1. Introduction

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Driven by Babson College, a world renowned entrepreneurship school located in Boston in the United States of America, the Successful Transgenerational Entrepreneurship Practices (STEP) Project is an international research study that focuses on corporate entrepreneurship in family businesses. Transgenerational entrepreneurship is the nomenclature used by a coterie of scholars whose interest is to work with families in business to understand, improve, and consequently, it is hoped, help them maintain their entrepreneurial capabilities across generations. This effectively means that the STEP research lens is focused on the processes and outcomes of corporate entrepreneurship in the family context, rather than on the succession of management and ownership, which has predominated family business research to date.

The research project began in 2005 with a group of academics from six leading European business schools collaborating to develop and implement a case-based research framework and methodology. The model put forward was replicated in 2006 by a group of like-minded South American scholars from premier institutions and was launched in the Asia-Pacific region in 2007.

This book is a compilation of chapters authored by STEP Asia-Pacific founding partners.[1] These partner-institution scholars and the families with whom they have worked have interpreted their observations around a particular dimension, or in some cases multiple dimensions, of the overall research framework that is common to all involved in the global STEP Project. The following chapters, therefore, can be useful in a variety of contexts. Consistent with the STEP philosophy of upholding the highest scholastic integrity, each case is action research based rather than being positioned as what would typically be referred to as a teaching case. However, having introduced this caveat, there is ample opportunity and sufficient scope, as will become evident, to use each case to facilitate classroom discussion at undergraduate, graduate and executive education levels. The purpose of each of the following chapters, therefore, is to broadly interpret a common research question in order to introduce key findings to extend or challenge existing theoretical frames and further the understanding of the uniqueness of the family business context. Following a brief overview of family business in the countries of the three Asia-Pacific regions in which the featured case families reside, this introductory chapter outlines the theoretical and methodological basis of the STEP project and highlights several emerging themes.

FAMILY BUSINESS IN THE ASIA-PACIFIC REGION

Asia-Pacific countries have a comparatively short history of economic development, which means that, though there are exceptions, family businesses in this region have shorter histories than their longer established Western regions counterparts. This is particularly true of India, Hong Kong, Taiwan and mainland China (the latter three countries being commonly referred to as Greater China). In formal academic settings, Australian business schools have a longer history of studying family businesses than their Asian counterparts; in fact, the use of modern paradigms to study family business is still relatively new to Asia, and this is especially so for schools in Greater China. Consequently, there are many challenges ahead for family business stakeholders, not only those internal to the firm. The encouraging news is that interest in this area is growing rapidly. In this section, we briefly canvass the context, status and challenges of family businesses in three Asia-Pacific regions, specifically, Australia, India and Greater China.

Australia[2]

In Australia, many of the businesses that have morphed into considerable family firms were established immediately post World War II (Moores and Mula 1993) and the majority of these remain family owned and operated. These family firms not only operate in a wide diversity of industries, but importantly, have a presence in small, medium and large sectors.

More specifically, using a narrow definition of family business, the Business Longitudinal Survey (BLS) carried out by the Australian Bureau of Statistics finds that at least half of all businesses in Australia are family businesses (ABS 1997, quoted in Moores and Mula 2000). These firms were then estimated to have a combined wealth of AU$3.6 trillion, and to employ 50 percent of the private sector workforce (Smyrnios and Walker 2003). In a more recent study, the overall wealth of Australian family businesses was estimated to be approximately AU$4.3 trillion (Smyrnios and

Dana 2006). Significantly, while not all family firms are small, they constitute approximately 67 percent of the small and medium-sized enterprise (SME) sector in the Australian economy (Kotey 2005), and it is important to acknowledge that over half of Australia's top 500 private companies are family owned (Matterson 2002).

The significance of family firms in the Australian market is therefore evident and these statistics are not appreciably different from those reported in other countries (Astrachan and Shanker 1996; Morck and Yeung 2003). However, Australian family firms are relatively young in comparison to family firms from old world economies such as Europe and Japan. The majority of Australian family firms currently still have the founding generation in some position of authority, monitoring or control. The founders are those family members who are often accredited as being the entrepreneurs, and while the founders are entrepreneurial at first, their entrepreneurial capacity typically declines over time.

