls of the process. An example of actual reviews and the response to the editor and reviewers will be discussed. The students will gain a better understanding of the publication, review and co-author process.

Recent development in the field of family business

Prof. Dr. Sabine Rau

Family Business as a field only developed over the past few years. Although the first special journal, FBR, started in 1988, and the researchers association ifera was founded in 2001, the research in the field over a long time lacked rigor and, thus, legitimacy. With top scholars from main fields starting to dig into family business topic as well as family business scholars get more rigorous in their research, the picture changed over the past few years.

We will examine new development in the family business field such as the application of institutional theory as well as the application of RBV to family businesses. Furthermore, we will review papers on family business topics submitted to an A-journal.

A short introduction to SPSS and AMOS

Prof. Franz W. Kellermanns Ph. D.

This seminar will provide a quick overview of structural equation modeling. In addition of a brief discussion of SEM applications (e.g., CFA, model estimation), an example analysis in AMOS will be presented.

Survey methods II

Ass.-Prof. Dr. Carolin Decker

In this seminar, we focus on topics pertaining to a specific component of overall survey research, namely methods for data collection. The impact of data collection techniques on data quality and survey costs will be reviewed. In particular, this course reviews the literature on survey design decisions and data quality in order to sensitize students to alternative data collection methods and their impact on the data obtained from surveys and subsequent data analysis. Group exercises and assignments are used to help students to make appropriate design decisions for data collection.

The objective of this seminar is to provide students with the skills to design, conduct and publish excellent survey research, i.e., research in which high-quality data are used based on a carefully selected sample of individuals or businesses by means of appropriate data sources and methods for data collection. More precisely, alternative sources and methods for data collection will be presented. Thus, the course refers to different types of data (primary, secondary, cross-sectional, longitudinal) and sources for data collection (e.g., knowledgeable individuals, public databases) as well as various approaches including, e.g., interview techniques, observations, and standardized questionnaires. We will discuss biases that can occur, such as measurement error, nonresponse bias, common method bias, and social desirability bias, and potential remedies. Moreover, we will examine data collection issues alluding to longitudinal surveys and discuss the collection of panel data.

Guestlecturers



17.09.2012 Jan Schmidt-Krayer, CEO Schmidt + Clemens, "Owner Strategy" MSc-course (May) "Managing the Family Business"



28.09.2012 Mark Oliver Schreiter, CEO ERCO, „Unternehmensstrategie“ MSc-course (May) "Managing the Family Business"



08.10.2012 Hans Redlefsen, CEO CLOSED, Corporate Finance , MSc-course (May) "Managing the Family Business"



12.10.2012 Sebastian Borek, CEO and Henning Borek, Chairman of the Board, BOREK Kommunikation, „Corporate Governance in Family Businesses“, MSc-course (May) "Managing the Family Business"



05.11.2012 Dr. Franz Ruder, CEO Underberg KG "Resources of Family Firms", BSc-course (Rau) "Distinct questions of family firms"



12.11.2012 Dr. Peter Bartels, Director Family Business and medium-sized businesses, PricewaterhouseCoopers AG, "Governance in Family Businesses", BSc-course (Rau) "Distinct questions of family firms"



26.11.2012 Dr. h.c. Beate Heraeus, CEO Heraeus Bildungsstiftung, "Family Dynamics", BSc-course (Rau) "Distinct questions of family firms"

Supervised Thesis (BSc/MSc)

Bachelor-Thesis

- Clara Bratfisch / Jan Knaisch | Family Businesses and Private Equity Firms—Dimensions of Organizational Identity Hindering Collaboration | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Viktoria Siebke
- Lara Brenningmeyer / Anne Luisa Eymmer | How Conflict Affects Entrepreneurial Orientation in Enterprising Families: The Effect of Relationship Conflict on the Antecedents of Entrepreneurial Orientation | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Thomas Rieg
- Pia Katharina Buck | Corporate Governance and Competitive Advantage in Family-Controlled Firms—How motivation can ensure competitive advantage | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Andreas Röhm
- Eva Valentina Goebel | When Families Interact and Stakeholders Perceive—Intergenerational Social Capital in Family Firms | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Viktoria Siebke
- Frigga Grigat | Failed Succession in Family Firms—An Identity Theory Perspective | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Andreas Röhm
- Christoph Herrmann | Institutional Pressures and the Adoption of Management Trends—A Contingency Perspective | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Viktoria Siebke
- Nadja Marx | Generational Conflict and the Impact on the Probability of Sale | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Thomas Rieg
- Julia Mecheels | Succession of Women in Family Firms—A Theoretical Framework of Stakeholders' Acceptance for Female Successors | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Maximilian Wachter
- Marie-Josefien Schneider / Annalena Schwichtenberg | The Relationship between Socioemotional Wealth and Conflicts in Family Firms | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Maximilian Wachter
- Rick von der Becke | Unplanned Succession in Family Firms—The Input of Strong Organizational Social Capital on the Succession Event and the Firm's Subsequent Performance | Supervisor: Prof. Dr. Sabine Rau | Co-Supervisor: Thomas Rieg

Master-Thesis

- Viktoria Schäfer | Conflicting Logics in the Communication Between Private Banks and Families | Supervisor: Prof. Dr. Sabine Rau

Succession in Family Businesses Revisited: Current Knowledge and Future Directions | Heinrichs / Rau / Decker

We systematically analyze conceptual and empirical studies addressing succession in family businesses that have been published since Handler's (1994) seminal literature review. Our findings are structured according to five stages, namely preparation, the choice of a successor, exploration and implementation, the incumbent owner-manager's withdrawal, and the post-succession stage. We further consider six possible levels of analysis. Our review shows that research lacks an overarching theory that succeeds in addressing all stages and levels of analysis. The article concludes by identifying salient gaps and suggesting promising avenues for future research with a special emphasis on the owner family's impact on succession.

