

<b>Institution:</b> Queen Margaret University, Edinburgh		
<b>Unit of Assessment:</b> UoA 17 Business and Management Studies		
<b>Title of case study:</b> Families, Feuds and Fortunes: Linking Research and Practice to Develop Long Term Family Business Governance in Scotland		
<b>Period when the underpinning research was undertaken:</b> 2005-2017		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b>	<b>Role(s) (e.g. job title):</b>	<b>Period(s) employed by submitting HEI:</b>
Claire Seaman	Professor of Enterprise and Family Business	1993-present
<b>Period when the claimed impact occurred:</b> 2014-2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<p><b>1. Summary of the impact</b></p> <p>Around 750 family run business have benefited from the family business education pathway based on research at QMU. Our research indicated that an MBA (or similar) did not meet the needs of many small businesses, and businesses valued the learning and knowledge from their networks. Working with Family Business United Scotland, we developed an education pathway that created opportunities for learning that include an annual conference, seminars, business visits that facilitate peer-to-peer learning, masters level qualifications and professionally focused doctoral level degrees. Family businesses report increased confidence in developing succession plans, leading to stronger and more sustainable family businesses.</p>		
<p><b>2. Underpinning research</b></p> <p>Business education and support has a chequered history and is an area where business participation has often been relatively low, especially amongst smaller businesses. Original research at QMU, published in 2005 and of at least 2* quality, identified that formal education was less suitable for small business than had been assumed. Small business owners saw degrees such as MBAs to be too big a commitment and tangential to their business needs. This insight was especially valuable because much earlier research had focussed on larger businesses, who often find formal learning routes appropriate. Seaman, an International expert in family business, saw that the findings of this research could be applied to help many businesses in Scotland. By focussing on the small and often family-run businesses in our region, the research offered a unique insight into the logics that prevent small business participation in, for example, MBA degrees.</p> <p>Further original research showed that smaller and family run businesses valued knowledge, learning and ideas from their networks and that the family, social and business networks often overlapped. Our 2013 research also highlighted a lack of tailored provision for family businesses in the business school curriculum (Collins et al, 2013). Our 2014-2017 research focused on knowledge, networks and the manner in which the family, friendship and business networks of smaller, family businesses in rural areas overlap and intersect (Seaman et al, 2014; Seaman et al, 2017). Research published in 2015 also highlighted the importance of the internal, knowledge sharing culture of a business, which in turn depends on networks within the business. (Cunningham et al, 2015; Cunningham et al, 2017)). A key new finding was that small family businesses have depended less on formal learning and more on the knowledge within their peer group or network. This is especially true amongst smaller family firms, where both family norms and access to resources may limit ongoing access to formal education systems. Whilst firms talking to their own networks has its benefits, the failure rate around the time of business succession remains relatively high, with an associated economic and personal cost to business owners, employees, and communities. The rigorous research detailed here, published in a variety</p>		

of international peer reviewed journals, is the foundation for the impact developed through work with Family Business United. The original approach taken to using this research for the benefit of businesses has attracted International attention, including invitations to address the business and academic community in Valencia (2019), in Extremadura (2015; 2018) and as a good practice case study for the University Industry Innovation Network. Interest from New Zealand also lead to the work becoming the subject of an invited paper for the International Journal of Entrepreneurship and Small Business.

Through initial work with the Scottish Family Business Association and later with Family Business United (Scotland), QMU have developed a Family Business Network and a Family Business Education Pathway that fosters opportunities for learning that include an annual conference, seminars, business visits that facilitate peer-to-peer learning, formally accredited modules suitable for short course provision, masters level qualifications and professionally focused doctoral level degrees. These initiatives work together to supplement business learning by encouraging family, social and business contacts to contribute to the family business debate. In parallel with this research, several of our recent reports have been developed for lobbying purposes and have highlighted the importance of increasing the sustainability of family businesses through robust approaches to governance and succession.

### 3. References to the research

The rigorous nature of the research can be evidenced from the quality of journals in which the research is published, the ongoing development of a coherent thread of research and the acceptance and implementation of the research by the business community.

Lynch, P., Baty, R., Abdullah, F., & Seaman, C. (2005) MBA for Small Firms and Microenterprises - Development Issues. *Journal of European Industrial Training*, 23(8), 641-652.

Seaman, C., McQuaid, R., & Pearson, M. (2014) Networks in Family Business: A Multi-rational Approach. *International Entrepreneurship and Management Journal*, 10(3), 523-537.

Cunningham, J., Seaman, C., & McGuire, D. (2015) Knowledge Sharing in Small Family Firms. *Journal of Family Business Strategy*. <http://dx.doi.org/10.1016/j.jfbs.2015.10.002>.

Seaman, C., McQuaid, R., & Pearson, M. (2017) Social Networking in Family Businesses in a Local Economy. *Local Economy*, 32(5) 451-466 <https://doi.org/10.1177/0269094217722505>

Cunningham, J., Seaman, C., & McGuire, D. (2017) Perceptions of Knowledge Sharing in Small Family Firms: A Structural Equation Model. *Family Business Review*, <http://journals.sagepub.com/doi/full/10.1177/0894486516682667>.