Apart from the reported poor survival records of family businesses, there are a number of unique challenges that beset even those that do manage to survive. Failure to understand and manage these challenges, particularly during transition periods, often results in conflicts that are destructive to both the firm and the family. These may contribute to the high mortality rate of family-owned firms. Some of the most difficult issues for family businesses occur at transition points, particularly generational changes. Failure to understand the difference between the family system and the business system, failure to run the family business on a proper business basis and failure to handle the transition to the next generation are seen as three critical challenges for family businesses.

To address these challenges, Moores and Mula (1993) sought to explain the management and control of second (and later) generation Australian family firms in terms of three stages: collectivity, formalization and control, and elaboration of structure. They found that the pattern of strategy, structure and control of family-owned businesses across the three stages generally reflected an increasing level of sophistication in management and systems as firms developed from collectivities to more elaborate structures.

Despite their significant contribution to the Australian economy, Australian family-owned firms have not been subject to the extensive research necessary to increase the understanding of them (Moores and Mula 2000). They warrant greater research and analysis, of a sort that is separate from research into the small business sector because family firms vary in size from small owner-manager firms to large multinational corporations (Moores and Barrett 2002). This is particularly evident in the Australian economy where family names like Murdoch, Packer, Smorgon and Fox all lead large corporations that are renowned in Australia and the throughout the global business community.

Like family businesses across the world, Australian family businesses, in order to survive across generations, need to maintain an entrepreneurial mindset within every generation (Sirmon and Hitt 2003). Generational leaders need to be entrepreneurs for business growth (Schwass 2005). With the majority of Australian family firms on the verge of generational transition (Smyrnios and Dana 2006), the question currently being asked is whether the founder's entrepreneurial drive can be retained and perpetuated over incoming generations. Recognizing the family resources and practices that perpetuate an entrepreneurial mindset across generations is paramount (Irava 2009). This is because the inability to remain entrepreneurial not only contributes to the demise of family firms, but may also have catastrophic effects on national economies, including that of Australia.

Survival of the family firm across generations is difficult to maintain. While some have mastered the art of transition (Miller and Le Breton-Miller 2005), the majority of family firms in Australia share the same fate as others around the globe that do not make it to or past the third generation hurdle (Hoy and Vesper 1994; Miller et al. 2004). Notwithstanding its relatively recent beginnings, in commercial terms, Australia too has only a small percentage of family firms that reach the third generation, with nearly 50 percent being identified as unlikely to become later generation firms (Smyrnios and Dana 2006).

India

Family businesses have played a key role throughout the evolution and development of the Indian economy. During the early years of India's independence, when start-up capital was scarce, many traders set up manufacturing companies to take advantage of emerging entrepreneurial opportunities. Largely deriving from the trading communities, these were essentially family businesses and included names such as Birla and Murugappa. Under the control of a licensing regime that restricted the free flow of resources into many potential entrepreneurial opportunities, most of these family businesses diversified into unrelated areas. However, competition was limited and competitiveness was less of an issue than it is today.

The tipping point for the Indian economy came in 1991 when the government was forced to remove restrictions on the entry of new firms and effectively opened up the economy. This unleashed a new level of entrepreneurial energy across the country, resulting in the emergence of a new pool of first generation entrepreneurs.

During this time, two major changes took place simultaneously. First, Indian family businesses, along with others, were forced to restructure themselves, which increased competitiveness. Initially, the choice was simple: to perform or to perish. Several business families chose the former and undertook innovative ways to restructure not only their portfolios but also their individual business operations. This required some of the fundamental qualities of entrepreneurship propounded by Schumpeter (1934), one of which was innovations in processes.

Second, a new generation of entrepreneurs emerged from established family businesses. These alert individuals identified market opportunities and had big dreams. Since they belonged to business families, they had initial advantages such as superior access to resources, a higher level of confidence to manage risk and, importantly, relevant exposure to and understanding of the process of doing business. While members of entrepreneurial families were the first to take the initiative, many others who took a 'wait and watch' attitude soon followed, with plans not only to expand or modernize their existing businesses but also to venture out with new business ideas.

