The impact of succession on family business internationalisation: 
The successors’ perspective

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Abstract
The purpose of this article is to examine: First, the successor’s perceptions of the factors (objective and subjective) that facilitate or inhibit the process of internationalisation of a small to medium sized firm; Second, to understand the major characteristics that the successor must possess to foster internationalisation. This study relies on case study evidence from a sample of six mature entrepreneurial family firms operating in different sectors. Results shown that the perception of foreign market opportunities; international vision; successor's pro-activity; innovative spirit and specific technical knowledge are relevant variables that initiate the process of internationalisation of a family firm within the context of (post-) succession. By contrast, the study did not find high evidence of the importance of speaking a foreign language and educational background. The study also confirmed that a disrupted process, such as succession, may re-position a mature domestic family firm in international markets. These findings provide valuable insights for policy makers and managers.

Keywords: Generational succession; family business; internationalisation
INTRODUCTION

Family businesses have traditionally acted in domestic markets but increasingly they have been forced to internationalise in order to survive in an ever more competitive market (Kontinen and Ojala, 2010). With the growth of the global economy and the consequent increase in the degree of openness to international activities, cross-border growth and expansion appears, in general, as a good opportunity for family businesses to strategically revitalise (Gallo et al., 2004).

The issue of internationalisation is not new and has been thoroughly analysed by a vast number of researchers (Andersen, 1993, Eriksson et al, 1997; Sanders and Carpenter, 1998; Jones, 1999; Cuervo-Cazurra et al, 2007). The evolution of this field over the past years is reflected in the diversity of concepts and theories that have emerged since the seventies. For instance the Uppsala Model (Johanson and Vahlne, 1977, 1990), the Born-Global (McKinsey & Co., 1993) and the International Entrepreneurship theories (McDougall and Oviatt, 2000; Zahra and George, 2002) are relevant to explain the process of internationalisation of small business firms. Among the list of incidents that are reported in the literature of family firms, the change of management (succession) is usually reported as one of the critical incidents that may change the strategic direction of the firm, leading in some cases to the internationalisation of its activities (Bell et al., 2001; Baldegger and Schueffel, 2010). To the best of our knowledge, this link has not been properly addressed by relevant literature. Therefore, assuming the topic of succession is one of the most critical challenges in the family business literature, this paper attempts to address this specific issue as a driving factor of internationalisation. Balancing the emotional, ownership and business aspects of the family is not an easy task. The challenge of succession remains throughout all the generations that pass through a family business. In some cases a succession, particularly when an international entrepreneur is involved, can lead a family business to new markets, new ways of acting and thinking (Ward, 1987; Ibrahim et al., 2001; Menéndez-Requejo, 2005 and Graves and Thomas, 2008). Very often, the successor is an important international entrepreneur that drives the firm abroad, although few studies have explored this research line.

Considering the above arguments, although the concepts of "family business", "born-again global" and "succession" have received some attention from previous studies, most of these constructs have been used independently with little interconnection among them. If, on the one hand, the studies that explore born-again global firms identify the temporal
sequence as a critical factor, on the other hand, they do not explore this issue within the transitional stage of management succession. Few authors have linked this process to the firm’s internationalisation and to the born-again global concept (Bell et al., 2001; Mets, 2009; Claver, Rienda and Quer, 2009).

Although Arregle et al. (2012) acknowledged that in family business there is a positive correlation between external owners and the scale of internationalisation, this study presumes that a younger successor can act as an external/internal actor, with new ideas, education and mentality.

Based upon the previously-mentioned gap this study seeks to understand how the dimensions of family business, born-again global and succession are connected. Relying on several successors’ perceptions, this study aims at analysing the following research questions:

1) What are the objective and subjective factors that facilitate or inhibit the process of internationalisation?
2) What are the major characteristics that the successor must possess to foster a process of internationalisation?

The remainder of the paper is organised as follows: we begin by conducting a literature review; the methodology is then explained and the findings are explored along with a discussion of theoretical and managerial implications. Finally, the limitations of the study and future research direction are discussed.

