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UNLOCKING PARTNERSHIPS: WHAT'S HOLDING YOU BACK?

Executive summary and practitioner insights by Angèle Marinelli, PhD Fellow, and Cécile de Lisle, Executive Director, Dieter Schwarz Foundation Family Business Center, based on Bettinazzi, E.L.M., Amore, M.D., & Reuer, J.J. (2024). Family Ownership and Alliance Intensity, *Journal of Management Studies*, 61(7).

This summary draws on the core findings of Bettinazzi et al. (2024), with interpretation and application developed independently by Angèle Marinelli and Cécile de Lisle for a family business audience.

EXECUTIVE SUMMARY

This study examines how being a **family-owned firm influences your ability to form strategic alliances**—those valuable partnerships with other companies that help grow capabilities, access new markets, and accelerate innovation.

The central finding is both clear and cautionary: **family firms form 20.5% fewer alliances than non-family firms**. But this is not because you are uninterested in collaborating, it's largely because external partners perceive family firms as risky or opaque.

BUT WHAT DOES THIS MEANS FOR YOUR FIRM?

Continue reading to learn our **four key insights** and **questions to ask** within your family firm!

INSIGHT

1

YOUR FIRM MIGHT BE UNDERVALUED AS AN ALLIANCE PARTNER

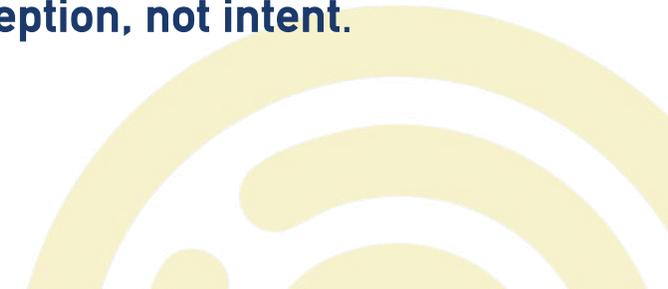


Family businesses often operate with **different priorities**: legacy, family reputation, and long-term stewardship, collectively known as **socioemotional wealth**. While these values build resilience and commitment, they may **confuse or concern potential partners**. For instance:

- Family firms may be seen as **less transparent**, especially around governance or financial disclosure.
- External parties may fear **hidden agendas** (e.g., nepotism, reluctance to cede control).
- There's a perception that family firms **might withdraw from alliances** when family interests are threatened.

MANAGERIAL IMPLICATION

Even if your firm is collaboration-ready, outsiders might not see it that way. **The barrier is perception, not intent.**



INSIGHT 2

YOU CAN ACTIVELY INCREASE YOUR ATTRACTIVENESS AS AN ALLIANCE PARTNER

The study identifies three practical levers that reduce this negative perception and increase alliance opportunities:

1. FINANCIAL ANALYST COVERAGE : Firms that are followed by more financial analysts are seen as more transparent and trustworthy.

ACTION POINT: Engage proactively with analysts. Prepare detailed reports and offer earnings guidance, even if you are private or less closely followed.

2. MEDIA VISIBILITY : Media coverage helps tell your story in a credible, external voice.

ACTION POINT: Consider publicizing milestones, innovations, or CSR efforts. Media outreach builds familiarity and reduces skepticism.

3. DEDICATED INSTITUTIONAL INVESTORS : When long-term reputable institutional investors hold a stake in your firm, it signals stability and governance quality.

ACTION POINT: Cultivate relationships with such investors. Their presence is a powerful trust cue to potential partners.