Contact: Stephan Wessel | stephan.wessel@whu.edu

Succession in Traditional Family Businesses | Jaskiewicz / Heinrichs / Rau / Reay

Conflicting family and market logics are considered to be at the core of succession problems in family firms. Based on 37 interviews in 21 German wineries, we find four different ways business-owning families draw on family and market logics and that a particular way often changed from the last to the current succession. Not only the particular way in which families draw on family and market logics appears to be related to succession problems but also changes to that way. We suggest that societal changes to the functions of families may help explain why many family firms have changed their succession approach. Societal changes might also explain why family goals influence succession approaches in family firms less often nowadays even though this is associated with more succession problems.

Status: R & R , ETP

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Contextualizing Organizational Boundary Decisions: Management Consulting in Family Businesses | Rau / Hanisch

In this project, David Hanisch and Sabine Klein develop a boundary decision model taking a capability perspective based on resource-based view of a decision to use management consultants in a multi-dimensional organizational context of family businesses. We empirically test this research model using a metric conjoint analysis experiment based on a data set of 1,760 decisions of top managers in large German family businesses. Results indicate that organizational context influences boundary decisions: Family businesses depending on level of family influence, generation of family involved, and degree of business complexity place different emphasis on decision-attributes used. However, influence of context is specific on context variable used and decision-attribute under research. Implications for theory are discussed.

Status: Under review Journal of Family Business Strategies

Contact: Sabine Rau | sabine.rau@whu.edu



Family Values and their Impact on Family Business Performance | Rau / Siebke

Research identifies the particular role of family values in order to explain why family firms behave differently than non-family firms. Shared values among family members and the family's involvement in the firm can reduce agency costs, thereby enhancing the firm's performance. As such, this dissertation puts forward a theoretical framework examining the family as both an institution transmitting values to its members and as itself subject to normative influences. I propose that each family's response to such influences can be different, resulting in family specific values that are a salient feature of a family's distinct identity. As the family and the business are closely connected, distinct family values influence the importance put on different performance measures, thereby affecting organizational decision-making and identity. The degree to which this interwoven family business identity stays consistent over time depends on the transgenerational stability of each family's value system. Thus, family firms are not only different from non-family firms, but also differ from each other. This dissertation demonstrates that the family, in particular the family specific value system, does have a significant impact on the overall family firm's performance, thereby considering the heterogeneity among family firms.

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IPO financing of family firms | Rau / Leitterstorf

Although research on family firms has grown significantly in recent years, IPOs of family firms have rarely been explored. This is remarkable given an increasing number of family firms actively considering an IPO. Several questions arise concerning IPOs of family firms:

- What are currently existing theoretical and empirical findings concerning family firm IPOs?
 - How can family firms decide whether to conduct an IPO or not?
 - How does an IPO compare to other (capital market) financing alternatives of family firms?
 - How should family firms prepare an IPO (compared to non family firms)?
 - Do family firms have higher IPO underpricing than non family firms? (Why?)
 - What are the consequences of an IPO for a family firm?
- How do family firms perform (compared to non family firms) after their IPO?

Several of the questions outlined above will be investigated in separate research papers. The concept of socioemotional wealth (SEW) will be the overall theoretical construct for this dissertation project. Both theoretical and empirical analysis will be conducted.

Status: Accepted at Strategic Management Journal

Contact: Sabine Rau | sabine.rau@whu.edu

Further Research Projects

- CEO Succession in Family Firms | Sabine Rau | René Sadowski
- Influence of the organization "family" on family firms | Sabine Rau | Thomas Rieg
- Liquidity of ownership of family firms | Sabine Rau | Andreas Röhm
- Family Office | Sabine Rau | Hubertus Theissen
- Identification and Firm Sale | Sabine Rau | Maximilian Wachter

Contact: Sabine Rau | sabine.rau@whu.edu

Research | Current Research Projects

Sellers' affective deal commitment – buyout transactions as courtship | Ahlers / Hack (University Bern) / Kellermanns

This research project studies sellers' affective deal commitment in buyout transactions between private equity (PE) firms and current owners who sell their business. A hand-collected sample of 174 buyouts is used to identify sources of affective deal commitment. Trust, goal congruence, and PE reputation are tested as potential antecedents of deal commitment. It is also examined whether and how different type of sellers, i.e. family vs. non-family firms, moderate sources of affective deal commitment.

An analysis of buy-out decisions under the special consideration of soft factors like affective deal commitment. The study includes an analysis of both family and non-family deals.

Contact: Franz W. Kellermanns | franz.kellermanns@whu.edu

Performance consequences of socio-emotional wealth | Day / Kellermanns / Zellweger (University St. Gallen, CH)

An empirical study that investigates the performance implications of socio-emotional wealth in family firms. The pursuit of non-economic goals has been considered as a both positive and negative for performance. This study tries to reconcile this approach.

Contact: Franz W. Kellermanns | franz.kellermanns@whu.edu

Getting by with a little help from friends: Social support for contingent employees | Madden / Kellermanns / Eddleston / Litzky / Kidder

Using bat-tenders as sample, the study investigates the support seeking behavior of full-time and contingent workers. A qualitative approach has been taken to address the research question.

Contact: Franz W. Kellermanns | franz.kellermanns@whu.edu

Corporate Ownership and Innovation: (How) Do Owner Families Matter? | Decker / Günther

This study focuses on the question of how family ownership affects innovation. Prior research tends to under-emphasize the role played by owners, although agency theory implies that ownership types and degrees are predictor variables for important corporate outcomes. Based on agency theory, we assert that the priorities and risk preferences of family owners have implications for the pursuit of innovation. They differ depending on the generation of the family and whether shares are owned personally or by family business institutions. We test our hypotheses drawing on data from the German machine tool industry from 2000 to 2010.

Contact: Carolin Decker | carolin.decker@whu.edu



Coordinating Family Entrepreneurship: When Money Seeks Opportunity |

Decker / Günther

Family offices are dedicated to business families' wealth management. Based on qualitative data, we explore how they additionally promote conventional entrepreneurship by supporting the families behind them in providing financial resources to venture capital funds and assist them in engaging in social entrepreneurship. In this context, family offices rely on a sophisticated network comprising abundant financial, human, and social resources. Our findings illustrate how family offices coordinate these networks that provide chances for family members to prove themselves and facilitate entrepreneurial opportunities by fulfilling adaptation, coordination, safeguarding, supplementation and brokerage functions.