2. LITERATURE REVIEW

2.1. The internationalisation of SMEs

One of the most cited models of internationalisation is the Uppsala model, which views internationalisation as an incremental process that depends on the firm’s experiential knowledge of foreign markets (Johanson and Wiedersheim, 1975; Johanson and Vahlne, 1977). This model assumes that firms first develop their activity in the domestic market, than initiate their internationalisation process by a low commitment strategy, that the process of international involvement is gradual, mainly depending on the level of knowledge (objective and experiential) that the firm accumulates during different incremental stages. While the objective knowledge allows access to market opportunities, the experiential knowledge is presented as the critical knowledge. This type of knowledge
is not easily acquired as it comes from experience, which constitutes the main source of information that enables the firms to identify concrete opportunities.

The changes that have occurred in the economic environment since the 70s and the recognition of some limitations of the Uppsala internationalisation process led Johanson and Vahlne (2009) to review their seminal model, recognizing the important role of networks. This approach views the process of knowledge creation as a result of interaction between parties, which leads to the creation of more knowledge (Johanson and Vahlne, 2009).

Consequently, firms currently no longer operate in the same way that they operate in stable markets. Instead of gradual internationalisation, access to foreign markets occurs rapidly, giving rise to these new phenomenon - the born global companies.

A number of factors are associated with the recent phenomenon of born global emergence. The "shortening" of global distances, increasing similarity of the consumption habits, technological changes, liberalization of markets and rapid access to information are just some of the factors that led to fundamental changes in the international context.

What distinguishes this type of firm (born globals, INVs, start-ups, and others) is the fact that from their origin they are global, as they allocate significant resources, material, human, financial, and time in more than one country. They also evidence from the beginning a proactive international strategy (Oviatt and McDougall, 1994) and focus their attention on global niche markets from the first day of their internationalisation (Moen et al. 2008). Thus, a characteristic of these firms is the importance of their age rather than their size.

Relevant for this study is the work of Bell et al. (2001) who found that about 30% of the firms analysed had adopted a model of internationalisation that did not fit either the traditional theory or the born global approach. These authors also acknowledged that firms first consolidated their position in their domestic markets, but as a result of a critical incident they went very quickly into international markets. This represents a rebirth, and these firms which entered international markets after many years of operating in the domestic market were called born again global (BAGs). Specifically, BAGs are those firms that operate for a long period of time in the domestic market and then suddenly begin a very quick process of internationalisation. This type of behaviour is typically based on a response to a critical incident or a specific episode. This position is slightly different from
that situation in which firms internationalised soon after their foundation and continued their path in overseas markets in a normal way (Crick, 2009).

Ultimately, the major difference between born global firms and BAG firms is the time of internationalisation. While the former are global from inception, the latter remain focused on their domestic market and after a specific event or critical incident they start their activities in international markets (Mets, 2009).

In line with the work of Bell et al. (2001), several authors have undertaken research on the subject (Baldegger, 2008; Mets, 2009, among others). Baldegger (2008) reinforces the concept, emphasizing the need to study the internationalisation activities of all companies, regardless of their age, size or industry, including the activities performed by mature companies which should also be considered in the light of international entrepreneurship. After a long period of absence from the international markets, starting the process may be characterised by a speedy process which can be translated into high levels of growth, innovation, sustainability and self-confidence (Baldegger, 2008). As previously mentioned, the change of attitude towards foreign markets is the result of a particular critical incident (or episode), which according to Bell et al. (2001), may include the following events: change of ownership, acquisition by another company, purchase by the administrator, acquisition of a company with international connections, internal technology transfer, distribution rights, following customers to international markets, and support of an international customer that has accessed the domestic market.

2.2. Succession – Window of opportunity for internationalisation?

The impact of succession on internationalisation has been dealt with by several authors resulting in different viewpoints (Ward, 1987; Ibrahim et al., 1999, Fernandez and Nieto, 2005; Menéndez-Requejo, 2005, Graves and Thomas, 2008).

Although there is no universal definition of what succession is, the definition proposed by Beckhard and Burke (1983, p.3) seems quite appropriate, namely: "the passing of the leadership baton from the founder-owner to a successor who will either be a family member or a non-family member; that is, a ’professional manager’".

