

ROTTERDAM SCHOOL OF MANAGEMENT  
ERASMUS UNIVERSITY

ANNUAL REPORT 2013



contributing to the  
development and  
long-term viability  
of **family  
businesses**  
around the world

through the provision of research on  
family business, development of family  
business leaders and outreach activities

The business school that thinks  
and lives in the future

 Erasmus Centre for  
**Family Business**

FOUNDED BY

ROTTERDAM SCHOOL OF MANAGEMENT  
ERASMUS UNIVERSITY

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**Dear stakeholders,**

**In 2013, the Erasmus Centre for Family Business (ECFB) completed its first full year after its launch back in November 2012. During the year, the Centre has developed and shared knowledge on several matters that are important to family businesses. The feedback we have received from students, colleagues, and the family business community has been overwhelmingly positive, and provides a great encouragement for us to continue on the course we have set ourselves.**

Last year also saw the launch of our Leadership of Family Firms open programme and executive MBA elective, which attracted participants from the family business community. In addition, new and exciting research has been conducted and shared with the family business community during our invitation-only round table meetings. These meetings are becoming an important stage on which we can present and discuss our research with family business leaders.

This annual report provides an overview of our activities, achievements, and the value we have created for our stakeholders and for the family business community in 2013. In addition, it provides an overview of some of our plans for 2014.

We can look back on a truly fruitful year that promises a lot for the future. We highly value your contributions to the Erasmus Centre for Family Business and its mission and hope for your continuous support.

Sincerely,

Professor Pursey Heugens  
Professor Hans van Oosterhout  
Dr Vanessa Strike - Scientific Director  
Jacqueline van Zwol - Executive Director

**mission**

**The mission of the Erasmus Centre for Family Business is to contribute to the development and long-term viability of family businesses around the world through the provision of research on family business, development of family business leaders and outreach activities.**

# ECFB RESEARCH 2013

In 2013, RSM undertook various initiatives to contribute to research into family businesses.

RSM researchers Prof. Pursey Heugens, Prof. Abe de Jong, Dr Vanessa Strike, and Prof. Hans van Oosterhout worked on various research topics with a focus on family business:

- How family and non-family CEOs differ in their decision-making in family and non-family firms;
- How first and successor generation family firm leaders differ in their strategic choices;
- Which differences of ownership involvement in family firms exist across Europe;
- What is the history of family firms in the Netherlands;
- How do inheritance laws affect the longevity of family firms;
- What ownership strategies do family firms follow;
- What are the institutional drivers of family firm profitability in emerging markets;
- What are the strategy and performance differences between privately-held and publicly listed family firms.

# long career horizons award-winning research

With ground-breaking new research into the behaviour of family business CEOs nearing retirement, the research team of Dr Vanessa Strike, the ECFB's Scientific Director, Dr Stephen G. Sapp from Ivey Business School, Western University, and RSM alumnus Lorenzo Congiu (MSc Global Business and Stakeholder Management 2011 *cum laude*), offer new perspectives on the long-term benefits to be derived from the long career horizons of CEOs in family controlled firms.

Their paper '*The Effect of Family Involvement on CEO Career Horizons: Evidence from International Acquisitions*,' won the Academy of Management (AOM) Best Family Business Paper 2013 in the Entrepreneurship Division. This prestigious award, sponsored by Kennesaw State University's Cox Family Enterprise Center, was announced as part of the Academy of Management conference on 12 August 2013. The award recognised the research team's "efforts to advance our understanding of family business" and to stimulate "exciting intellectual exchanges" in the world of entrepreneurship and family business study.