### 4. Details of the impact

Research results indicate that small, family run businesses are less likely to engage in formal education but value the knowledge they can derive from networks. Implementing findings from research reported in (3), we have worked with Family Business United to develop a network that includes a variety of opportunities for family businesses to learn from their peers and professional educators. Specific recommendations based upon research by Seaman were taken up as part of the formation of a new membership organisation for family businesses in Scotland, Family Business United Scotland (FBUS). Paul Andrews, founder of Family Business United and FBU (Scotland) comments:

*'We are delighted with the support we receive from and the collaborative endeavours in the field of family business from Professor Claire Seaman and the team at Queen Margaret University.'*

*As pioneers in the family business space in Scotland, QMU are offering support to the family business community and using their research to support the needs of these businesses for generations to come’.*

The research recommendations had an impact in two major areas:

- 1. The development of a family business community dedicated to learning and knowledge sharing across Scotland** was implemented via the development of Family Business United Scotland (Seaman was and is a member of the founding Board), who have developed a family business education pathway that includes Scottish Family Business Week (now in its fourth year), a variety of additional family business events and an education pathway that maps out opportunities for learning. Scottish Family Business week originally included an annual conference (around 500 businesses reached to date), business visits and a formal reception and has successfully pivoted to an online format during the Covid19 pandemic. Exemplars of the positive responses are shown below:

*‘I think the resources available have made quite a big difference. My father had the business, and I took over from him. He saw a tax specialist, but the advice didn’t really seem to fit with our programmes. We went to a couple of events and realised that there was some theory and academic research in the area – I did business management as a degree, but family business wasn’t really mentioned – but learning that there was a network, and we could tap into the knowledge helped to move the business and the family dynamic along. For my father, this was a real lightbulb moment and it helped us to avoid, for example, selling the business. The knowledge led to discussions within the family and with other ‘next generation’ friends who formed an informal network that was really important, and it became normal to talk about such things’*

Jane Wylie Roberts, CEO Stafffinders

*‘I was lucky to be involved in the hiring process of our first ever family external board member. This was a crucial step to keep up with our growth aspirations as we fully believe that a good mix of family- and non-family members in the board of directors brings up different perspectives and opportunities. In order to make long-term decisions like the one mentioned above and simultaneously preserve family harmony, communication between all involved family members is critical. In our case, my brother, who made his decision to become a doctor over five years ago, is still being involved regularly. As he has chosen a different path than joining our family business, we are currently working on solutions in terms of inheritance by understanding all our individual perspectives and finding ways to set the stage for sustainable commercial success. Learning about family business governance at QMU, thereby, helped me in great measure in order to be able to understand and analyse the current situation and design solutions that also preserve family harmony. Being adaptable to different needs and situations is one of the most important keys for business success in a daily changing business environment and Claire managed this without losing a clear focus on the learning goals set prior to the start of the course.’*

Simon Sohm, Next Generation, Und Verpackungslosungen, Austria

- 2. Family businesses and their advisors have benefitted from the guidance and research made available through FBUS** around how to deal effectively with the succession process and where to seek further guidance. Family businesses now have access to resources not previously available, including access to regular networking events, specialist education at masters and doctoral level and the inclusion of the advisory community within knowledge sharing networks. Work with the Scottish Government Think Tank, Scotland’s Futures Forum, and the Goodison Group in Scotland (GGiS) into the experiences of family business recognises the potential difficulties where a family and a business intertwine and built links with the policy community. Around 100 representatives attended events organised with Scotland’s Futures Forum, offering excellent feedback, an example being:

*'Both Claire (Seaman) and I were aware of gaps within the family business sector for practical education and a safe space in which family businesses could explore the issues specific to the business sector. They also believed there was a shortage of professional advisors that understood the unique dynamics associated with the family business sector. The advisors that were available pushed their own commercial agenda with little sensitivity to the human, emotional capital that is closely associated with the family business dynamic.'*

The unique approach taken at QMU has inspired further comment from Martin Stepek (CEO, Scottish Family Business Association) who adds:

*'I felt (and continue to feel) that QMU and Claire Seaman are forerunners in family business education in Scotland, something I believe is of vital importance to the economy and country. Claire has a unique and special focus that allows her to view the family business sector from an academic viewpoint, but also a more holistic angle that brings an immensely valuable contribution to the business sector. This should be encouraged and proactively supported, along with the work of peers at QMU.'*

## 5. Sources to corroborate the impact

### Testimonials

1. Founder and CEO, Family Business United
2. CEO, Scottish Family Business Association
3. CEO Staffinders UK
4. CEO Women Being Project, Edinburgh, UK
5. Next generation successor, Druck Und Verpackungslosungen, Austria

### Family Business United:

6. QMU participation can also be evidenced from FBU Minutes

### Published Materials

7. Seaman, C. (2019) The Role of Family Business in the Development of Inclusive Innovation Ecosystems. University Industry Innovation Network Good Practice Case Study. <http://www.uiin.org>. Blog at: <http://www.blog.uiin.org/author/claire-seamen>
8. Seaman, C. (2020) Invited Paper. Scottish Family Businesses: Innovative Strategies for Education and Business Support. International Journal of Entrepreneurship and Small Business. Accepted for publication 24<sup>th</sup> September 2018  
<https://eresearch.qmu.ac.uk/handle/20.500.12289/8986>  
<https://www.inderscience.com/info/ingeneral/forthcoming.php?jcode=ijesb>
9. "Sustainability: the challenge facing Scotland's SMEs and family businesses" Full Report. Goodison Group in Scotland and Partners, including Scotland's Futures Forum and Queen Margaret University. Goodison Group in Scotland, 2012

<https://www.scotlandfutureforum.org/about/who-we-work-with/goodison-group-in-scotland/>