Contact: Carolin Decker | carolin.decker@whu.edu

Creating Value for Wealthy Clients: Business Models of Multi-Family Offices |

Decker / Lange (*Surrey Business School, University of Surrey, UK*)

When *Bloomberg* published its 2010 ranking of the "Top 50 Family Offices", it showed that these multi-family offices had nearly 500 billion dollars under management. A broad, global audience became aware of this specific type of organization, which is growing in importance. Since the financial crisis, multi-family offices have become strong competitors for institutions dedicated to private and investment banking. However, surprisingly little is currently known of how multi-family offices create value for their wealthy clients. We apply a concept from the strategic management literature – *business models* – on multi-family offices. In doing so, we shed light on the question of how multi-family offices use their business models as market devices that allow clients to decide to what extent certain family office-types satisfy their needs.

Contact: Carolin Decker | carolin.decker@whu.edu

The Effect of Governance Misalignment on Ex post-Opportunism and Performance in Buyer-Supplier Relationships | Mellewigt (*FU Berlin*) / Hoetker (*Arizona State University, USA*) / Decker

Partners in inter-organizational relationships implement governance mechanisms to mitigate the risk of opportunistic behavior and coordinate the use of productive resources across firms. Previous results are inconclusive regarding the question of whether governance reduces or even nurtures opportunism. Findings on the governance-performance relationship are also inconsistent. This may be due to a lack of studies relating a too high or a too low level of governance to these outcomes. In our study, we develop a theoretical model and, based on primary data from the German banking industry, provide an empirical test of the relationships between too high and too low levels of contractual and relational governance, ex-post opportunism, and performance.

Contact: Carolin Decker | carolin.decker@whu.edu

Publications—Journals, Books, Paper, online

- Chua, J.H., Chrisman, J.J., Steier, L.P., **Rau, S.B.** | Sources of Heterogeneity in Family Firms: An Introduction, *Entrepreneurship Theory & Practice* | November 2012, 1104-1113.
- **Decker, C.**, Lange, K. | Exploring a Secretive Organization: What Can We Learn about Family Offices from the Public Sphere? *Organizational Dynamics* | OnlineFirst, DOI: <http://dx.doi.org/10.1016/j.orgdyn.2013.07.008>, 2013. (Zeitschriftenranking: VHB Jourqual 2011: C; Handelsblatt 2012: 0,4)
- **Decker, C.** | Family Offices – eine Alternative für das professionelle Vermögensmanagement | Guestarticle in the Newsletter „Mit ruhiger Hand – Informationen für die langfristige Kapitalanlage“, edited by Karl-Heinz Thielmann, LONG-TERM INVESTING Research AG, Karlsruhe | URL: http://www.long-term-investing.de/app/download/5793438691/Mit_ruhiger_Hand_4_02_13.pdf, 4. Februar 2013.
- Eiben, J., Blaumoser, M., **Decker, C.** | Unternehmenssanierung und Krisenbewältigung aus Bankensicht. | Presentation of a study in cooperation with Bayern Consult Unternehmensberatung GmbH, München, and Sparkassenverband Bayern, 2012.
- **Kellermanns, F. W.**, **Rau, S.**, Kidwell, R. W., Eddleston, K. A., Cater III, J. J. | Family Firms: Avoiding the Fredo-Effect | *Harvard Business Manager*, 28(8), 46-52, 2013.
- **Kellermanns, F. W.**, Eddleston, K. & Zellweger, T. | Extending the socioemotional wealth perspective: A look at the dark side | *Entrepreneurship Theory and Practice*, 36 (6), 1175-1182, 2012.
- Kemmerer, B., Walter, J., **Kellermanns, F. W.**, & Narayanan, V. K. | A judgment analysis perspective on resource evaluation frameworks | *Journal of Business Research*, 60(7), 698-710, 2012.
- Koropp, C., Grichnik, D., & **Kellermanns, F. W.** | Financial attitudes in family firms: Opening the black box | *Journal of Small Business Management* 51(1), 114-137, 2013
- Mazzola, P., Sciascia, S. & **Kellermanns, F. W.** | Non-linear effects of family sources of power on performance | *Journal of Business Research* 66(4). 568-574, 2013.
- Mellewigt, T., **Decker, C.** | Costs of Partner Search and Selection in Strategic Alliances. *Journal of Business Economics* | *Zeitschrift für Betriebswirtschaft*, Special Issue “The Future of Strategy Research“, in Print. (Zeitschriftenranking: VHB Jourqual 2011: B; Handelsblatt 2012: 0,2)
- Mellewigt, T., **Decker, C.**, Eckhard, B. | What Drives Contract Design in Strategic Alliances? Taking Stock and How to Proceed | *Zeitschrift für Betriebswirtschaft*, 82(7/8), 839-864, 2012. (Zeitschriftenranking: VHB Jourqual 2011: B; Handelsblatt 2012: 0,2)
- Mellewigt, T., **Decker, C.**, Eckhard, B. | What Drives Contract Design in Strategic Alliances? Taking Stock and How to Proceed | *Zeitschrift für Betriebswirtschaft*, 82(7/8), 839-864, 2012. (Zeitschriftenranking: VHB Jourqual 2011: B; Handelsblatt 2012: 0,2)
- Mellewigt, T., **Decker, C.** | Balanced Scorecard. In Gronau, N., Sinz, E., Becker, J., Suhl, L., Kurbel, K. (Eds.) | *Enzyklopädie der Wirtschaftsinformatik, Online-Lexikon*. München, Oldenbourg. URL: <http://www.oldenbourg.de:8080/wi-enzyklopaedie>, aktuell: 6th edition, 2012.
- Mellewigt, T., **Decker, C.** | Balanced Scorecard. In Gronau, N., Sinz, E., Becker, J., Suhl, L., Kurbel, K. (Eds.) | *Enzyklopädie der Wirtschaftsinformatik, Online-Lexikon*. München, Oldenbourg. URL: <http://www.oldenbourg.de:8080/wi-enzyklopaedie>, aktuell: 6th edition, 2012.