However, succession is not just a step of passing the baton, but instead it is a process that develops over several stages that evolve over time and, in some cases, begin even
before the successor enters the business (Handler, 1994). It should be noted that succession should not be viewed as an event that occurs with the sudden death of the founder. In fact, a succession results from effective planning soon after descendants enter the business (Ibrahim et al., 2001). Given the importance of continuity in the family business, the succession process has drawn the attention of researchers who have tried to identify those variables driving an effective succession.

For instance, Dyer (1986) believes that the role of business, family and administration (and their cultural setting) are critical elements to the succession. The succession process encompasses a number of factors which are usually associated with both the predecessor and successor. Among these factors, quality, harmony of family relations, organizational culture and succession planning have been emphasised in relevant literature. After a qualitative study with 32 family businesses, Handler (1989) found that mutual respect and a common vision between the founder and successor are very important components of an effective succession. Several authors also stress the importance of personal and professional realization of family members (Dunn, 1995; Basly, 2007).

According to Gomez-Mejia et al. (2011) family firms are based on rich histories, memories and significant emotional connections. This means that it is very important that the manager should understand the complex interconnection between economic and noneconomic goals and attitudes. As Holt (2012, p.1149) noted in general, “individuals tend to be more receptive to requests made by those they like”.

With regard to internal issues, there are some benefits associated with different generations, particularly regarding the flow of decision-making. According to Gallo and García-Pont (1996) the second generation has more information and is usually better prepared and, as a consequence of this, they have a better predisposition towards internationalisation. At the same time the successors (son, daughter, nephew, grandson) are more linked with the business, sharing the same values, emotional connections and social norms as the family. So they are probably seen as less manipulative, opportunistic and self-serving than an external successor. So it is easier for successors to propose new ideas and that be accepted.

As a result of that, succession to the company by the next generation may be considered an important critical incident in a sense that the family businesses may become a born-again global firm (Graves and Thomas, 2008). A successful succession opens up an important window of opportunity for the firm which may increase its international
commitment (Ibrahim et al., 1999; Ward, 1987; Menéndez-Requejo, 2005). The link between both these fields of study "succession" and "internationalisation" is strongly associated with several objective and subjective factors.

2.3. Objective, subjective and social network factors regarding the successor

The international process depends largely on the characteristics of the entrepreneurs who have initiated it, and are responsible for the mode, direction and speed with which the firm progresses along different international stages (Leonidou et al., 1998). Consistent with Miesenbock (1988), the key dimension in small business internationalisation is the decision-maker of the firm. Basically, he/she is the one to decide to start, to end and to increase the international involvement of the company. Therefore, the discussion about the decision-maker could be organised around two sets of managerial factors, specifically objective and subjective factors (Leonidou et al., 1998; Hutchinson et al., 2006).

Objective factors

Among the objective factors particular emphasis has been placed on the age group, educational background, specific technical knowledge, professional experience (internal to the company), foreign language proficiency, time spent abroad and international experience of management.

Concerning the age group of the decision-makers, although studies addressing this variable evidenced inconsistent findings, several authors suggest that younger individuals have a higher propensity to internationalize (Andersson et al., 2004). With regard to educational background, several authors have hypothesised that better-educated decision makers are expected to be more open-minded and interested in foreign affairs, thus being more willing to assess the benefits and disadvantages of an international strategy (Garnier, 1982).

Specific technical knowledge, management knowledge and international knowledge are also considered significant explanatory variables that act as important drivers for SME internationalisation (Casson, 1982; Ronstadt, 1988; Chandler, 1996; Westhead et al., 2001). For example, Westhead et al. (2001) developed a study that provides evidence that entrepreneurs who have specific knowledge of the industry are likely to have higher propensity to internationalize.
Nohria (1992) points out that past international experience provides more awareness and confidence to go abroad, facilitating the process of internationalisation, a point also stressed by Reuber and Fischer (1997), who acknowledged that performing different executive tasks abroad can help the new manager to understand new realities and contexts and, as a result of that, can accelerate the internationalisation of some companies. Thus, prior employment involving export-related activities may also reinforce the perception of relevance of foreign markets by decision-makers.