# ECFB EDUCATION 2013

Although family businesses are the most important form of enterprise organisation from an economic perspective, there is still little focus on family businesses in the worldwide educational system. RSM integrated a family business focus into its educational offerings in 2013 as follows:

- ‘Leadership of Family Firms: Navigating your way through the unique governance and strategic challenges of your family firm’ was the first open executive programme to be developed, and was attended by a total of 22 members of the family business community plus MBA and Executive OneMBA students from 12 different countries in October 2013. They studied six modules on the subject of family business. Teaching materials included cases developed by RSM and members of the family business community contributed as guest speakers. This pioneering programme was reviewed very positively by participants.
- Several students defended master theses on family business topics in 2013. Topics covered issues from the position of family firms in labour markets to the profitability of family firms in foreign markets. A full list of thesis topics can be obtained on request.
- Around 30 students have registered for a new master elective program, code shared between RSM’s Strategic Management and Entrepreneurship and New Business Venturing Master Programmes, which was developed during the course of the year and has kicked off in February 2014.
- Family business cases developed by RSM have been used in the School as well as in other business schools.





### **Where are they now?**

RSM alumni who graduated after presenting a thesis on a family business-related subject have pursued careers in the field of family business, either as researchers or working for a family firm. We look at the impact of their education and ask how they see the role of the ECFB in the future.



Anastassia Katchan graduated with an MSc in Business Administration with a specialisation in Global Business & Stakeholder Management in 2012. She is currently working as a trainee for a family owned firm.

“I am a trainee at E.G.O, a supplier for producers of household appliances. The group is family owned but not family managed. I have found numerous family firm characteristics within the company, and differences to a non-family managed company.”

“The MSc at RSM – and especially the family business courses – helped me to better understand developments in the organisation. The theory, case studies and the research prepared me to a certain degree for the happenings I observe now. I feel like they support my practical insights.”

“I believe that my education at RSM was a great foundation for my work now, and I am very happy to still be in touch with the ECFB. The research the centre does reflect phenomena and developments and thus allows deeper insights and a deeper understanding. It feels like a platform that allows us to look for answers to questions that we might not dare to ask otherwise.”





Josh Wei-Jun Hsueh graduated with an MSc in Business Administration with a specialisation in Global Business & Stakeholder Management in 2010. He is currently doing a PhD at Università Commerciale Luigi Bocconi in Milan.

“My research orientation lies in the second field of stakeholder management, so that’s why I took the Family Business course as my elective. It was an interesting and inspiring course; n Dr Vanessa Strike shared her expertise and invited various practitioners as guest speakers for the course.”

“I did my master thesis about family firms’ corporate social responsibility reporting and how the assurance report could improve the non-governmental stakeholders’ perception of the family firms. When I collected the data, I found that there is a clear gap between family firms’ self-perception and the external stakeholders’ perception of the organisational image. I think researchers could act as a bridge to mediate both parties’ perspectives during the research process. I think the set-up of the ECFB can definitely facilitate research for students who are interested in that field.”

“I think there is a great need for research institutions like ECFB to connect academia and family firm practitioners. An institution like ECFB provides opportunities for both parties to exchange their knowledge and share their perspectives. It provides a more systematic way to communicate research findings to family firms, and it could also help researchers to gain the contemporary insights from managers of family firms.”

# ECFB FAMILY BUSINESS COMMUNITY AND OUTREACH

## 2013

THE ECFB relies on its community of family businesses, and therefore strives to actively involve family businesses via education, activities, social and conventional media, and the ECFB and RSM website. In April 2013, the ECFB hired Jacqueline van Zwol as part-time executive director responsible for community building and outreach.





### **Round table sessions**

The ECFB hosted several round-table sessions during the year, inviting members of the family business community to hear the latest research and to contribute their experiences and opinions to the discussion. These round-table sessions are usually held in an informal, trusted atmosphere over dinner.

The round table session 'Strategy after Succession' in May 2013 attracted 22 participants from members of the local family business community. A presentation of his latest research by Prof. Pursey Heugens was followed by a round table discussion which contributed to a deeper understanding of succession in family businesses. The event received press coverage, and drew wider attention to this important topic. Evaluations of the session were positive.

The differences in decision-making between family CEOs and non-family CEOs was the subject of a round table session lead by Scientific Director Dr Vanessa Strike, based on her own research, in November 2013. More than 20 family business members joined the lively discussion after Dr Strike's presentation, and the event helped to deepen understanding of the variety in family business governance.

