

IS YOUR FAMILY NAME REALLY BRINGING YOU MONEY?

Executive summary and practitioner insights by Angèle Marinelli, PhD Fellow, and Cécile de Lisle, Executive Director, Dieter Schwarz Foundation Family Business Center, based on Amore, M.D., Epure, M., & Garofalo, O. (2024). Organizational Identity and Performance: An Inquiry into Nonconforming Company Names. *Long Range Planning*, 57(1)

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



EXECUTIVE SUMMARY

Recent research on more than 2,600 Italian family firms finds that company names are strategic assets, not just cosmetic choices. Family firms that adopt **nonconforming names**—foreign-sounding and not tied to the family surname—see, on average, a **1 percentage point increase in Return on Assets (ROA)**. These names help firms signal distinctiveness, reduce stakeholder uncertainty, and attract attention in competitive markets.

However, this performance premium is **not guaranteed**. It's strongest when few competitors use similar names and when the firm is small or in a crowded industry, contexts where differentiation matters most. When many firms adopt nonconforming names, or when local legitimacy is key, the benefit fades. The bottom line: **naming is a strategic choice** that should align with your firm's positioning, visibility needs, and stakeholder landscape.

BUT WHAT DOES THIS MEANS FOR YOUR FIRM?

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



1

KEEPING THE FAMILY NAME SENDS A CLEAR MESSAGE

Using the family name in your company brand conveys **stability, trust, and legacy**. It can:

- Strengthen customer loyalty and community goodwill.
- Attract employees who value purpose and continuity.
- Reinforce internal alignment around family values.

MANAGERIAL IMPLICATION: If your competitive advantage lies in authenticity, tradition, or personal relationships, the family name is a strategic asset worth reinforcing.

