

# CAN FAMILY FIRMS BE 'BORN AGAIN GLOBAL' ?

Executive summary and practitioner insights by Angèle Marinelli, PhD Fellow, and Cécile de Lisle, Executive Director, Dieter Schwarz Foundation Family Business Center, based on Janjuha-Jivraj, S., Martin, L., & Danko, A. (2012). Internationalization of a 'Born-again Global': How a Family-led Crisis Enabled the Realization of Internationalization Opportunities. *Journal of Small Business & Entrepreneurship*, 25(2), 201–215.

This summary draws on the core findings of Janjuha-Jivraj et al. (2012), with interpretation and application developed independently by Angèle Marinelli and Cécile de Lisle for a family business audience



# EXECUTIVE SUMMARY

When a family business faces a severe crisis, can it use the **challenge** as a **springboard** to enter **global markets**? This in-depth case study of UK-based **Phipps Brothers**, an established SME, shows how a combination of **financial hardship**, market decline, and **leadership change** transformed a domestic, family-focused operation into a “**born-again global**” enterprise.

The research highlights that under the **right conditions**, **crisis** can break entrenched habits, professionalize operations, and **trigger bold strategic moves** abroad. The case also illustrates the long and non-linear path from **local focus** to **international success**, with initial failures paving the way for later global expansion.

## BUT WHAT DOES THIS MEANS FOR YOUR FIRM?

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



# INSIGHT 1

## CRISIS CAN BE A CATALYST FOR CHANGE

The study shows that when family CEOs take on their role, they:

- Lead to **more patents** and **more patent citations**.
- Foster conditions that support **experimentation and long-term R&D**.
- Provide continuity with a **distinctively innovation-friendly twist**.

### MANAGERIAL TAKEAWAY:

Family succession is not just about preserving legacy; it can also be a **forward-looking innovation strategy**.

# INSIGHT 2

## PROFESSIONALIZATION IS KEY TO GLOBAL READINESS

However, not all family CEOs boost innovation equally. The effect depends on their education:

- **Engineering degrees** lead to the strongest increase, with a **13% increase of patent counts**.
- **Business degrees** show an **8% increase**.
- **Other degrees** show little to no innovation premium.

### ACTION POINT:

Family ties alone are not enough. Prioritize **technical or managerial education** when selecting or preparing a successor.

# INSIGHT 3

## FOCUSED AND TARGETED INTERNATIONALIZATION WORKS

But why do family CEOs boost innovation? The study explains that they create a **safer environment for experimentation**:

- **Lower employee turnover** after succession.
- **Greater tolerance for failure**.
- A culture more **conducive to exploratory, long-term projects**.

### WHY THIS MATTERS:

Innovation needs **more than good ideas**. It needs a psychologically safe environment where **teams can try, fail, and try again**.



## QUESTIONS TO ASK WITHIN YOUR FAMILY FIRM

? Do we have the professional skills needed to compete internationally?

? Are we willing to bring in external expertise to fill gaps?

? What entrenched habits or structures might be holding us back from global opportunities?

? Could a challenging market situation be reframed as a chance to rethink our strategy?

? Are we prepared to invest in focused, well-researched foreign market entry rather than opportunistic forays?





# BOTTOM LINE



This isn't just a story about survival: it's about **transformation**. A family-led crisis can be the **turning point** that propels a domestic SME into the global arena. The journey is rarely linear: early missteps and internal resistance are common. But with **strategic focus, professionalization, and targeted market entry**, even a long-established, inward-looking firm can reinvent itself as a successful **“born-again global.”**