Publications—Journals, Books, Paper, online

- Morris, M. L., **Kellermanns, F. W.** I. Family relations and family business. Introduction to special issue on family relations and family business interface. (Both authors contributed equally) | Family Relations 62(3), 379-383, 2013.
- **Rau, S.B.** IResource based view in family firms | In: Meliin, L., Sharma, P., Nordqvist, M. (Eds.) SAGE Handbook of Research on Family Businesses, in print
- Schübler, E., **Decker, C.**, Lerch, F. | Networks of Clusters: A Governance Perspective. Industry and Innovation, 20(4), 357-377, 2013. (Zeitschriftenranking: VHB Jourqual 2011: B; Handelsblatt 2012: 0,3)
- Walter, J., **Kellermanns, F. W.**, Floyd, S. W., Veiga, J. F. & Matherene, C. | Strategic alignment: A missing link in the relationship between strategic consensus and organizational performance | Strategic Organization, 11(3), 304-328, 2013.
- Walter, J., **Kellermanns, F. W.** & Lechner, C. | Decision making within and between organizations: Rationality, politics and alliance performance | Journal of Management, 38(5), 1582-1610, 2012.
- Wessel, S., **Decker, C.**, Lange, K., Hack, A. | One Size Does *Not* Fit All: Entrepreneurial Families' Reliance on Family Offices. European Management Journal, 2013. In print. (Zeitschriftenranking: VHB Jourqual 2011: C; Handelsblatt 2012: 0,3)
- Zellweger, T., **Kellermanns, F. W.**, Eddleston, K. & Memili, E. | Building a family firm image: How family firms capitalize on their family ties | Journal of Family Business Strategy 3(4), 239-250, 2012.

Scientific Presentations

- Debicki, B., Spencer, B., **Kellermanns, F. W.**, Pearson, A. & Chrisman, J. | Development and validation of socio-emotional wealth construct | Paper accepted for presentation at the Southern Management Association, Fort Lauderdale, Florida, 2012.
- **Decker, C.**, Günther, C. | Corporate Ownership and Innovation: (How) Do Owner Families Matter? | Conference of the Society for the Advancement of Socio-Economics, Mailand, Italien, June 29, 2013.
- **Decker, C.**, Günther, C. | Coordinating Family Entrepreneurship: When Money Seeks Opportunity | 2nd Interdisciplinary Workshop on „Decentralization and Networks“, University Siegen, April 19, 2013.
- **Decker, C.**, Eiben, J. | Costs of Turnaround in Small- and Medium-Sized Family-Controlled Firms: German Savings Banks' Assessments“, 3rd Forum Mittelstandsforschung, Frankfurt am Main, October 19, 2012.
- **Decker, C.** | Franchising as an Entrepreneurial Strategy | Guestlecture at the Module Entrepreneurial Strategies, MSc Entrepreneurship, Surrey Business School, University of Surrey, UK, May 7, 2013.
- **Decker, C.**, Zapp, C. (PAMERA Real Estate Partners GmbH, München) | Workshop „Das Family Office – spezialisierter Dienstleister für Unternehmerfamilien“, Conference Family Businesses 2013 „Praxis, die Wissen schafft!“, WHU – Otto Beisheim School of Management, Vallendar, April 26, 2013.
- **Leitterstorf, M.**, **Rau, S.** | Paper Presentation Socioemotional wealth and IPO underpricing of family firms | Strategic Management Society, Prague, 2012.
- Madden, L., **Kellermanns, F. W.**, Eddleston, K. A., Pankaj, P. | An investigation of the impact of sudden death of executives in family and non-family firms | United States Association for Small Business and Entrepreneurship, San Francisco, CA, 2013.
- Madden, L., **Kellermanns, F. W.**, Eddleston, K. A., Pankaj, P. | Wanted dead or alive: An investigation of the impact of the sudden death of executive in family and non-family firms | Paper accepted at Recontres de St-Gal 2012, St. Gallen, Switzerland, 2012.
- Madden, L., **Kellermanns, F. W.**, Eddleston, K. A., Litzky, B. E. & Kidder, D. | Getting by with a little help from friends: Social support for contingent employees | Paper accepted for presentation at the Southern Management Association, Fort Lauderdale, Florida, 2012.
- Madison, K., **Kellermanns, F. W.**, & Zellweger, T. | Performance consequences of socio-emotional wealth | Academy of Management Meeting, Orlando, Florida, 2013.
- Madison, K. & **Kellermanns, F. W.** | Merging two intersections: Exploring the role of spiritual leadership within family firms | Family Enterprise Research Conference, Viña de Mar, Chile, 2013.
- **Rau, S.** | Schizophrenic Organization | Paper presentation at EBS European Business School, Oestrich-Winkel, 2012.
- Xi, J., Filser, M., **Kellermanns, F. W.** & Kraus, S. | Past trends and future directions of family business research. GIKA, Valencia, Spain, 2013.

Awards

Discription



Franz W. Kellermanns received the award “Best Overall paper for the Entrepreneurship/Information Technology/Innovation division” at the Southern Management Association Conference for Debicki, B., Spencer, B., Kellermanns, F. W., Pearson, A. & Chrisman, J. 2012. Development and validation of socio-emotional wealth construct. Fort Lauderdale, Florida.