In spite of the dominant role played by family business in the Indian economy, academic interest in this area has been insignificant, primarily because of the broad brush categorization of family enterprises as small, orthodox and unprofessional. Ramachandran and Kirtania (2009) found that half of the top 50 firms listed in the National Stock Exchange are family businesses. Their share in the economy steadily goes up as relatively smaller sized firms are considered for analysis. The top 500 family firms in India grew at an astonishing rate (435 percent in sales, 677 percent in profit and 462 percent in net worth) during the period from 1990–2009 while their non-family counterparts grew at about 60 percent during the same period (Ramachandran and Kirtania 2009). The same research found that the relative growth in contribution to GDP was similarly significant. In essence, the critical role played by family businesses in the entrepreneurial transformation of India has remained substantial over the years.

There are several challenges faced by Indian family businesses. Some of these are not unique to the Indian context, because, like all families in business, they too need to manage three key stakeholders (family, management and owners) whose goals do not necessarily align. However, some challenges are particular to India and can be linked to the rapid growth of the economy and the challenges of transformation that must be managed by family businesses while playing a key role in this globally significant emerging economy.

Like many maturing family businesses around the world, professionalization is a major challenge faced by most Indian family businesses. This is particularly so because of the speed at which changes are required in both the mindset of the family executives who run the business and in the choice of relevant systems and processes and their acceptance in the organization. In most cases, family entrepreneurs with limited experience or exposure to the functioning of well managed large organizations tend to be concerned and hesitant about making the required transition. The challenges are greater if the executive is not from the family. Since most Indian family businesses are not only controlled, but also operated by family members, the challenge of professionalization can be influenced by the quality of family governance that they have in place. Agreement on the nature and extent of decentralization of decision-making on a variety of topics is not always certain.

Family governance is still an important challenge, covering a range of issues such as business ownership structure, leadership succession, retirement and family wealth management. While most families in India tend to adopt an amoebic model of division of ownership in every generation, this is either not handled smoothly or cannot be achieved because of structural problems. Many Indian families tend to set up as many separate business units as there are male members (and females too in many cases today). The concept of family entrepreneurship, which was previously restricted to establishing separate business units, is rapidly changing, with the focus shifting towards exploiting attractive investment opportunities. The assumption is shifting from 'self-employment' to entrepreneurial opportunities.

In essence, India's rapid transformation in recent years has been powered to a great extent by family entrepreneurship. While some families encourage, if not actually compel, the younger generation to enter and build existing businesses, an emerging option is for the new generation to separate ownership and management and venture out on their own without interfering in the operations of the existing businesses. There is growing interest and preparedness among business families to understand the unique challenges of managing a family business and to bring about necessary changes. The high level of interest and excitement devoid of huge inhibitions is a reflection of the arrival of a welcome era for family business in India. Still, as highlighted in the Australian context, very few firms continue to survive beyond three or four generations, reflecting the enormity of the challenge of transforming and institutionalizing them.

Greater China

Social and historical factors have contributed to the low status of family business in Greater China. In their country's struggle towards modernity, the Chinese have suffered as a result of feudalism, in which family cronyism played an important part. Since World War II, the adoption of

Western practices and technology has enabled Chinese societies to develop and modernize rapidly. Hong Kong and Taiwan were industrialized in 30–40 years whereas it took China less than 30 years to achieve this. A result of this perceived haste to imitate the more advanced nations is that a large number of traditional values and systems, unless transformed (Lau 1978), are being looked down upon, shuffled aside or actively ignored (Au 2007). Despite the role that the family plays in the success of a significant proportion of businesses, many family businesses, particularly those that are listed and prominent, tend to conceal or evade questions about their family background out of fear that people will stigmatize them as traditional and undermine their achievements.

Perhaps because of the negative connotations associated with the family business label, Chinese businessmen do not organize themselves around their identity as a family business even though the Chinese have established scores of associations along lineages and hometowns. Without advocates such as an association to plead their case, the weaknesses of family businesses, such as nepotism and family infighting, are played up and even ridiculed in the media, in business analysis and even in popular soap operas. The impression that family businesses in Greater China are mostly small, unprofessional, backward, nepotistic and fraught with questionable business practices is prevalent and accepted as a common fact. Academics should be responsible for correcting such misunderstandings, but institutional ranking pressure has distracted them from this objective and directed their attention to researching and publishing works related to more mainstream subjects (Meyer 2006). Family business has been virtually ignored, perceived only as a niche, unfashionable subject in local academia. Similarly, business school pedagogy concentrates on teaching students to develop a career in incorporated companies, further demeaning the existence and achievements of family businesses.