According to Leonidou et al. (1998) foreign language proficiency has been positively correlated with internationalisation since this skill may help to establish social and business contacts abroad, improve communication and interaction with potential intermediaries and clients. As these authors noted, it may also assist the manager in understanding foreign business practices. The exposure of the manager to foreign cultures through living, working, or studying abroad, which allows accumulation of greater experiential knowledge of international markets, may contribute to build this vision (Leonidou et al., 1998).

As previously mentioned, Johanson and Vahlne (1977) considered market knowledge and experiential knowledge as important drivers of internationalisation. These two dimensions are still relevant today although the market environment is less predictable. From the point of view of the successor, if he/she has international vision, has spent some time abroad, has international experience and has lived (or worked) abroad, it is expected that he/she will have accumulated relevant knowledge that can be very useful to anticipate unpredictable events in the international context (Cavusgil et al., 1993; Barach et al., 1988, Morris et al., 1997; Lambrecht, 2005). Working outside of the family firm, and preferably having an executive role, will also contribute not only to individual development and experience but also to the implementation of new business practices (Segaro, 2010).

The improvement of business skills (formal education, training and experience), associated with the internalisation of cultural specificities of a foreign country, are very important factors for successors. Hall and Nordqvist (2008) emphasised that formal education is not enough to interiorize the complexity of management functions. This should be complemented with a deep knowledge of specific cultural competences. This knowledge and experience are recognised as important drivers, particularly if the experience achieved is subsequently applied in the family business context (Nelton, 1986, Danco, 1982). Concerning the aforementioned arguments, this study proposes the following proposition:
Proposition 1: Based on the perceptions of several successors there are a number of objective factors associated with the characteristics of the main decision-maker (entrepreneur) that facilitate the process of internationalisation.

Subjective factors

With regard to the category of subjective factors it addresses mainly to the attitudes and behaviours of decision-makers (Leonidou et al., 1998). It is generally recognised that the decision-maker exhibits some characteristics that favour greater influence in promoting a successful international strategy. Subjective factors may include an international vision, an innovative spirit, a pro-active attitude, and an attraction to risk (Leonidou et al., 1998; Lumpkin and Dess, 1996; Dess et al., 1997; Harveston et al., 2000; Knight, 2001).

While the international vision is usually associated with future outcomes and desired marketplace position, the innovative spirit is the ability to innovate consistently. In other words, it is the ability to extend the entrepreneurial spirit along a period of time that makes the organization viable in the present and in the future (Zahra and George, 2002). As these authors pointed out, international entrepreneurship is a "process of creatively discovering and exploiting opportunities that lie outside a firm's domestic markets in pursuit of competitive advantage" (Zahra and George, 2002, p. 261).

Also, there are a growing number of firms looking for that competitive advantage through innovation based entrepreneurship (Simon, 1996). Proactive decision-makers have the ability to stimulate the company to innovate, to recognize new market opportunities and to exploit them. A pro-active attitude is the major motive to do well and to achieve a goal regarding a set of standards. The introduction of the term "competitive advantage" indicates the importance that should be attributed to this issue. The better the company's ability to innovate, to recognize new market opportunities and to exploit these, the greater tends to be their success. Given the above:

Proposition 2: Based on the perceptions of several successors there are a number of subjective factors associated with the characteristics of the main decision-maker (entrepreneur) that facilitate the process of internationalisation.
Social network factors

Closely related to the aforementioned objective and subjective factors is another characteristic which may be referred to as connections and networks. Basically, there is some evidence that decision-makers whose contacts are internationally spread have a greater propensity to exploit international market opportunities than those who do not possess such contacts or social networks.

Although social networks allow a manager who is well positioned in the social web to access potential market opportunities more quickly, not all individuals have the ability to recognize them as such. Thus, understanding the extent to which social networks can be transposed to the reality of born again global family firms is one of the goals of this paper. External links connect family businesses to diverse networks and make it possible to access resources from other firms (Arregle et al., 2007).

