

ARE FAMILY FIRMS NETWORK ISLANDS OR BRIDGES?

Executive summary and practitioner insights by Angèle Marinelli, PhD Fellow, and Cécile de Lisle, Executive Director, Dieter Schwarz Foundation Family Business Center, based on Mani, D. & Durand, R. (2018). *Family firms in the ownership network: Clustering, bridging, and embeddedness. Academy of Management Journal*, 61(2), 577–606.

This summary draws on the core findings of Mani & Durand (2018), with interpretation and application developed independently by Angèle Marinelli and Cécile de Lisle for a family business audience



EXECUTIVE SUMMARY

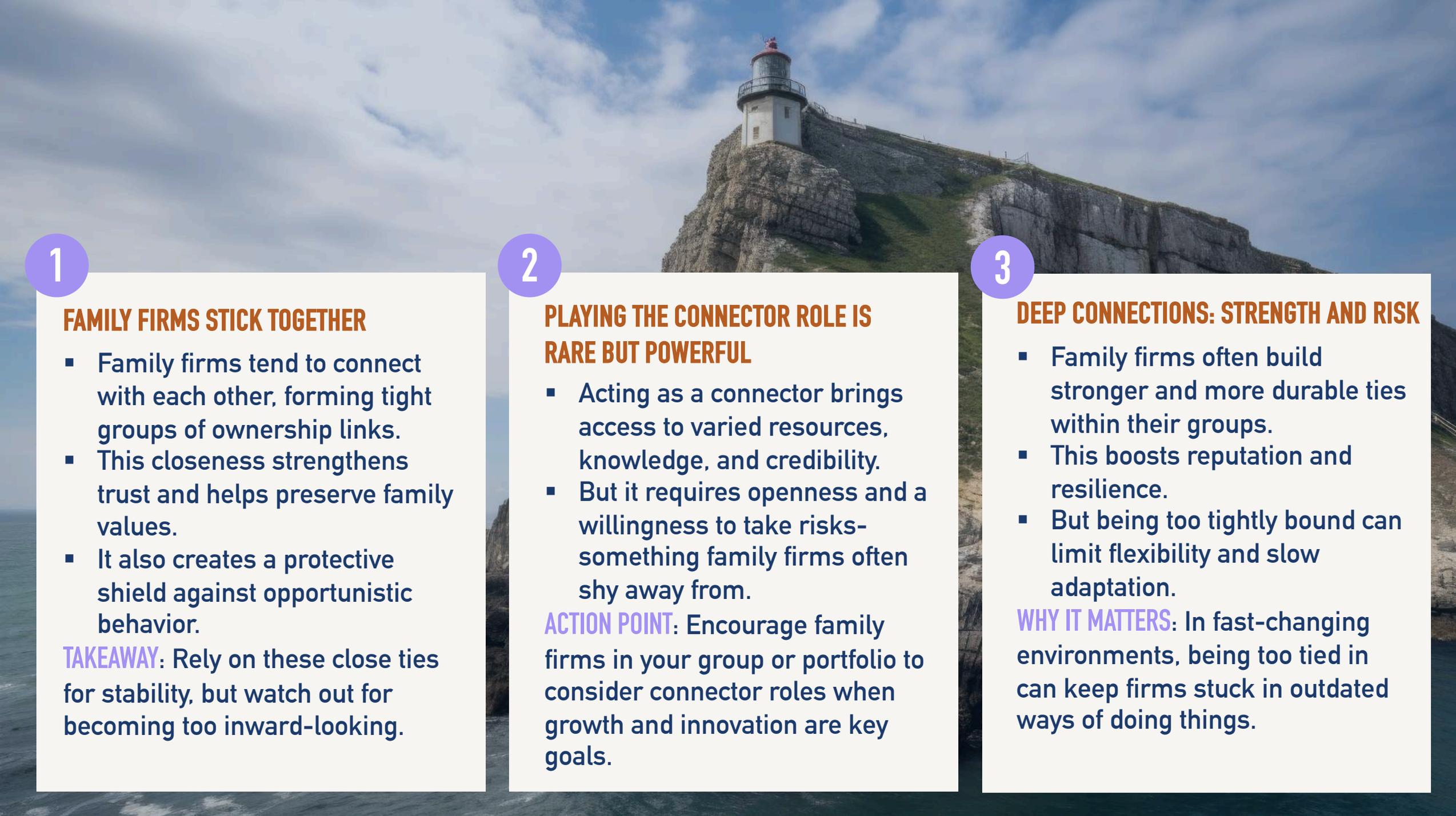
Ownership links (when companies hold shares in one another) shape how firms gain resources, information, and recognition. But where do family firms fit into these webs of connections?

Looking at French listed companies, a clear pattern emerges: family firms are more likely to stick together, forming close-knit groups with other family firms. They are less likely to act as go-betweens, or bridges, that connect different parts of the corporate landscape. In contrast, non-family firms more often take on those connecting roles, linking diverse sets of companies.

This has both advantages and drawbacks. Sticking together can strengthen trust, mutual support, and long-term stability. But it can also reduce access to fresh ideas and new opportunities. Meanwhile, non-family firms benefit from playing bridging roles, which give them access to a wider variety of relationships and greater influence.

BUT WHAT DOES THIS MEANS FOR YOUR FIRM?

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



1

FAMILY FIRMS STICK TOGETHER

- Family firms tend to connect with each other, forming tight groups of ownership links.
- This closeness strengthens trust and helps preserve family values.
- It also creates a protective shield against opportunistic behavior.

TAKEAWAY: Rely on these close ties for stability, but watch out for becoming too inward-looking.

2

PLAYING THE CONNECTOR ROLE IS RARE BUT POWERFUL

- Acting as a connector brings access to varied resources, knowledge, and credibility.
- But it requires openness and a willingness to take risks—something family firms often shy away from.

ACTION POINT: Encourage family firms in your group or portfolio to consider connector roles when growth and innovation are key goals.

3

DEEP CONNECTIONS: STRENGTH AND RISK

- Family firms often build stronger and more durable ties within their groups.
- This boosts reputation and resilience.
- But being too tightly bound can limit flexibility and slow adaptation.

WHY IT MATTERS: In fast-changing environments, being too tied in can keep firms stuck in outdated ways of doing things.



QUESTIONS TO ASK WITHIN YOUR FAMILY FIRM



Are our ownership links giving us only stability, or also opening doors to new opportunities?



Do we act as connectors in our network, or are we confined to our group?



Do our close relationships help us innovate, or do they hold us back?



Should we diversify our ownership ties and partnerships more deliberately?

BOTTOM LINE

Family firms are not cut off from others, they are part of **larger webs of connections**. But they often prefer the **comfort of close-knit groups** over the **riskier role of connecting across boundaries**. This approach protects **trust and stability** but leaves room for others to take the lead in **influence and innovation**.

The key is **not to abandon tight groups**, but to balance them with **selective outreach**. By combining **stability with openness**, family firms can protect their **legacy** while staying **relevant in the wider economy**.