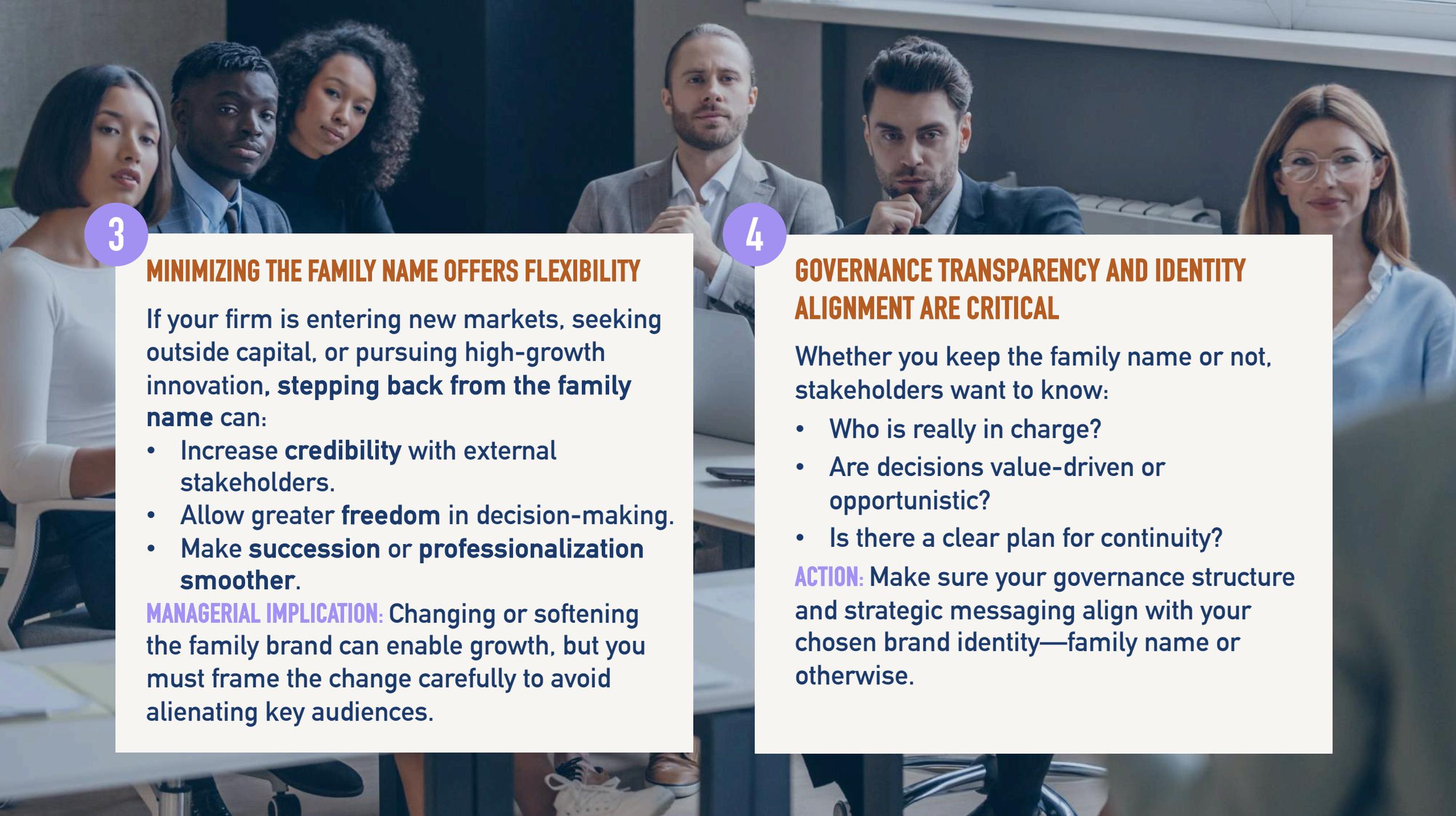
2

BUT IT CAN ALSO CONSTRAIN STRATEGIC MOVES

A strong family brand can create **expectations of conservatism and continuity**, making bold moves look like contradictions. For example:

- Radical innovation, major restructuring, or aggressive M&A might clash with stakeholder expectations.
- Investors or partners may fear limited openness to change or external input.

ACTION: Ask whether your name creates expectations that conflict with your future plans, and whether you're prepared to manage those perceptions.



3

MINIMIZING THE FAMILY NAME OFFERS FLEXIBILITY

If your firm is entering new markets, seeking outside capital, or pursuing high-growth innovation, **stepping back from the family name** can:

- Increase **credibility** with external stakeholders.
- Allow greater **freedom** in decision-making.
- Make **succession** or **professionalization** smoother.

MANAGERIAL IMPLICATION: Changing or softening the family brand can enable growth, but you must frame the change carefully to avoid alienating key audiences.

4

GOVERNANCE TRANSPARENCY AND IDENTITY ALIGNMENT ARE CRITICAL

Whether you keep the family name or not, stakeholders want to know:

- Who is really in charge?
- Are decisions value-driven or opportunistic?
- Is there a clear plan for continuity?

ACTION: Make sure your governance structure and strategic messaging align with your chosen brand identity—family name or otherwise.



QUESTIONS TO ASK WITHIN YOUR FAMILY FIRM

- ? Does our family name still support our long-term goals or does it limit them?
- ? How do customers, investors, and employees perceive our family involvement?
- ? If we were to drop or downplay the family name, what would we gain or lose?
- ? Can we retain the family values without making the family name the centerpiece?
- ? Are we prepared to manage expectations that come with either choice?

BOTTOM LINE

Your family name is not just a **symbol**—it's a **signal**. It affects how others interpret your strategy, judge your professionalism, and place their trust. Keeping the family name can build **powerful reputational capital**, but it may also **constrain strategic freedom**. Dropping or minimizing it may expand your options but can risk **disconnecting from your legacy**.

The **key is alignment**: Between your **name**, your **values**, your **governance**, and your **growth strategy**. If you're intentional and transparent, **either path can work**. But the decision should never be accidental. Your name carries weight—make sure it's working for you.