Although there is some evidence that the family involvement in the internationalisation process is generally viewed as favouring an incremental approach (Uppsala theory), the re-emergence of a new successor with specific characteristics and privileged connections may speed up the process of internationalisation. Concerning the above discussion the following proposition is presented:

**Proposition 3:** Based on the perceptions of several successors the role of social networks may facilitate the process of internationalisation.

3. METHODOLOGY

Given the fact that that the objectives of this study were more related to understanding than measuring, the succession process was analysed from a qualitative approach. As the moment of succession represents a significant transition in the life of the firm the justification for a qualitative approach is the fact that we are dealing with a very sensitive and complex topic. The logic behind this approach is to place emphasis on theory as a process and not to test pre-defined hypotheses.

The data was collected through recorded semi-structured interviews that were conducted with one successor for each of the six firms. Each interview lasted approximately 1.5 hours, although that time was occasionally exceeded. It is relevant to note that the
Interview data was complemented with other sources of information. Thorough research was undertaken for each firm by obtaining archival data that consisted in planning documents, internal reports, newspapers and other relevant records. Later, the data collected through these means was compared with the primary data collected through the interviews. The interviews were always carried out on the firm’s premises with the major decision-maker who is responsible for the decisions related to the international involvement of the firm (They took place from July to September 2011). The complete case reports were sent back to the interviewees and any inconsistencies they identified were immediately corrected. When any doubt subsisted, the authors emailed the person interviewed to clarify these doubts.

Interviews were conducted face-to-face, according to the standardised format of a set of open-ended questions, which allowed the interviewee some flexibility to introduce unexpected and relevant topics about succession in a family business.

A general set of questions was asked addressing: 1) the objective characteristics of the successors (educational background; successor’s age; professional experience; specific technical knowledge; time spent abroad; international experience outside of the firm and business skills); 2) the subjective characteristics of the successors (international vision; successor’s pro-activity; innovative spirit; risk attraction); and 3) other factors, such as the relevance of social networks and social capital.

This study adopted a theoretical sampling in order to gain a deeper understanding of the succession process in the internationalisation of the firm. Specifically, this sampling proceeds “not in terms of a sample of a specific group of individuals, units of time, and so on, but in terms of concepts, their properties, dimensions and variations” (Strauss and Corbin, 1990, p. 420).

For the purpose of this research, we adopted a multiple-case study with six family firms operating in different sectors. We decided to stop at the sixth interview because we felt that we had reached data saturation, the point at which nothing new is being added (Bowen, 2008). Specifically, the Eisenhardt (1989) guidelines were followed in a sense that a selection of between four and ten cases is recommended.

Table 1 lists the profile of the six firms selected for the sample and their major characteristics.
Table 1: Profile of the sampled companies

<table>
<thead>
<tr>
<th></th>
<th>Confectionary Firm A</th>
<th>Carpentry Firm B</th>
<th>Biscuit and chocolate factory Firm C</th>
<th>Textile factory Firm D</th>
<th>Button factory Firm E</th>
<th>Shoe factory Firm F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business vol. (2010)</td>
<td>1 M€*</td>
<td>750 t€**</td>
<td>26,5 M€</td>
<td>1,8 M€</td>
<td>13 M€</td>
<td>5 M€</td>
</tr>
<tr>
<td>Nº of Workers (2010)</td>
<td>18</td>
<td>25</td>
<td>193</td>
<td>105</td>
<td>189</td>
<td>50</td>
</tr>
<tr>
<td>Dimension</td>
<td>Small</td>
<td>Small</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Exports (2010)</td>
<td>70%</td>
<td>12%</td>
<td>50%</td>
<td>80%</td>
<td>Entre 75% e 80%</td>
<td>93%</td>
</tr>
</tbody>
</table>

*M: million; **t: thousand
Source: The authors

Table 2 illustrates the successors’ profile in the six firms considered in the present study.