Fortunately, there are signs that the tide has turned. After three decades of development, founders of private companies on the mainland have reached retirement age. They are joined by the first generation of many Hong Kong and Taiwanese family firms. Succession has now become a pressing issue that is commanding the attention of family firms. Private bankers and family business advisers are also recognizing the change and are expanding into the market. Meanwhile, a few prominent research papers, such as that by Anderson and Reeb (2003), have spurred local academics to turn their attention to the growing field of family business and explore the needs of the community. In addition, several forward-looking organizations have begun to educate and transform family businesses in the region.[3]

Scholars who studied why Chinese entrepreneurs were competitive and able to achieve an economic miracle among 'the four Asian tigers' and the ASEAN countries found that Chinese family businesses were able to exploit familial ties to start companies, make swift deals and react quickly to market needs (Lau 1978; Redding 1990; Wong 1988; Weidenbaum and Hughes 1996). Family businesses continue to be as prevalent today and many of them have since grown to be substantial and even prominent companies. Anecdotal evidence suggests that two-thirds of the listed firms in Hong Kong are family businesses. Yet, formal and rigorous statistics do not exist. Research still cites historical data in relation to family businesses (for example, Carney and Gedajlovic 2002; Claessens et al. 2000).

Despite the strengths observed among Chinese family businesses by the above scholars, the weaknesses of family businesses have drawn criticism, particularly since the Asian financial crisis in the late 1990s. Nepotism has been widely associated with Chinese family businesses. For instance, Claessens et al. (2000) found that East Asian economies are dominated by large, oligarchic family firms. Families hold a tight grip on a network of businesses through a pyramidal structure. They concentrate wealth around themselves, which can promote crony capitalism, the exploitation of smaller shareholders and political rent-seeking. The rigidity of family businesses and their unwillingness to evolve was highlighted in studies on failure in leadership and ownership succession. Moreover, Fan et al. (2007) found that Hong Kong public firms on average suffered from a 56 percent loss in their market return in a five-year period prior to a succession. Taiwanese firms suffered similarly, although to a lesser extent. They attributed this huge value destruction to the difficulties of transferring specialized assets such as founders' personal networks across generations, and thus, to problems and conflicts heirs would likely confront with other stakeholders after succession. These phenomena show that the general public's negative perceptions of Chinese family firms may have a kernel of truth.

Because Greater China, like India and Australia, has a short history of development, some of the challenges of family businesses are common to all. First of all, Chinese family businesses are grappling with the issue of professionalization. Hong Kong and Taiwan family firms have introduced a significant number of professional managers and financiers, but many family businesses are still inward-looking and have not considered outside talent. In numerous cases, qualified outsiders simply prefer to work for multinational corporations or the government. The situation is more acute in mainland China as private companies only began to emerge after the Open Door Policy in the late 1970s (Lee and Li 2009). There is a lack of capable managers, and the one-child policy left many families with only one chance to produce a competent heir. Related to professionalism are a string of business issues regarding the growth of firms, including corporate governance, innovation and international expansion. Without enough professionals and adequate management, family firms are haunted by the problem of growth (Carney and Gedajlovic 2002; Yeung and Olds 2000).

Growth is by no means related just to business. Many of the first generation entrepreneurs have reached retirement age and still continue to work. They desperately need a proper family governance structure in order to bring in and groom new leadership, to separate family issues from the company board, to prepare for succession and perpetuate the family's entrepreneurship spirit. The problem is that communication within the Chinese family is usually top-down, with power concentrated in the hands of the traditional older generation. Meanwhile, members of the younger generation are often educated overseas and tend to prefer a different style of communication and to have a different vision for themselves and the family. Therefore, initiating discussions on family governance topics, such as a family council or a family office, is particularly difficult. This leads many among the younger generation to opt to work outside the family and leaves the founders to seek other routes to preserve the business and family wealth such as, for instance, seeking the help of private equity firms (Lansberg and Gersick 2009). In the worst case scenario, however, disputes can erupt between parents and children or brothers and sisters. Such family sagas are not uncommon in the popular press. In sum, Chinese family businesses face many challenges related to expansion, building brands, innovation and going global (Ahlstrom et al. 2004; Yeung 2006).