Carolin Decker was chosen to take part in the *Wharton Global Faculty Development Program*, Wharton University (USA), August 2013. Wharton’s 225-plus professors generate the knowledge and innovations that transform global business practice and public policy. Drawn from 10 distinct departments, they work with leading companies and policy-makers around the world, and they bring that real-world, real-time knowledge into Wharton’s classrooms and 20 research center a n d initiatives

Reviewer Activities

Sabine Rau

Editorial Board Member

- Journal of Family Business Strategy
- Family Business Review

Ad- hoc Reviewer

- Strategic Management Journal
- Entrepreneurship, Theory & Practice
- Zeitschrift für Betriebswirtschaftslehre
- Academy of Management Conference
- Review of Corporate Governance: An international Review

Franz W. Kellermanns

Editor

- Entrepreneurship Theory and Practice

Representative at Large for the Strategy Process Interest Group at the Strategic Management Society

Editorial Board Member

- Journal of Business Venturing
- Journal of Family Business Strategy
- Journal of Management Studies
- Journal of Management
- Strategic Entrepreneurship Journal
- Strategic Entrepreneurship Journal

Special Issue Editor

- Journal of Family Business Strategy
- Family Relations: Interdisciplinary Journal of Applied Family Studies (Family Business)
- Journal of Management, Spirituality and Religion (Family Business)

Ad Hoc Reviewer

- Strategic Management Journal
- Journal of Business Research
- Small Business Economics Journal
- Journal of Small Business Management
- International Entrepreneurship and Management Journal
- European Accounting Review
- Managerial Finance
- Business Ethics Quarterly
- Strategic Organization
- Journal of Product Innovation Management
- British Journal of Management
- Expert Reviewer for the Czech Science Foundation

Carolin Decker

Ad-hoc Reviewer

- European Academy of Management (2013 Sections "Knowledge and Learning" und "Family Business Research")
- Academy of Management (2010 Section "Organization and Management Theory"; 2012 Section "Business Policy and Strategy")
- Strategic Management Society (2008, Conference Theme Tracks)
- Managementforschung 20
- Zeitschrift für Betriebswirtschaft / Journal of Business Economics
- Family Business Review
- Canadian Journal of Administrative Sciences
- Journal of Small Business Management



Description

With the research colloquia we aim to foster critical discussion of the institute's actual research papers as well as the academic interchange of ideas. For this reason all internal and external Ph. D. students of the institute frequently come together to discuss selected research projects of the institute's members once a month.

Second being is to be engaged in the international field of research. The IFU invites leading national and international researchers who are engaged in family business research and contiguous areas of research as for example Dr. Chlosta who visited the WHU in December 2012 and Professor Klaus Uhlenbruck who presented his subject in March 2013.

Beside the academical exchange the colloquia help to develop methodical skills (qualitative and quantitative research methods) as well as to become acquainted with several economical, sociological and psychological theoretic theories.

Supervisions

- Jannis Choulidis | The Influence of Network Access on Founding | Supervisor: Prof. Dr. Sabine Rau
- Max Leitterstorf | Financing of Family Firms in Germany | Supervisor: Prof. Dr. Sabine Rau
- Veronika Preuß | The Role of Legitimacy for Success of Succession | Supervisor: Prof. Dr. Sabine Rau
- Thomas Rieg | Family structure, governance & family firm performance—a configurational and set-theoretical approach | Supervisor: Prof. Dr. Sabine Rau
- Christoph Rose | Stakeholder's relationships to the family firm | Supervisor: Prof. Dr. Andreas Hack
- René Sadowski | CEO succession in FBs | Supervisor: Prof. Dr. Sabine Rau
- Viktoria Siebke | Value Orientation and Performance in Family Firms | Supervisor: Prof. Dr. Sabine Rau
- Hubertus Theißen | Family Office as an instrument of the governance of intra- and interorganizational relationships | Supervisor: Prof. Dr. Sabine Rau

Co-Supervisions

- Oliver Ahlers | Behavioral Finance and Family Businesses | Supervisor: Andreas Hack | Co-Supervisor: Prof. Franz W. Kellermanns Ph.D.
- Pascal Engel | Compensation Strategies in Family Firms | Supervisor: Andreas Hack | Co-Supervisor: Prof. Franz W. Kellermanns Ph.D.
- Sigrid Gschmack | TNT structure and process that influence the performance of family firms | Supervisor: Utz Schäffer | Co-Supervisor: Prof. Franz W. Kellermanns Ph.D.
- Hannes Hauswald | Hidden Champions—Why family firms outperform | Supervisor: Andreas Hack | Co-Supervisor: Prof. Franz W. Kellermanns Ph.D.
- Tim Krume | Private Banking Rating | Supervisor: Markus Rudolf | Co-Supervisor: Prof. Dr. Sabine Rau
- Veronika Preuß | The Role of Legitimacy for Success of Succession | Supervisor: Sabine Rau | Co-Supervisor: Prof. Franz W. Kellermanns Ph.D.
- Christoph Rose | Stakeholder's relationships to the family firm | Supervisor: Andreas Hack | Co-Supervisor: Prof. Franz W. Kellermanns Ph.D.
- René Sadowski | Family Business Awareness | Supervisor: Sabine Rau | Co-Supervisor: Prof. Franz W. Kellermanns Ph.D.
- Viktoria Siebke | Value Orientation and Performance in Family Firms | Supervisor: Sabine Rau | Co-Supervisor: Prof. Franz W. Kellermanns Ph.D.
- Sabine Spittler | Boundaries of Organizational outlines | Supervisor: Jürgen Weber | Co-Supervisor: Prof. Dr. Sabine Rau
- Frithjof Stöppler | Path Dependence and Learning in Networks (simulation study) | Supervisor: Jörg Sydow | Co-Supervisor: Georg Schreyögg | Co-Supervisor: Ass.-Prof. Dr. Carolin Decker
- Stephan Wessel | Organisation and Governance in Single Family Offices | Supervisor: Andreas Hack | Co-Supervisor: Ass.-Prof. Dr. Carolin Decker

Completed Dissertations



Congratulations to one of our former research assistants, Veronika Preuß, who graduated after a successful viva voce examination on the subject „Stakeholder Support in Family Businesses: The Influence of Successor Legitimacy on Stakeholder Decisions“. On December 13th 2012 WHU awarded her the title “Doctor Rerum Politicum” (Dr. rer. pol.).



On February 22, 2013 Stephan Wessel graduated on the subject of „Exploring a secretive organization: A conceptual and in-depth qualitative study of family offices“. WHU awarded him the title “Doctor Rerum Politicum” (Dr. rer. pol.).

“I would like to thank Professor Andreas Hack and Assistant Professor Carolin Decker for their exemplary supervision and guidance throughout these past years. Without their academic capacity and inspiring advice this thesis project would not have been realized. Their patience and understanding with respect to my continued parallel professional obligations was gladly appreciated. ... Professor Decker has been an incessant source of support, lending her excellent theoretical and methodological expertise and professionally supervising me throughout my thesis”.