Table 2 – The profile of successors

<table>
<thead>
<tr>
<th></th>
<th>Confectionary</th>
<th>Carpentry</th>
<th>Biscuit and chocolate factory</th>
<th>Textile factory</th>
<th>Button factory</th>
<th>Shoe factory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of the link with the main founder</td>
<td>Son</td>
<td>Son</td>
<td>Son</td>
<td>Daughter</td>
<td>Son</td>
<td>Grandson</td>
</tr>
<tr>
<td>Motivation</td>
<td>Free Will</td>
<td>Generational Obligation</td>
<td>Generational Obligation</td>
<td>To Get Experience</td>
<td>Generational Obligation + Free Will</td>
<td>Generational Obligation + Free Will</td>
</tr>
<tr>
<td>First position in the company</td>
<td>Manager</td>
<td>Responsible</td>
<td>Logistics</td>
<td>Employee</td>
<td>Manager</td>
<td>Designer, Commercial</td>
</tr>
<tr>
<td>Current position in the company</td>
<td>Manager</td>
<td>Partner-Manager</td>
<td>CEO</td>
<td>Commercial Director</td>
<td>Partner-Manager</td>
<td>Designer, Commercial Manager</td>
</tr>
</tbody>
</table>

Source: Authors
4. DATA ANALYSIS

After the interviews with each respondent was conducted and transcribed, the case descriptions of considered firms was written. A key issue of this step was the development of a chronology of events. The use of interview recordings was particularly relevant to guarantee that none of the contextual information was lost in the transcription. After this stage, several gaps were identified and subsequently clarified. Then, a within-case analysis was carried out in an attempt to perceive case-specific patterns before proceeding to the cross-case patterns and differences.

To analyse the qualitative data NVIVO 9 software was used. It basically relies mainly on “nodes”, which represent a variable identified in the literature or a new one identified in data. In the case of this study it relates to the successor that facilitates the process of internationalisation. Throughout this process a total of seventeen "nodes" were identified.

Using this process of coding it was possible to develop concepts, categories and properties that were emerging from the data analysis. The data analysis of the interviews was carried out progressively, leading to new variables. However, as we moved to another interview the marginal gain (represented here to identify a new variable) became smaller. A comparison was made between the existing literature and the theory that emerged from the analysis of the existing data.

The analysis of each firm enabled us to identify a number of variables that act as driving factors for entering new international markets (Table 3).

Table 3: Results from NVIVO

<table>
<thead>
<tr>
<th>Managerial Factors</th>
<th>Bakery</th>
<th>Carpentry</th>
<th>Biscuit and chocolate Factory</th>
<th>Garment Factory</th>
<th>Button Factory</th>
<th>Shoe Factory</th>
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<tr>
<td><strong>Theoretically grounded</strong></td>
<td></td>
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<tr>
<td><strong>Objective Characteristics</strong></td>
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<tr>
<td>Educational background</td>
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<tr>
<td>Successor’s age</td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>Professional experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Specific technical knowledge</td>
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<td></td>
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<td></td>
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<tr>
<td>Time spent abroad</td>
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<tr>
<td>International experience outside of</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>the company</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Business skills</td>
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With regard to the most important variables (subjective) that facilitate internationalisation within the process of succession, particular emphasis should be placed on those variables that cut across all case studies, which were international vision, successor’s pro-activity and the innovative spirit of the successor. Of these factors, international vision was indeed the most important, and was referred to at least eleven times by different interviewees. Although it was identified in all cases, the successor’s pro-activity was mentioned ten times while innovative spirit was referred to nine times.

Conversely, the "social networks and social capital" variable seems to have little influence in the initiation of the process of internationalisation. This partly contradicts relevant literature and therefore, more research is needed in relation to this particular issue. Similarly, the objective characteristics such as educational background, successor’s age, professional experience, international experience outside of the family and ability to speak a foreign language had little impact on the initiation of the process of internationalisation in the sampled firms. Therefore, more research should be undertaken to validate these results.

It is interesting to note that the analysis of interviews led us to identify new relevant factors, such as significant involvement with the firm before the succession (6 sources; 9 references); perception of foreign market opportunities (external factors) (5 sources; 12 references); personal motivation (1 source; 1 reference) and internal career path (5 sources; 7 references).
5. DISCUSSION OF THE FINDINGS

This study aims to examine the objective, the subjective and social network factors that facilitate or inhibit the process of internationalisation and the major characteristics that the successor must possess to foster a process of internationalisation within the context of (post) succession.