STEP RESEARCH THEORETICAL FRAMES

Apart from some sporadic contributions in special issues of *Entrepreneurship Theory and Practice* and the *Journal of Business Venturing* (Poza 1988; Gartner 1990; Hall et al. 2001; Habbershon and Pistrui 2002; Zahra et al. 2004; Kellermans and Eddleston 2006; Naldi et al. 2007), an area that receives particularly little attention is entrepreneurship in family firms (Wortman 1994; Chrisman et al. 2005). In many family firms, ownership and management are maintained across several generations and a key challenge for long-term survival is to sustain the entrepreneurial spirit. All firms regularly need to renew their way of doing business in order to stay competitive as they risk losing their entrepreneurial capacity when they mature (Eisenhardt and Martin 2000). However, family firms face additional challenges with regard to entrepreneurship. For instance, little is known about how family business governance structures with highly concentrated power and a long-term intergenerational perspective affect entrepreneurship (Hall et al. 2001). Some scholars see family firms as a setting where entrepreneurship flourishes, while others argue the opposite, that is, that family firms are conservative, introverted, inflexible and lack entrepreneurial spirit (Zahra 2005). Most agree, however, that there is a need for research on entrepreneurial processes in family firms, and especially on how entrepreneurship can be maintained and practiced across generations (Habbershon and Pistrui 2002; Zahra et al. 2004).

The STEP research project aims to investigate transgenerational entrepreneurship in family firms. Importantly, this means a dual unit of analysis, where we introduce the business family unit along with the more traditional firm unit of analysis. Combining literature on corporate entrepreneurship, especially entrepreneurial orientation, with the research-based view, and literature on family firms with a particular focus on values, continuity, culture and governance, we investigate two broad research questions:

- How do business families and family businesses generate and sustain entrepreneurial performance across generations?
- How does entrepreneurial performance relate to the continuity, growth and transgenerational entrepreneurship of business families and family businesses?

The STEP initiative, therefore, emerged from an observation that the family business field has not explicitly identified the entrepreneurial potential of the family ownership group nor adequately delineated the strategic requirements for families in wealth creation (Habbershon and Pistrui 2002). While empirical evidence suggests that families play an important role in the venture creation process (Timmons 2004), little attention is given to the family perspective in the entrepreneurship literature (Aldrich and Cliff 2003). The family's entrepreneurial contribution and its justification to the family firm remain largely absent although the family is a distinct unit of analysis capable of sustainable entrepreneurial behavior over time (Cruz et al. 2006). Entrepreneurship in general has been under-researched in the family business context (Eddleston et al. 2008).

STEP METHODOLOGY

The STEP research strategy is to start with in-depth case research and then move into quantitative data collection and analysis. Nordqvist and Zellweger (2010) lay out the details and the rationales of such a strategy. Essentially, a qualitative approach helps better to grasp and expand the meaning of key concepts (such as entrepreneurial orientation (EO), resource-based view (RBV) and familiness), facilitates multi-level analysis of family businesses and underscores the heterogeneity of various family businesses. The research team in each country studied at least one family business, using, as a point of departure, a common conceptual framework. The approach is 'abductive', which is essentially a mix of inductive and conductive approaches (Alvesson and Sköldberg 2000). STEP research teams were encouraged to capture and interpret additional emerging aspects and dimensions for transgenerational entrepreneurship. In so doing, our study serves the dual purpose of comparing our initial theoretical understanding with real-life cases and using the emerging observations to refine, develop and improve the theoretical framework.

The STEP teams followed a set of stringent procedures to ensure data quality and comparison across the cases.[4] Specifically, there are procedural requirements with regard to the sampling of firms, selection of interviewees, research process and reporting of findings. In essence, STEP creates a purposeful sample in which businesses varying in size and industry are studied so long as they fulfill specific criteria that qualify them as significant, multi-generational family businesses. Each business has multiple actors to be interviewed. The actors, in any combination, would include the controlling owner or owners, the CEO, different generations, non-family top management, and, if deemed necessary, a significant non-family owner. The teams conducted interviews following an interview guide that covered the background of the family and the business, entrepreneurship and resource profiles, family influence on these profiles and performance. The teams received training before they started the study. To provide the context for interpreting the interviews, the teams also studied secondary materials relating to the companies, such as websites and documents, as well as the historical, political, economic and industrial development background of the countries in which the companies operate.

