Foreword

The STEP Project addresses one of the greatest challenges faced by business families worldwide – productivity, growth and continuity that spans many generations.

Seldom does one experience the privileged satisfaction of, having previously planted a seed, coming back years later to find a tree growing strong and bearing fruit. Such is the feeling of fulfillment I experienced when I was asked to write the foreword to the Latin American STEP book – Understanding Entrepreneurial Family Businesses in Uncertain Environments. The STEP Project, Latin America is an indication that not only did the tree grow but that others have been actively nurturing and caring for it. This book is but one example of the fruit from those efforts.

The STEP Project is a global applied research initiative that establishes learning partnerships between academics and business families in order to explore the entrepreneurial process in the family form of business organization. When created almost a decade ago, we could hardly envision forty universities worldwide, generating more than 75 in-depth research cases on family businesses, with as many as 40 cases in Latin America alone.

The project’s early founders began with a concept we labeled ‘transgenerational entrepreneurship’. As family business and entrepreneurship professors, we understood there is something different about how families ‘did entrepreneurship’. At that time family businesses were described as entrepreneurial and identified as key drivers of economies worldwide, but they did not fit the typical new venture model of invest, grow, and harvest for wealth maximization. Their entrepreneurship had more of a generational, familial look and feel to it... iterative, personal portfolios of entrepreneurship that spanned many generations. Thus it was determined the phrase ‘transgenerational entrepreneurship’ needed to be explored. In early 2002, the transgenerational entrepreneurship phrase and concept were really all we had. I, as Director of the Institute for Family Enterprise at Babson College, and a few colleagues began shaping the vision and reaching out to academic partners around the world – first a few phone calls and trips to visit friends and scholars we knew, and then a more targeted enlistment effort with formal meetings to establish the project.

From the beginning, the STEP Project truly captured what collaborative – versus cooperative – partnership should look like. Collaboration is
different from cooperation in an important way: while cooperation is people working together toward a defined outcome, collaboration is people ‘co-creating’ where there is a broad purpose, but undefined outcome in mind. The research model, constructs, methodology and practice extension which form the foundation for this book all evolved though the wonderful collaborative, co-creative activities of the global STEP team.

Likewise, there was a unique multi-dimensional aspect to the iterative co-creation process of the STEP research. As we added different geographical regions of the world to the project, not only was the STEP Project as a whole impacted by the input of new scholars, families, and regional contexts, but each region also took on its own identity and emergent point of focus. The title of this book is evidence of that contextualized co-creation and discovery process in Latin America, with its emphasis on entrepreneurial families in uncertain environments.

The Latin American environment, with its geopolitical and economic cycles, creates macro conditions that change the nature of family-based entrepreneurship in those regions. Exploring the contextual and evolutionary business and family behaviors that enable them to be transgenerational families is a key part of the regionalized strategy of the STEP Project. The STEP Project design, using qualitative in-depth interviews with families, digs deeply into the idiosyncratic resources and capabilities of each family in their given regions. The founders entered the STEP Project with the assumption that there is no one way to do entrepreneurship. Each family strategy is in some sense as unique as their familial DNA. Add to their DNA distinctiveness the contextual realities of a point in time and there is a rich – but difficult to get at – story of entrepreneurship.

In order to mine this richness, and because we are committed to adding value to the entrepreneurial journey of these families, the STEP research design employs a unique interplay between research and practice. The STEP Project practice application invites families to attend a research summit in order to give them direct feedback from the research, and to provide them with the opportunity to engage with other families around the research. The book you are about to read is, therefore, not impersonal research. It is an applied research project, which explores family businesses and groups, and impacts both families and scholars who are involved in a very personal way. This personal engagement between researchers and families obviously creates its own research difficulties and limitations. As in traditional process consultation models, however, one must simply acknowledge the systemic impact of one’s intervention and build that recognition into the design, which ultimately makes the research deeper and richer.
As I read the introductory chapter of the book, I remember the research, but I also recall the engaging stories at the summits as the families recount their research cases. ‘Adoption and adaption as innovation strategies’, for example, is an observed outcome leading to a definitional extension of regional innovation in the research, but to the families it is a source of pride and accomplishment for how they are able to impact their communities and countries. The same is true whether you are talking about the diversification strategies employed as families try to survive through time in hostile environments, the role their religious values play as a resource, or outcomes around social entrepreneurship. In each case, it is research, but to the families it is about their intuitive survival strategies, or living true to their personal value systems, or the family expressing their gratitude and commitment to their often troubled communities.

I suppose what I am trying to say is, as you read this book learn from the research, but also hear the story and feel the personal struggles, hopes and joy in these cases. The ‘story’ is ultimately what makes family business research and working with families so rewarding. Yes, family businesses are idiosyncratic pools of resources and capabilities that allow them to sustain themselves against the odds. Yes, the STEP Project is designed to provide a deeper understanding of the antecedent conditions and behaviors that lead to transgenerational entrepreneurship. But, from the start, it was also intended to have a personal impact on both the families and the researchers. The personal nature of this endeavor is what engages me and creates passion in me, and for nearly 20 years of my professional career has given me fulfillment. I trust you will feel some of this passion in the fruit born from that first seed of an idea.

Most of all, however, I offer my congratulations to the Latin American STEP team of scholars and families who contributed to the creation of the cases and this book. I remember the warm friendships associated with our work together over the years as much as I do the invigorating discussions about the research and practice implications.

With gratitude to the researchers and families,

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