Hannes Hauswald completed in December 2012 his dissertation with the title “Stakeholder Trust in Family Businesses”. In the course of two conceptual and one empirical paper, his dissertation explores the antecedents and outcomes of stakeholder trust when dealing with a family business. Hannes Hauswald thanks his doctoral supervisors Prof. Dr. Andreas Hack (University of Bern) and Prof. Franz W. Kellermanns as well as the whole team at the INTES Institute of Family Businesses.

Completed Dissertations



Congratulations to Max Leitterstorf! On June 26, 2013 he graduated after a successful viva voce examination on the subject „IPO Financing of Family Firms“. WHU awarded him the title “Doctor Rerum Politicum” (Dr. rer. pol.).



On July 5, 2013 Oliver Ahlers graduated on the subject of „ Family Firms and Private Equity: A Collection of Essays on Value Creation, Negotiation, and "Soft Factors". WHU awarded him the title “Doctor Rerum Politicum” (Dr. rer. pol.).

„I sincerely like to thank Professor Franz W. Kellermanns for his exemplary supervision and guidance throughout my dissertation project "Family Firms and Private Equity: A Collection of Essays on Value Creation, Negotiation, and Soft Factors". Being my second supervisor, Professor Kellermanns granted the freedom and flexibility needed to develop my ideas while providing me with outstanding theoretical and methodological expertise. This thesis project was only made possible due to his academic capacity and inspiring advice.“



Congratulations to Tim Krume! On August 22, 2013 he graduated after a successful viva voce examination on the subject „Private Banking Rating – Evaluating Private Banking Providers from a Customer’s Perspective“. WHU awarded him the title “Doctor Rerum Politicum” (Dr. rer. pol.).

“As my co-supervisor I would like to thank Professor Sabine Rau for her constructive comments and encouragement throughout the development of this doctoral thesis. Her valuable input has substantially contributed to the successful completion. It has been an honor working with her.”

The whole team of the INTES Institute of Family Businesses compliments all disputants on passing the examination and wish them all the best for the future and their professional career.



Summer Program

Succession in family firms—The RAU case

Prof. Dr. Sabine Rau

Succession remains “the” strategic event in a family firm’s life time. In the summer program for BA and MBA students from the University of Alberta, Hubertus Rau and Prof. Dr. Sabine Rau present the 2nd to 3rd generation succession in the Walter RAU Lebensmittelwerke. Focussing on the strategy as well as on the family-related and individual aspects, the siblings high-light learnings from a process which ultimately led to the sale of three independent family companies over a tome span of nearly a decade.

Success with Core Values – Even in China

WHU Family Business Conference reveals the global success of German mid-sized companies

The eighth Family Business Conference hosted by the INTES Institute for Family Business at WHU - Otto Beisheim School of Management on April 26-27 addressed two topics in particular: the importance of succession for family businesses, and the criteria for successful internationalization.

Karl-Erivan Haub, conference patron and head of the family-owned Tengelmann Holding in Europe, provided insight into the issue of succession to the next generation. Haub is leading the 146-year-old family business in its fifth generation. “My generation stumbled into business succession – but today you have to prepare for an orderly transition,” the businessman emphasized. It will be even more difficult for the next generation, which will have to work harder to prove itself and to win the respect of employees and customers. According to Haub, it is above all early practical experience, in addition to education and establishing strong networks, that will ensure successful succession. He added that it is important to gain experience outside of the parents’ company, as well – “never enter the family business too early,” Haub stressed. After all, one’s role in the family business – whether as partner, shareholder, or director – is for life. “A family business never belongs to you,” Haub made clear. “You are continuing a work that will be passed on from generation to generation.”

That these values can be a recipe for success even in markets such as China was demonstrated in a podium discussion with the title “Competition or Partner: China’s Importance for German Family Business,” with several high-profile speakers. Karl-Hans Caprano, one of the founders of the family business Technoform, generates a significant portion of the company’s profits with business in China. Essential for success in China is, above all, never to treat the local employees differently from the employees in Germany. “It is often said that Chinese workers change their jobs as often as their shirts – but that is clearly not the case for German mid-sized companies,” said Caprano.

This was confirmed by Joachim Broudré-Gröger, former Ambassador of the Federal Republic of Germany to the People’s Republic of China: “The employees can tell when a company hasn’t come to make a quick profit.” To be successful as a family business in the Chinese market, the diplomat said, one also needs humility: “failure and non-failure in China lie very close to one another. When a business project failed, especially a large corporation, I often discerned arrogance to be the reason,” said Broudré-Gröger. An important cultural difference, according to the former Ambassador, is that in China, saving face is indispensable to the mentality of winning. A foreign company that has lost face, or caused a competitor to lose face, has already failed. “I have seen more companies leave China, than companies that have stayed,” said Broudré-Gröger.



Community Outreach I Events

8th Family Business Conference (continuation)

This impression was confirmed by Professor Xuewu Gu, Director of the Center for Global Studies at the University of Bonn. "As a businessman, I must not only not show any weaknesses and save face myself, but I must also provide the competition with a way to avoid losing face if he does not succeed," said the political scientist. In order to be successful despite these intercultural challenges, one needs a very good consultant, said Caprano. Family business often make the mistake of trying to save money in this regard – but the damages in the event of failure are much higher, according to Caprano.

Manfred Grundke, CEO of Knauf Gips KG, gave the keynote address on Saturday morning. He presented three essential success factors for international expansion: a good product, an appropriate range of services, and a sharp eye for regional trends. That is how the Knauf company, which sells building materials for professional as well as home use at around 150 locations worldwide, shifted 80 percent of its sales to markets outside of Germany by 2012. "An essential foundation in every market is that people know what to do with our product," said Grundke. For Knauf, the key to success was investing in training and education for architects and craftsmen, and even opening its own training centers. This investment paid off: "Knauf now employs around 7,000 workers in Russia and generates annual sales of around one billion Euro."