After the interviews, the teams transcribed the verbatim records and followed a specific structure in writing a master case document (30 to 50 pages). This document served as the 'data' storehouse for subsequent analysis, leading to the proposal of emergent ideas and interpretations, other reflections, and possible explanations on views different from the initial conceptual model. The chapters in this book are a combination of records from a selection of Asia-Pacific case studies, analysis with regard to the initial conceptual model and alternative views concerning family entrepreneurship.

The Asia-Pacific teams followed the method as outlined by the STEP consortium. Each of the teams conducted semi-structured interviews in 2007–08. This book features five families from Greater China, four families from Australia and two families from India. Table 1.1 summarizes the main features of the families and the main business of each family. The families and their businesses vary in terms of their history and

Table 1.1 Families studied and the main features of their business

Family	Greater China					Australia				India	
	Mok	Lee	Sun	Chen	Han	Deague	Belcher	Dennis	Battaglia	Rao	Shah
Company name	Automatic Manufacturing Limited	Lee Kum Kee Corporation Limited	Dawu Business Group	Menshy Group	Jong-Shyn Shipbuilding Company	Asia-Pacific Building Corporation	Sands Management Group	Dennis Property Limited	Base Group Development	GMR Group	Shakti Group
Major locations of operation	Hong Kong; Dongguan, PRC	Hong Kong; Guangzhou, PRC	Xushui County, Hebei Province, PRC	Liuzhou and Chenghai, PRC	Kaohsiung, Taiwan	Melbourne and other major cities, Australia	Gold Coast, Australia	Victoria and other states, Australia	mainly Australia, also Argentina	All over India; also overseas	India
Founding year/number of generations	1976/2	1888/5	1989/2	?1979/2	1985/2	early 1900s/6	1981/2	1965/3	1967/2	?1978/2	1947/2
Generations in business	First & second	Third & fourth	First & second	First & second	First & second	Fourth & fifth	First & second	First, second & third	First & second	First & second	First & second
Industry	Advanced manufacturing	Sauces and condiments; health-care products	Mainly livestock and agriculture	Mainly automobile battery	Shipbuilding	Mainly construction	Management rights; tourism	Land development; construction	Diversified; property development	Diversified; mainly infrastructure & manufacturing	Diversified; Mainly cooking spices and healthcare

the industries in which they are involved. They are all privately held and are medium to large in size. All of them exhibit prominent features that deserve research attention. For instance, the Lee family of Lee Kum Kee has the distinction of having the top ranking brand in the Chinese sauce and condiment market while the Rao family of the GMR Group is a leader in India's infrastructure development sector.

As stipulated in the interview guide, several decision-makers, including family and non-family members, were interviewed; in some cases they were interviewed several times. In the case of the Mok family of Hong Kong, for example, John Mok, one of the founders of Automatic Manufacturing Limited (AML), and William Mok, a second-generation family member, were interviewed together with three top managers (see Table 2.1 in Chapter 2). Like the other cases from China and India, the interview was conducted primarily in the local dialect (Cantonese in this case) together with English in some instances, as many interviewees received some of their education overseas and used English to express themselves at times. The quotes are translated from Cantonese into English, with the best attempt being made to retain the underlying meaning of the original.

STEP ASIA-PACIFIC CASES: EMERGING THEMES

The cases assembled in this book provide a rich analysis of 11 family businesses. The robust theoretical foundation and sound methodology utilized here enable us to make informed observations, which in this section we will do by first introducing each case study and then making a concluding statement.

The Deague family case featured by Justin Craig, Wayne Irava and Ken Moores in Chapter 7 introduces the idea of learning entrepreneurship by osmosis. The process of 'knowledge accrual through osmosis' has ensured that the next generation of Deagues has been socialized into all aspects of their portfolio of businesses. As such, the case shows how the Deague family has been able to attain and maintain a competitive advantage by being innovative and leveraging their distinct familiness. The case outlines the way in which the unyielding pursuit of innovation and creative solutions, which is endemic throughout the business and across generations, is at the heart of the Deagues' business success.

