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## Editorial

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Bérangère Deschamps is a Professor of Entrepreneurship at ‘Université Grenoble Alpes’ and a researcher in the CERAG laboratory. She has worked on business transfers for 20 years and has published numerous papers and chapters, as well as four books on external business transfers, sibling teams succession and support for external buyers. She is also Editor-In-Chief of the *Revue de l’Entrepreneuriat/Review of Entrepreneurship*.

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## 1 The need for a research program on business transfers

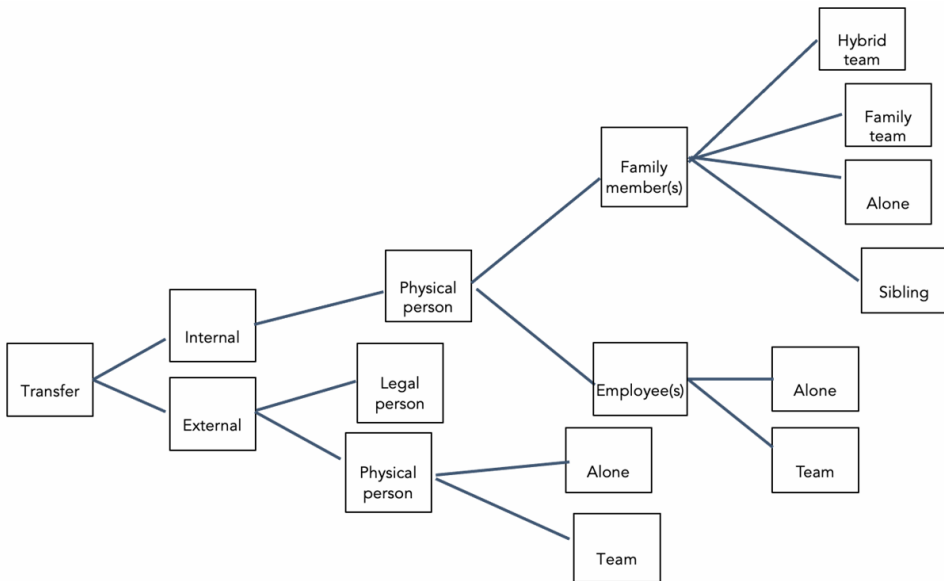
This special issue arises from a paradox.

On the one hand, business transfers (BTs) are a crucial economic and social topic, and “approximately 450,000 firms with 2 million employees are transferred each year across Europe” (European Commission, 2011). However, it is estimated that every year, “there is a risk of losing approximately 150,000 additional firms representing some 600,000 jobs due to inefficiencies in the business transfers system” (*ibid.*). This topic is relevant not only to the European Union but also to the rest of the world, especially within the context of ageing societies (Kamei and Dana, 2012; Rautamäki and Römer-Paakkanen, 2016).

On the other hand, one can consider that knowledge about BTs is scarce and fragmented. The European Union considers that “descriptive data on business transfers in the EU Member States is scarce, and when available, fragmented” (European Commission and DIW ECON, 2020). Even if some initiatives regarding predictive data exist, the EU advocates for the definition of common methodological approaches and initiatives. Regarding scholars, Bastié et al. (2018) consider that there is “a lack of interest from academia.” Clearly, BTs do not appear to constitute a real field of research. Studies on BTs can appear from scholars in family business or scholars in entrepreneurship and are disseminated among different communities of research.

The research has also been suffering – until recently – from the lack of a global approach to the phenomenon in academic literature (Block et al., 2010; Deschamps et al., 2021). Indeed, Deschamps et al. (2021) define BT as the transition from one or more outgoing owner-managers to another incoming owner-manager. It presupposes that information, relationships, know-how and social capital are transmitted from one to the other. Two aspects of the firm are transferred: leadership and ownership. Transfer aims to sustain the firm, and as soon as the leader changes, the project and vision become different. Figure 1 shows that different forms of BT exist.

**Figure 1** Presentation of the diversity of transfers modes (see online version for colours)



Source: Deschamps (2021, p.13)

Researchers often focus on one mode of BT. The variety of theoretical fields is consequently wide. However, the common points always stand in the dialogue between the seller (the owner-CEO who quits the firm) and the buyer (the new owner-CEO). Both of them plan, prepare the firm and themselves to achieve a new role (inside the firm for the one, outside for the other). A recent handbook of research (Deschamps et al., 2021) promotes BT and both points of view.

However, family BT is a key topic in family business research (Sharma et al., 2003; Daspit et al., 2016), with scholars focusing on the family side after the transfer and

emphasising that the connection between family and business evolves over time (Litz, 2008; Rautamäki and Römer-Paakkanen, 2016; Yezza et al., 2021). A business takeover can also lead to a third/non-family party entering the family firm (De Massis et al., 2008; Scholes et al., 2008). The firm can be sold to non-family members of the management team, to external candidates or to another firm or can be listed on the stock exchange. Last, if the family retains the property, management can be delegated to non-family CEOs (van Helvert-Beugels et al., 2020). The decrease in family involvement relates to entrepreneurial entry modes (Parker and Van Praag, 2012) and requires an investigation of the individual's commitment (Van Teeffelen et al., 2014). This point builds a bridge between the entrepreneurship and family business literature. Indeed, the issue of BTs is connected to entrepreneurship (Parker and Van Praag, 2012; Bastié et al., 2018) and appears to be a strategy that enables the newcomer to benefit from acquiring an existing company and developing business with a size, which is more important than in a creation context and has better longevity (INSEE, 2021). Understanding the way the newcomer manages his or her entry mode and renews the strategy appears on the research agenda.