These objectives are in line with Claver et al. (2009) who studied the impact of generational change in the internationalisation process, a topic also examined by Fernandez and Nieto (2005), who found that family firms in the second and following generations have a stronger propensity to internationalize. They acknowledged that the next generations following the founders of the firm tend to develop a stronger propensity to choose foreign market entry modes that involve higher levels of control and commitment. However, their findings were inconclusive, and were justified by the fact that the younger generations were too busy with the transfer process and consequently devote little time to international opportunities.

This exploratory study is relevant because the existing literature on the subject is still very limited and remains somewhat inconclusive, particularly concerning the involvement of the new generations with regard to the internationalisation process of mature family firms.

Concerning the objective characteristics only specific technical knowledge has an important impact in the cases analysed. If the successors have detailed knowledge of the product and the production process, they know what the firm’s strengths and weaknesses are, and they have more trust in their products and in their capacities. Gabrielsson et al. (2008) listed a number of factors influencing the development of a born global, emphasising the capability to innovate and to develop a successful product, which is closely linked to technical knowledge. This was the most frequently mentioned factor in the interviews, which is in line with several authors (Casson, 1982; Ronstadt; 1988; Chandler, 1996; Westhead et al., 2001). According to these authors, specific technical knowledge, management knowledge and international knowledge are considered important variables to explain internationalisation. Westhead et al. (2001) developed a study that provides evidence that entrepreneurs who have specific knowledge of the industry are likely to have higher propensity to internationalize, and this is wholly reflected in our cases.
Although international experience outside of the firm, business skills, educational background, ability to speak a foreign language, age, and social networks had moderate importance in the present study, this study partially agrees with Proposition 1.

Similarly, concerning the subjective factors, the successors revealed a unique capability to maximize those opportunities that occur in the external environment of the firm, particularly by recognizing foreign market opportunities, international vision, proactivity, innovative spirit and risk attraction. Based on interviews, it can be concluded that this study is in complete accordance with Proposition 2.

This study also assumed that social networks allow a successor who is well positioned in the social web to access potential market opportunities more quickly. Based on interviews, it can be concluded that this study only partially agrees with Proposition 3.

This study identified a number of new relevant factors, which vary in importance. Among these, particular emphasis goes to the perception (by the successor) of foreign market opportunities; significant international involvement with the firm before the succession, personal motivation and internal career path.

Several studies have examined the importance of external factors in the process of internationalisation but no direct connection was made to the role of the successor in the recognition of foreign market opportunities. This topic has been mainly addressed by the literature on international entrepreneurship. As Ardichvili et al. (2003) observed, considering the fact that international opportunities are to be found throughout the world and available to all, it is true that only few entrepreneurs take advantage of them. However, only few can assume the risks and take advantage of these opportunities. From time to time certain overseas markets grow spectacularly, providing tempting opportunities for expansion-minded firms. Therefore, two incidents need to occur simultaneously; first, a pro-active entrepreneur with international vision (like the successors seem to be); second, a trigger situation.

Another important factor arising from the present study relates to the degree of involvement in the company before succession, which was referred to by all companies analysed. This degree of involvement can be influenced by a number of variables, whose importance can vary according to each case. However, out of the cases analysed, the fact that successors are closely involved in the daily problems of the firm before taking over the leadership assumed particular importance. This degree of involvement has been
mentioned in the literature in terms of a good or bad succession (Handler, 1989, Davis, 1968). Mitchell et al. (2009) for instance contend the need for further investigation into the cause-effect of the previous degree of involvement of the successor in the effectiveness of succession. According to our results, the early involvement of the successor is very important in the future development of the company, because the sooner the successor begins his/her connection with the firm, the higher his/her self-confidence in his/her own abilities and the firm's knowledge of its resources and competencies to internationalize. Baldegger (2008) has identified that the proactivity of the entrepreneur is an important factor and explains partly why firms become born-again global. He also connected this proactivity with numerous business relationships and with an active posture in searching for new opportunities. In the present study the former was not present but the latter was clearly found as a relevant factor. As ON (firm D) observed, “she stayed weeks in London knocking on the doors of their potential clients”.