### **Preparations for a symposium in March 2014**

During 2013, we started preparations for a Family Business Symposium on Friday, 7 March developed in partnership with FBned (*Vereniging Familiebedrijven Nederland*). This event will present a programme with national and international speakers on the theme "Navigating family businesses at the crossroads".  
[www.rsm.nl/familybusiness](http://www.rsm.nl/familybusiness)

### **UPDATES**

Keep up to date with ECFB activities and events within the family business community on the ECFB website [www.rsm.nl/ecfb](http://www.rsm.nl/ecfb) and our Linked In group online. If you would like to join our mailing list, email the ECFB at [jsuijker@rsm.nl](mailto:jsuijker@rsm.nl).

# ACTIVITIES

## Erasmus Centre for Family Business 2013/2014

### *First steps towards an ambitious vision*

ACTIVITIES	2013	2014
<b>Research</b>	<ul style="list-style-type: none"> <li>■ Increased research focus on family business, hiring of extra research capacity</li> <li>■ Continuation of long term research projects</li> </ul>	<ul style="list-style-type: none"> <li>■ Continue long term research projects</li> <li>■ Explore the opportunity to build a long term primary database on Dutch and European family businesses as the foundation for future research</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>■ First EMBA/open executive programme about family business</li> <li>■ Preparation of new master elective course in family business</li> <li>■ Support master thesis students</li> </ul>	<ul style="list-style-type: none"> <li>■ New master elective starts spring 2014</li> <li>■ Family Business Executive MBA programme commences in October 2014</li> <li>■ Development of a two-week executive education programme based on a multi-generation approach, starting in 2015</li> <li>■ Support master thesis students</li> </ul>
<b>Outreach &amp; community building</b>	<ul style="list-style-type: none"> <li>■ Two round table sessions based on research</li> <li>■ Preparation for large event in 2014</li> <li>■ Established partnership with FBNet</li> <li>■ Started professionalisation of contacts database, and began working with a media &amp; PR strategy</li> </ul>	<ul style="list-style-type: none"> <li>■ Actively involve family businesses in:               <ul style="list-style-type: none"> <li>• Family Business Symposium March 7th 2014</li> <li>• Further round table sessions in May and November</li> </ul> </li> <li>■ Build on partnerships with relevant organisations, e.g., for 'next generation' programmes</li> <li>■ Professionalize CRM database</li> <li>■ Seek frequent media publicity</li> <li>■ Implement social media strategy</li> <li>■ Inform family business members about the ECFB activities (via ECFB site, RSM site, Linked In, direct mail, media)</li> </ul>
<b>ECFB Funding</b>	<ul style="list-style-type: none"> <li>■ RSM contributed considerably to additional funding requirement</li> <li>■ Various activities to involve family business community in ECFB funding</li> </ul>	<ul style="list-style-type: none"> <li>■ Secure funding for 2014, 2015 and thereafter</li> <li>■ Post-2014 plan is subject to securing new funding, except for long-term research projects, one round table event and the masters elective course</li> </ul>

# BUDGET & FINANCE

## 2013

### **Seed capital**

For the first three years, 2012-2014, seed capital funding of € 60,000 per annum is provided by two foundations and four family businesses.

### **RSM contribution**

In addition, RSM financially contributed to the ECFB in 2013 with an estimated € 200,000 comprising:

- Dedicated time from academic faculty and the ECFB office manager.
- Remuneration for the part-time executive director responsible for community building and outreach, plus a student assistant.

This contribution from RSM does not include RSM staff costs for marketing, PR, or communication.

RSM will fund the ECFB in decreasing amounts during 2014 and 2015. Therefore, additional funding from external parties will be required for 2014, 2015, and thereafter. Eight family business leaders were visited in 2013 to discuss the development of a potential partnership and their contribution to the funding of the ECFB.





The Erasmus Centre for Family Business can be proud of its first successful year of existence. It created a solid knowledge and research platform for the family business community and offers a great learning experience for present and future leaders of family owned companies.

The Advisory Board joins me in congratulating Vanessa Strike, Hans van Oosterhout and Pursey Heugens with an excellent start and wishing them lots of success in their mission to make the Erasmus Centre for Family Business the leading academic institute in the Netherlands and Europe.

Bob de Kuyper  
President  
ECFB Advisory Board

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