The next Family Business Conference will take place **April 25-26, 2014**



Unternehmer-Erfolgsforum (November 09, 2012)

On November 9, 2012 more than 200 leading German entrepreneurs met again at Schloss Bensberg to join the INTES Unternehmer-Erfolgsforum. Different management teams were in the center of this event. Besides Heinz Gries and Andreas Land from Griesson- de Beukelaer, Dr. Patrick Adenauer and Paul Bauwens-Adenauer as well as Siggi Spiegelburg-Hölker and Wolfgang Hölker referred of their collaboration.

Ricarda and Dieter Kusch, Volkmar and Torsten Wywiol as well as Dr. Stephanie Prinzessin zu Löwenstein and Alois K. Fürst zu Löwenstein talked about team combinations during the succession process while Cathy O'Dowd, Dr. Rüdiger Grube, Michael Hilti, Bodo Hombach and Roland Lienau contributed to a interesting panel discussion. Hosts have been the INTES and the Organisation DIE FAMILIENUNTERNEHMER - ASU as well as the F.B.N. Deutschland as the co-host. Moderators of the Unternehmer-Erfolgsforums have been Prof. Dr. Peter May and Prof. Dr. Klaus Schweinsberg.

In the evening the solemn awards show of the "Familienunternehmer des Jahres" took place for the 9th time. The Entrepreneur of the Year 2012 chosen by INTES and impulse is Heinrich Otto Deichmann, CEO of the Deichmann-Group. Congratulations to Herrn Deichmann!

Community Outreach I Events

Family Board Academy (February 24–26, 2013)

Family Firms are reliant on professional qualified boards of management and advisory boards which should usually be represented by members of the owner family. This means that the competence of the boards highly depends on the qualities and skills the family member contributes.

The Family Board Academy was drawn by Egon Zehnder International, WHU—Otto Beisheim School of Management, KPMG and McKinsey & Company. This 3-day-lasting event was created to be a concentrated panel for active and future boardmembers from family businesses. Essential skills and methods of resolution to optimise the governance– and management structures in family businesses are shown, discussed and imparted.

The Family Board Academy addresses to entrepreneurs, family members, non-active shareholders and members of the next generation of family businesses, which have an advisory board, management board or administrative board or who concentrate on doing so.

The first Family Board Academy which took place in February 2013 was a big success and will be followed by further events once or twice a year.

3rd Conference of German-Speaking Centers for Family Business Research, St. Gallen (CH) (March 4–5, 2013)

Host of the this year's Conference of German-Speaking Centers for Family Business Research was St. Gallen University. The ambition is to offer a platform where German-speaking Centers and Chairs, where Family Business research is prosecuted get into a conversation with each other, because those centers are only rarely networked. The ambition is to create a shared awareness for specific research basic approach.

Not only to meet is important but also to see new possibilities of collaboration. The different centers introduce themselves to each other, present their projects and topics and give detailed insights on selected research questions and research projects with the slogan „work in progress“. The conference is planned to become an permanent institution within the German-speaking area where researchers from ten different research centers or chairs from Germany, Austria and Switzerland will be represented.

The WHU—INTES Institute of Family Businesses and the Wittener Institut of Family Businesses are initiators of this conference series.

Encyclopaedia of German Family Businesses (Lexikon der deutschen Familienunternehmen)

The Encyclopaedia of German Family Businesses edited by Dr. Florian Langenscheidt and Prof. Dr. Peter May is going to be reprinted. Prof. Dr. Sabine Rau has been appointed Editorial Board Member and is now supporting the issue of this informative and interesting work, which will provide an insight into the social market economy. This Encyclopaedia is able to embed in the public's mind the knowledge of how efficient family-run businesses really are.

Family Business Network International

The Family Business Network is a not-for-profit international network that is run by family businesses, for family businesses, with the aim of strengthening success over generations. The International Network was developed in 1989. With over 6.565 family members from 56 countries, the FBN is continually increasing the ability to help family businesses grow, succeed and prosper through the exchange of best practices and new ideas within their network. Prof. Dr. Sabine Rau is a member of the Research Advisory Board.

impulseWissen

The economic journal “impulse” – a business campaign for family firms and medium sized businesses – will already be published for the second consecutive year. Four times a year, the magazine will issue special editions under the title “impulse Wissen” (knowledge stimuli), refining the best research results of the topics management, innovation and entrepreneurship to make them vivid and interesting to the public. “With “impulse Wissen”, we are the first to institutionalize the transfer of knowledge between universities and companies with a high level of practical relevance,” claims Dr. Nikolaus Förster, chief editor of “impulse”. The goal is to combine ambitious science with high quality journalism.

The editorial staff is hereby supported by a board of advisors, consisting of numerous partners, including the University of St. Gallen, the Vienna University of Economics and Business (WU), the RWTH Aachen, the private University Witten-Herdecke, the Zeppelin University, the Fraunhofer Academy and also the WHU – Otto Beisheim School of Management, represented by Prof. Dr. Andreas Hack, Head of the INTES Institute, respectively by Prof. Dr. Sabine Rau since July 2012. The scientific board of advisors is controlling the quality of all publications of universities and institutes concerning the topics management, innovation and entrepreneurship as well as the journalistic implementation.

The variety of articles is hereby distributed from tangible case studies to journalistically refined presentations of research results, interviews and columns. Each issue is topped off with a short overview of the best scientific essays and new publications from the universities.

Jury Familienunternehmer des Jahres

The “Familienunternehmer des Jahres” – Award (Family Business Entrepreneur of the Year) was invented in 2004 by INTES and “impulse” and is supported by the Hauck & Aufhäuser Privatbankiers, Ernst & Young, the HannoverFinanz Group, Die Familienunternehmer – ASU, the WHU – Otto Beisheim School of Management as well as the Financial Times Deutschland. Its goal is to honor entrepreneurial performance that serves the long-term survival of family firms. In this context, only shareholders and/or managers of family firms can be chosen.

An independent jury, consisting of representatives of the initiators and supporters, carries out the choice of the “Familienunternehmer des Jahres”. Prof. Dr. Sabine Rau represents the WHU – Otto Beisheim School of Management as member of this jury. The criterion for the award is outstanding performance in the areas business strategy and/or family strategy. However not only entrepreneurial lifeworks, but also exemplary changes in the way of thinking towards recent topics are honored.