The family business learning and life cycle framework is the focus of Chapter 10 on the Battaglia family, also by Justin Craig, Wayne Irava and Ken Moores. This case shows how the sibling partnership of the second generation learned business and learned to lead the family business while the incumbent generation learned to let go. Interestingly, the case canvasses some of the conflicts between the twin brothers and between them and the patriarch. Insights gleaned are related to how siblings approach and handle differences of opinion between themselves and between their generation and the incumbent generation. What is noteworthy – as reported by both generations – is that the long intentional apprenticeship or incubation period required of the next generation has both advantages and disadvantages. The matriarch openly expressed concern that one or both sons would not return to the family fold in a contributing way once they had pursued their own entrepreneurial ventures. Both sons report how they eventually understood their parents' wisdom in giving them considerable scope to pursue various ventures using family funds without being overly concerned with producing stellar financial results. The family is now positioned to benefit from the strong foundation it has built and the considerable trust and mutual respect that exist amongst all the family members. They remain prudent investors who rely heavily on their understanding of the industry life cycle in their core business.

Craig et al.'s Belcher family case (Chapter 8) highlights how the first (and second) generation Belchers have overcome (and continue to overcome) issues related to the liability of newness in their family business. The Belcher family pioneered and helped legitimize a new industry while simultaneously maintaining a competitive advantage. The discussion provides insights into how they have been able to accomplish this 'against the odds' achievement.

In Chapter 9 on the Dennis Family Corporation, the final case from Australia, Mervyn Morris focuses his lens on 'incremental entrepreneurship' in the transition from the first to the second generation. The role of professional governance is highlighted as being instrumental in ensuring that members of the second generation successfully continue the entrepreneurial spirit of the family business (albeit in a different style), adding value to the firm in an 'incremental' manner.

Chapter 4, featuring the Sun family, by Bing Ren, Bin Yang and Ya Li of Nankai University, highlights how families in business in China are developing the enterprise economy by linking their success with the happiness and wealth of the larger community. The authors help us understand the enterprise challenges relating to formal and informal institutions that have both helped and hindered the Sun family's growth and opportunities over a period of 30 years. As such they complement the RBV and EO dimensions with what they refer to as 'the institutional factor'.

The second Greater China case by Weiwen Li, Yuan Lu, Danming Lin and Kevin Au (Chapter 5) concerns a family business located in mainland China. Menshy Battery Ltd, based in Shantou, is the largest exporter of motorcycle batteries in China. It uses nanotechnology to outcompete

Japanese and Korean companies. This case shows how fast-changing environments may quickly render an entrepreneur's capabilities obsolete and how a family business can overcome this difficulty through the renewed entrepreneurial dynamism of the overseas-educated incoming generation. In particular, it highlights the importance of building a top management team with diverse knowledge and skills to introduce new technologies.

The third case from Greater China transports readers to Hong Kong where the largest Chinese sauce and condiment producer, Lee Kum Kee, has its headquarters. Xinchun Li, Hang Zhu, Wenting Chen and Mimi Fu discuss how the third and fourth generations have overcome the challenges arising from family disruptions and expanded their business to China and many other countries. Learning from past family conflicts, the Lee family focused on building family governance structures to promote family cohesion and sustain its entrepreneurial spirit. Combining a formal structure and constitution with informal cultural values, their sophisticated family governance structure provides the necessary resources to enable transgenerational entrepreneurship in the future.

Kevin Au also studied Automatic Manufacturing Ltd in Hong Kong (Chapter 2). The first generation of the Mok family founded a business around the manufacture of advanced equipment. The company grew with the development of Hong Kong industries in the Pearl River Delta. In the process, it groomed a cadre of professional managers and established a corporate governance system that is the envy of their peers. To continue the family's entrepreneurial spirit, AML is at present using the resources it has built to encourage the second generation family members to spin off from the family business and test their wings as entrepreneurs, and to eventually lure them back to take over AML from the first generation. Such a systematic approach, though still under experiment, has the potential of becoming best practice for other family businesses.