Another factor that arose from the interviews was the fact that willingness to succeed to the firm is another catalyst for internationalisation. A further factor was the importance of the internal career path followed by the successor within the company. Five cases referred to this topic seven times. In a number of interviews it was clear that several successors performed extremely well before assuming the leadership of the firm. This may be associated to the fact that the successor performed a variety of tasks within the firm, which provided the successor with a number of capabilities to deal with the daily problems. This global perspective of the firm could be an important factor in the process of internationalisation. This issue was also raised in the literature by Handler (1989), who argued that a rich and diverse experience in the firm is a pre-condition for a successful succession. On the other hand, a long internal career provides the successors with full knowledge of the entire operation of the firm, its distinctive features and capabilities enabling him/her to recognize where the firm has relevant competitive advantages. Several studies propose that risk-taking is highly dependent on both the perception of the situation and the perception by decision-makers of themselves as experts in the field (Heath and Tversky, 1991). Internationalising to a foreign country is a risky operation, so it can be expected that a successor with a long internal career has a clearer perception of the situation and about himself and this is an important catalyst for internationalisation.

Other authors recognised the importance of active learning within the company for a good succession (Barach and Ganitsky, 1995; Chrisman et al., 1998; Morris et al., 1997; Sharma et al., 2001). However, these authors did not consider how the performance of
certain tasks before assuming the direction of the firm impacts on the internationalisation process.

6. CONTRIBUTIONS, LIMITATIONS AND RECOMMENDATIONS

In terms of contribution, this study aims at understanding the major objective, subjective and social network related factors that facilitate the process of internationalisation of a family firm within the context of a (post) succession. Based on the qualitative study, there are (clearly) a number of relevant factors that were identified; in particular, significant involvement with the company before the succession, international vision, proactivity, innovative spirit and specific technical knowledge. By contrast, factors such as speaking a foreign language, business skills and educational background turned out to be less important, perhaps because some of these factors should be assumed a priori as being part of the internationalisation process. In any case, more research should be undertaken in this particular respect. The role of social capital did not reveal itself to be very important although it is undeniable that the potential of social networks could provide better access to market opportunities and thereby improve the processes of internationalisation. Another possible explanation relates to the fact that most successors were too young when they assumed the control of the firm, and at the moment of internationalisation, they had not developed an efficient networking system.

Understanding the objective and subjective factors that facilitate the process of internationalisation is important for both academics and managers. From an academic perspective, this study reinforced the idea that succession is one of the family firm’s biggest challenges. An effective succession can give a new impulse to the firm by providing it with a higher level of ambition, which may involve an international strategy. Based on several successors’ perceptions, this study went a step further by uncovering a number of new managerial factors within the context of (post) succession, such as significant international involvement with the firm before the succession, the perception of foreign market opportunities, personal motivation and internal career path. This may include knowledge of potential customers or market opportunities not accessed by other companies. From a managerial perspective, this study may help governments to design appropriate and relevant export promotion programs based on the specific needs of SMEs.

From a methodological perspective, a major limitation of this study relates to the sample size associated to the fact that the participating firms are geographically restricted to the
north of Portugal. The question of generalization inevitably arises due to the use of a small number of cases. This study could be complemented by a quantitative approach, whose main objective should be to analyse different measurement scales and to discover possible causal relationships among different psychographic variables and a greater (or lesser) propensity of mature firms with new successors to internationalize.

In terms of further recommendations, an area that deserves particular attention in future studies relates to the development and transfer of social capital within family firms. The way knowledge is transferred from one generation to another is important, particularly if the firm has already been involved in international markets.

It is generally accepted that family firms account for a significant amount of economic activity and it is therefore crucial, for their growth and survival, to understand the ways in which the next generations, in particular, view the process of internationalisation. Only by following this pathway, can family firms leverage their capabilities and resources.
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