In the year 2012, Heinrich Deichmann, CEO Deichmann SE, was awarded “Familienunternehmer des Jahres 2012”. The jury honored with this decision an entrepreneur who notably embody the values of family firms. Awardees of the last years were Heinz Gries and Andreas Land (Griesson—de Beukelaer), Dr. Reinhard Zinkann and Dr. Markus Miele (Miele & Cie. KG), Bernhard Simon (Dachser GmbH & Co. KG), Dr. Jürgen Heraeus (Heraeus Holding GmbH), Dr. Peter-Alexander Wacker (Wacker Chemie AG), Michael Stoschek (Brose Fahrzeugteile GmbH & Co. KG), Maria-Elisabeth Schaeffler (Schaeffler KG) and Stefan Messer (Messer Group).

Practical Publications (Articles)

- **May P.**, Schween, K., Koeberle-Schmid, A. | Das Strategie-Konzept für Familienunternehmen – Mit einer Inhaber-Strategie zum langfristigen Erfolg über Generationen | in: Niedereichholz, C., Niedereichholz, J., Staude, J. (Eds.), Handbuch der Unternehmensberatung – Organisationen führen und entwickeln, 2012, Erich Schmidt Verlag, Berlin, Bd. 1, 3190, S. 1-25.
- **May, P.** | Wie gewonnen, so zerronnen – Anton Schlecker steht beispielhaft für die Sage vom Aufstieg und Fall eines Familienbetriebs (Beitrag über den Absteiger des Jahres 2012) | in: Handelsblatt Nr. 248/21.-26.12.2012, S. 42-43.
- **May, P.** | Werte im Familienunternehmen | in: Wirtschaftspolitische Blätter, Unternehmertum und Werte, WKO (Hrsg), Verlag MANZ, Mainz, Ausgabe 1/2013, S. 23-34.
- **May, P.**, Koeberle-Schmid, A. | Führungsstrukturen in einer Familienverfassung dokumentieren | in: Führung von Familienunternehmen – Ein Praxis-Leitfaden für Unternehmen und Familie, Koeberle-Schmid/Grottel (Eds.), Erich Schmidt Verlag, Berlin 2013, S. 205-212.
- **May, P.** | Commentary to the case: Die Rückkehr des alten Mannes (commentary for the case Martapura Group, Jaya Tan) | in: Harvard Business manager, September 2013, S. 81.

Practical Presentations

- **May, P.** | Workshop Made in Germany – Lessons from leading families | London, Summit FBN, October 4, 2012.
- **May, P.** | Managing Emotions in the Extended Family | Brüssel, FFI Konferenz, October 19, 2012.
- **May, P.** | Erfolgsmodell Familienunternehmen – Eigentum verpflichtet | Gut Settin, Hoyer Family Days, November 2, 2012.
- **May, P.** | Inhaber-Strategietage | Überprüfung Ihrer Inhaber-Strategie und Entwicklung Ihrer Familienverfassung - Intensivseminar für die ganze Inhaberkategorie | Schloss Lerbach, INTES Akademie, January 23, 2013.
- **May, P.** | Erfolgsmodell Familienunternehmen | Arnsberg, Vollversammlung WJ (Wirtschaftsjunioren) Arnsberg, IHK, April 25, 2013.
- **May P.** | UBS Wealth Transition Program | Passing the torch - the final test of greatness | Wolfsberg Ermatingen, Schweiz (Bodensee), UBS, June 4.-7, 2013.
- **May, P.** | Erfolgsmodell Familienunternehmen - 150 Jahre Henrich | Siegburg, Henrich Baustoffzentrum, June 15, 2013.
- **May, P.** | Der Aufsichtsrat in Familienunternehmen | Ehreshoven, Privatissimum für (junge) Aufsichtsräte, GLH, June 17, 2013.
- **Rau, S.** | Paneldiscussion of the „Wirtschaftsforum Düsseldorf“, Topic: Business Talk of Town 1: Staff–Businessmen in a Business Company, September 15, 2012.
- **Rau, S.** | Presentation, 3rd Family Office Roundtable, UBS, Zurich, CH, November 11, 2012.
- **Rau, S.** | Campus Düsseldorf, Legitimität von Nachfolgern in Familienunternehmen, Rau, Preuß, December 4, 2012.
- **Rau, S.** | Presentation, Family Council Case, Geneva, CH, January 19, 2013.
- **Rau, S.** | WHU / IHK Forum Mittelstand Unternehmernachmittag, Geschäftsführung, Familie, Nachfolge und Ruhestand—Handlungsbedarf 2013 bei Finanzen, Recht und Steuern, Sabine Rau, June 4, 2013.

Services provided to the School

Prof. Dr. Sabine Rau

- Liaison Officer for students with a scholarship of the „Friedrich-Naumann-Stiftung“
- Group Speaker „Strategy and Organization“
- Women’s Officer of the WHU
- Member of the Senate

Jun.-Prof. Dr. Carolin Decker

- Deputy member of the senate
- Deputy representative of the assistant professors in the Code-of Conduct-Committee
- Member of the WHU Staff Choir

Conference Visits

Rau, S. | Paneldiscussion of the „Wirtschaftsforum Düsseldorf“ | September 15, 2012.

Rau, S. | FBN World Summit, London, GB | October 4–7, 2012.

Rau, S., Leitterstorf, M. | Strategic Management Society, Prague, CZ | October 7–10, 2012.

Rau, S. | Ifera 2013, St. Gallen, CH | July 2-5, 2013.

Rau, S. | Annual Meeting Academy of Management, Orlando, USA | August 9-13, 2013.

Philosophy@WHU

Furthermore, members of the institute, Carolin Decker, Thomas Rieg, Andreas Röhm and Viktoria Siebke, are founding members of Philosophy@WHU, an initiative found to discuss philosophical questions during weekly meetings. The initiative also invites guest such as Anselm Bilgri, the former head of the Andechs monastery. Today, nearly ten members, most of them junior faculty and Ph.D. students are member of the initiative.

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