The last case from Greater China features Taiwan's Han family and the Jong-Shyn Shipbuilding Company. Chapter 6, contributed by Hsi-Mei Chung, Kuang S. Yeh and Shyh-Jer Chen of the National Sun Yat-sen University, illustrates how the Han family successfully transformed itself and boldly entered the highly value-added yacht market in 2003. The chapter highlights how the next generation continued the founder's entrepreneurial legacy. The family's ability to adapt to change and its ability to recognize technology innovation have had a significant influence on the transfer of entrepreneurship in this family business.

The GMR Group from India, which is discussed in Chapter 11 by Kavil Ramachandran, John Ward, Sachin Waiker and Rachna Jha, is representative of the new generation family business in India. De facto a first generation entrepreneur, the group's founder G.M. Rao explored multiple business opportunities while expanding the existing business. He ultimately saw his dream of building an empire realized in the rapidly expanding area of infrastructure, particularly in the construction of airports and roads. He recognized early on the need to ensure governance both in the business and the family and has introduced accepted governance principles such as a detailed family constitution. The family continues to identify new entrepreneurial opportunities while leaving operational responsibilities to non-family professionals. These systematic approaches have helped the family to grow entrepreneurially while keeping familial relationships intact.

The second case from India, written by Kavil Ramachandran, features the midsized Shakti Group (Chapter 12). This is the amazing story of a refugee entrepreneur from Pakistan who migrated to India with a large family at the time of the country's independence, and of his struggle to survive. He kept his family together while exploring different small business ideas and finally succeeded in developing a unique spice mix product for those consuming tobacco. Lacking clear governance guidelines, the family experienced a bitter split as the second generation entered the business, at a time when it was doing very well financially. The case captures the approach taken by the entrepreneur and his two sons to rebuild the business and bring accepted family and business governance structures to the business. They have diversified into the health-care, food and entertainment businesses and now achieve the same turnover and profits that they had enjoyed as a group before the split, all within the span of a few years. The two brothers continue to scan for entrepreneurial opportunities while simultaneously professionalizing their growing portfolio of businesses.

EMERGING THEMES

The families featured in this collection provide rich insights into what is considered the most complex form of business in the world. Though the three regions, Australia, India and Greater China, all have relatively short histories in commercial development terms, it can be concluded that family businesses that involve multiple generations are the minority, and the reasons for this are many. Challenges related to dealing with an expanding family concurrently with a growing business; the related issue of professionalism, which neccessitates the introduction of new ways of conducting business that in many cases are in direct contrast to the incumbents' methods; the introduction of outside experts, including non-family directors; and the introduction of new generations with new ideas into the business were all unveiled as common concerns of the featured family businesses in the three regions.

In terms of family governance, a small number of the case families adopt practices that are proven in the West and establish governance structures such as family councils and other family forums to separate family issues from business issues. However, others are either too small or are still in the process of evaluating the appropriateness of these practices to their own contexts. Chinese business families, in particular, face the added issue of communication within the family, as the founding generation tends to be more traditional and to have a starkly different background to that of the incoming generation, which is increasingly being exposed to Western ways of doing business as a result of a Western university education. Additionally, next generation family members are ever more aware that they can pursue professional careers outside their own family business, requiring the incumbent leadership to find ways to attract them back to the family business and continue the family legacy. How to nurture the incoming generation to be future leaders stewarding the family and the increasingly complex business is evidently a challenging issue for all the families operating in the Asia-Pacific region featured here.

There are also indications of a synthesized model emerging that is based on a combination of traditional values and modern organizational structures and systems. Given the pace of transformation of the Asia-Pacific region and the emergence of a new class of family entrepreneurs, it is natural to expect the new generation of family businesses of this region to have some unique experiences to offer to the rest of the world.

NOTES

1. Most of the families participated in a regional summit in 2008. For details see entrepreneurship.baf.cuhk.edu.hk.
2. Information for this section was sourced from previous works, significantly those of Professor Ken Moores and Dr Wayne Irava from the Australian Centre for Family Business at Bond University.
3. For example, the Family Business Network Pacific Asia, India and Australia chapters were established in 2009, 2005 and 2007 respectively (www.fbnpa.org; www.cii.in; www.fambiz.org.au).
4. Details are available on www.stepproject.org ; also Nordqvist and Zellweger (2010).

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