This special issue aims to provide a comprehensive overview of the research currently being carried out on BTs and to promote a dialogue between entrepreneurship and family business scholars. Its purpose is to open some avenues for a research program on BTs. By going beyond a rational logic and moving towards a cognitive approach to entrepreneurial situations, researchers explore the entrepreneurial situations of BTs.

## **2 The special issue: first steps towards a better understanding**

Four papers address this special issue. They all study family BTs, but only one study includes different types of BTs (i.e., external and internal BTs), enabling us to compare these diverse modalities. The papers study BTs in Northern Europe (Belgium, France and Italy). A diversity of methods is presented, as two papers present insights coming from case studies, whereas the other two use quantitative surveys. The issues studied enable a dialogue between entrepreneurship and family business academic research fields.

Jonathan Bauweraerts and Olivier Colot propose an original study on family firms: they question innovativeness and performance in the generational stage. They explain that innovativeness is not always positively related to performance in family firms and that even more could be negatively related. Previous academic studies have found divergent results on that topic. This is the reason why the research tries, as a first step, to determine whether the innovativeness-performance relation is nonlinear and as a second step to explore how the generation that controls and manages the family business moderates the relationship between innovativeness and performance in family SMEs. Authors work in the socio-emotional perspective (SEW) (Gómez-Mejía et al., 2007). SEW is widely used to depict how family owners' non-financial priorities derived from their affective endowment in the business shape decisions and outcomes in family SMEs. Based on a sample of 204 Belgian family SMEs (under 250 employees and under an annual turnover of 50 million euros), the results show that at later generational stages, family SMEs are less able to capitalise on innovative projects as the degree of innovativeness increases. This is helpful to shed light on the decisions for innovativeness.

The paper written by Soumaya El Hayek Sfeir – ‘Who I am affects what I do: how does director diversity influence board roles in medium-sized family firms?’ – is

also related to strategic decisions. It is original for two reasons. First, she studies the impact of diversity in the composition of the board of direction in the family business succession decision. Diversity appears through two dimensions: demographic (age, gender and nationality) and cognitive (level of diploma, professional and personal experiences). Second, her theoretical background stands in the upper theory echelons (Hambrick and Mason, 1984), which is relevant to explaining behavioural dimensions. She uses this framework to identify how diversity factors affect board roles. She argues that the behaviour of family firm boards of directors is influenced by their members' demographic and cognitive diversity, which can in turn affect how they perform their roles. Based on six family business case studies, the author explains that boards of directors play three roles: an advisory role, the prioritisation of family values, and the insurance of the balance. The diversity of directors provides diversity in their individual characteristics, which have an impact on the decisions they make. This study reveals that introducing diverse directors, whether they are family or non-family members, may provide diverse perspectives and contributions.

The next papers discuss BTs from different angles: gender for the first one and sector for the second one.

The article written by Catherine Thevenard-Puthod and Bérangère Deschamps – 'The role of male figures in the support of female successors' – proposes a creative point of view for studying BTs. They studied women running a BT (either they are part of a family business or not) and particularly the support they need. Based on 13 cases of BT to female successors, the paper shows the variety of commonly used types of support and their contribution to the success of women. Authors separate internal and external supports. Concerning internal support, they mention the seller and a male associate. They go from cognitive and business-oriented support to emotional/psychological support through domestic support and legitimacy providers. What is new in the literature is that a life partner helps with domestic responsibilities, and a male associate provides legitimacy. The authors show the needed presence of a male figure near them. He comes from their personal entourage (spouses, fathers) to acquire the necessary legitimacy for their integration into some male-dominated entrepreneurial environments. Women successors also need focused support, as women successors encounter specific difficulties that their male counterparts do not. In that context, gender must therefore be taken into account in the implementation of entrepreneurship support systems. The literature on BTs has until now been largely gender-blind and therefore unconcerned with the specific challenges faced by women successors.

Danilo Bertoni, Daniele Cavicchioli and Laure Latruffe work on a more global analysis. They investigate whether succession changes the economic performance of family firms for Italian family farms during the period 2008–2014. Their work is original by the category of the company studied. They explain in the introduction of their paper that the family often lives on the business place (the farm): so the main factor of production (land) is "often owned, and therefore is not only considered as a production factor but also as a family asset that should be kept in the family in the long term." These specificities explain why most family businesses remain in the same family over many generations: farming families try to align family strategic planning to business planning to keep the business in the family. This implies suboptimal decisions and impacts on business performance, at least in the short-term. Performance is observed through three criteria: productivity, profitability and growth (measured through revenue, costs and profit). Running a quantitative study on a survey of 3,114 Italian farms, the authors show

that profit indicators (value added and net income) do not increase following succession: at best, they do not change; at worst, they significantly decrease. Additionally, the study demonstrates the increase in capital upon succession and the decrease in performance per capital after succession. The study points to a decrease in performance in the first years following succession, which may be linked to an increase in capital value. This constitutes a message for political actors and the importance of supporting young farmers whose settling down may be insufficient and helping welcome new entrants' investments.

With those four papers, we have a European vision of this phenomenon. This shows that public policy is concerned and may support specific sectors as farms and specific candidate entrepreneurs, such as women. Those papers also address the topic of the determinants of decisions, with the impact of the diversity in the composition of the board of directors and the decision for innovativeness in family businesses. The performance is also studied. The grand challenges step is related to the collective and process dimension of BTs, which is currently relevant for all kinds of BTs. This could be an idea for a further SI... and we understand that this special issue is only a first step towards a better understanding of BTs.

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