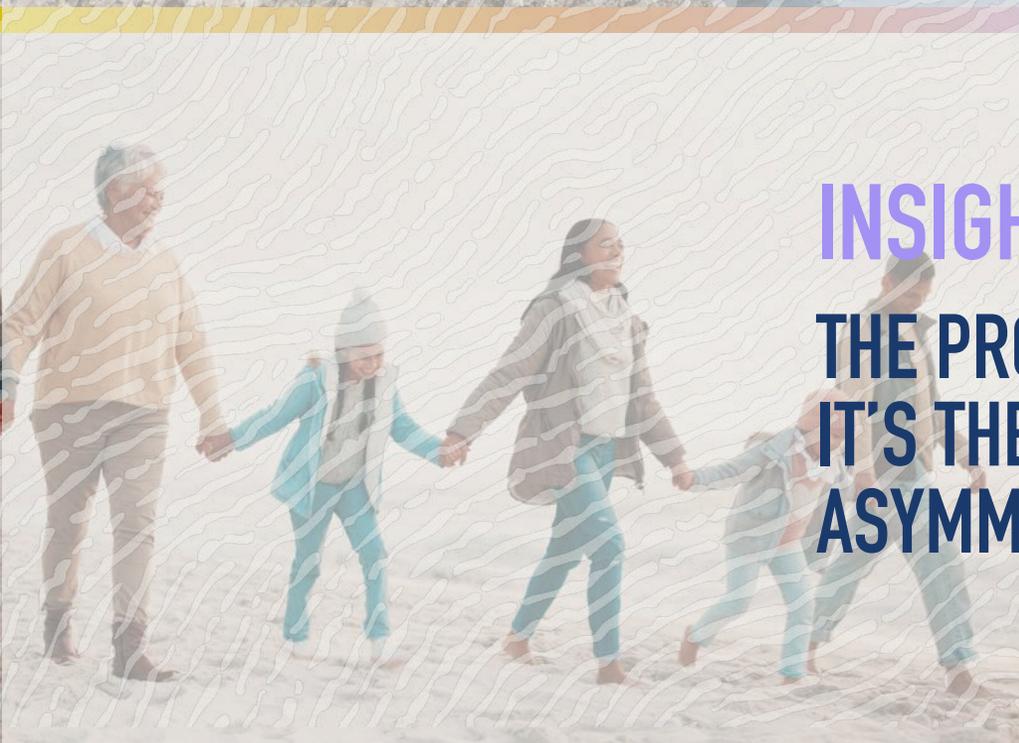




INSIGHT 3

WHY THIS MATTERS: ALLIANCES ARE STRATEGIC GROWTH ENGINES

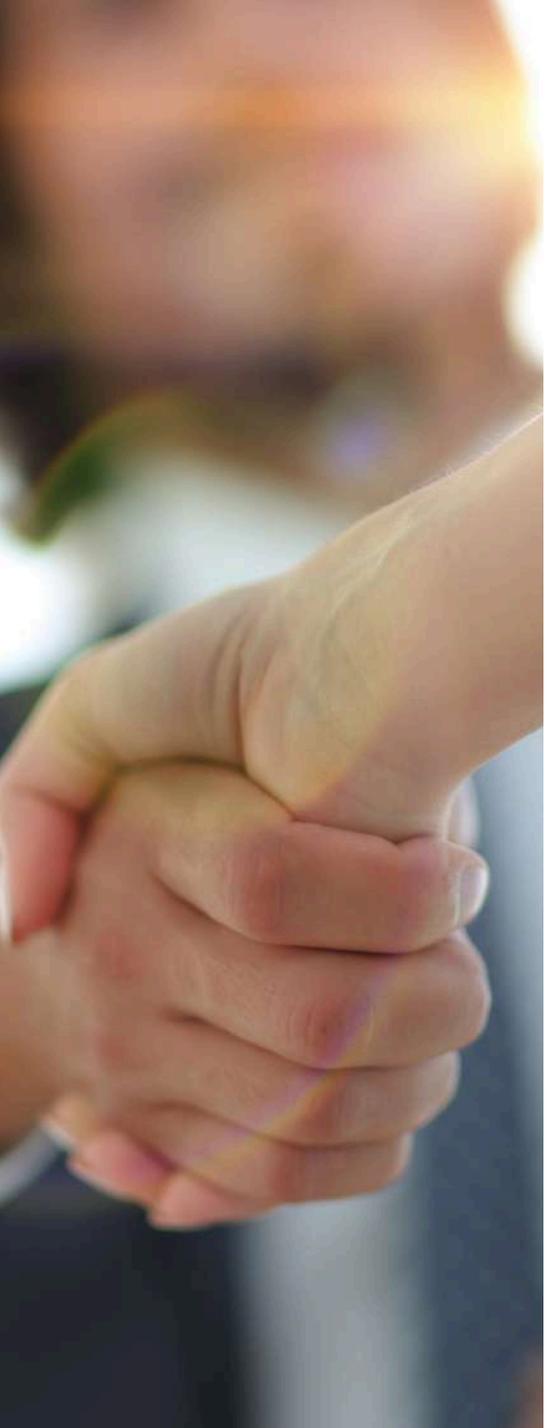
If your firm struggles to scale quickly or enter new domains alone, **alliances offer a capital-light, flexible route**. But to tap into this, family firms must signal reliability, transparency, and professionalism just as clearly as they communicate legacy and values.



INSIGHT 4

THE PROBLEM IS NOT YOU: IT'S THE INFORMATION ASYMMETRY

This isn't about changing who you are as a family business. It's about helping others understand you better. The study shows that **even small changes in visibility and perceived governance quality can make a substantial difference in alliance formation**.



QUESTIONS TO ASK WITHIN YOUR FAMILY FIRM



Are we communicating our long-term strategy and governance clearly enough to outsiders?



How do we look to a potential partner unfamiliar with our legacy and structure?



Do we have external endorsements (media, analysts, investors) that could boost our perceived credibility?



Are there simple ways we can enhance transparency without compromising our values?

BOTTOM LINE

Being a family firm gives you a **unique identity** but it may also unintentionally limit access to valuable strategic partnerships. By understanding and addressing the trust and information barriers perceived by potential partners, you can **position your firm as a more attractive collaborator** without **compromising your core values**.

This is not a call to become more “corporate” and less “family.” It's a call to be more legible, more visible, and more open to dialogue with the right signals in place, **your family firm can thrive in the collaborative economy.**