

Editorial: Position and power in family business ecosystems

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There is a trend towards taking an ecosystem approach to family business due to a need to focus on innovation. Natural family business ecosystems survive based on the existing environmental conditions being managed in the right way. This means organisms coexisting and respecting each other due to mutual need in terms of cooperation. Each form of organism requires specific conditions that may or may not be complementary to others within a family business ecosystem. This means there are interactions at play based on strengths and weaknesses in each player or entity related to a family business. Changes in one or many organisms can affect others in a family business ecosystem. This has flow-on effects in terms of the entire habitat. Consequently, it is useful to consider the established conditions and whether they can be changed. To stimulate growth, the family business ecosystem can offer better conditions and focus more on the advantages of cooperation. This can include reducing barriers and ensuring a cohesive family business environment that benefits everyone.

Family business ecosystems involve different kinds of entities that interact based on their connections to industry. Each entity operates in various ways depending on their position and power in the ecosystem. The quantity of activity in a family business ecosystem varies depending on its location and extent of influence. Some ecosystems have many small-sized family business entities due to the type of product or service being emphasised. This means some regions may have smaller-sized entities that are family-owned and managed. Other family business ecosystems may have many producers or companies producing their outputs. The quality of activity in an ecosystem refers to whether the entity has an important or influential role. It is considered prestigious when a certain type of firm or entity interacts in an ecosystem. This can result in reputational effects that encourage others to join.

There are various forms of family business ecosystems that vary across regions. To facilitate economic growth, ecosystems are used as a way to improve conditions. The term “ecosystem” is derived from the biological sciences, as it refers to a living entity that changes over time. The goal of a productive ecosystem is to improve the conditions and outcomes over time. This means the set of interconnected actors flows in such a way to enable family business conditions to flourish.

A family business ecosystem has certain functional attributes that enable it to change. There has been a shift towards a more systematic approach to business rather than relying on individual entities. This enables a broader family business community view that encourages connections. The process of entrepreneurship usually requires different kinds of functions including profit and non-profit entities. This means institutions and governments work together well with others to facilitate growth. In the past there was a myth that family businesses acted alone, but this has since changed with more emphasis on ecosystem development.

The context is an important way to understand developments in family business. This is due to temporal elements in terms of time influencing behaviour. At different time periods throughout history, there have been specific events that have affected family businesses. This includes the supply of materials in terms of changing economic conditions as well as demand from consumers. The spatial context in terms of geographical condition affects family business entrepreneurship. Some regions may have better growing conditions due to rain or sun that results in improved crops that influences the development of family business ecosystems. Furthermore, geography in terms of mountains and the sea influences where family businesses are located. Another important contextual factor is social reasons for the growth of the family business. Increasingly more people are interested in family business due to work and/or life reasons. In addition, people are living in different social conditions that affect their ability to access and build family businesses. Smaller family businesses may be preferred by others in



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urban areas. This affects the growth of family business so they need to reflect on these social contexts in terms of the type of products they sell. This influences the market around the pricing of family business items.

The existence of a vibrant family business ecosystem enables better value creation. This supportive structure is based on social and economic cohesion. To create a new family business and expand markets, entrepreneurship is needed. An entrepreneurial ecosystem emphasises collaboration and mutualistic gain, which means cooperation as well as competition is required. Single organisations often do not have the necessary capabilities to act alone in the marketplace. Rather, they need others to function properly and to access relevant skills. This means more family businesses are interconnected by need and rely on each other for their survival. The complex associations between entities in a family business ecosystem that result are based on timely access to relevant knowledge. Family businesses are confident in some ways by their membership in an ecosystem. This is due to their need for certain capabilities at points in time. To act effectively, organisations need to utilise the network effects in an ecosystem. Some of these synergies may be known, but others come to light at the appropriate time and place.

Every family business ecosystem acts in its own way and is unique. The value created in an ecosystem can be planned but often is dependent on the input of others. To align properly with others in an ecosystem, entities need to consider their bargaining power. This enables their strength to be utilised that can be based on a specific skill. There can be trade-offs being involved in an ecosystem due to power differences. This influences the independence of actors in terms of what they can do. Each actor should develop their own strategy regarding how they act in an ecosystem. This will help in aligning the way they capture then utilise value derived from business activities.

Innovation ecosystems within families

An innovation family business ecosystem is based on relationships that exist in different ways in terms of facilitating positive and new behaviour. The set of relationships characterises the strength of an ecosystem. When positive change results from interactions in an ecosystem, then it is likely innovation will occur. Innovation is considered a necessary goal for most family businesses wanting to stay competitive. It means introducing something new to the world that is considered useful. The generation of innovation is caused by interactions in a family business system. This can involve process-orientated roles by those involved in an innovation. By connecting others to an idea, it helps it gain traction in the marketplace.

Innovation family business ecosystems enable others to combine their efforts. This means it should be interpreted in terms of value creation. Discourse on the topic of family business is everywhere in society, from shops where products are bought to the media and at events. It is a topic that piques people's interest due to it being required on an ongoing basis. The general view about family business is that it is a necessary component of society but how it is innovative differs. This means more exploration is required about the limitless potential of family business innovation ecosystems.

Family business ecosystems in terms of innovation are a new frontier, especially when they incorporate artificial intelligence. There are some established norms regarding the principle of entrepreneurship in terms of it requiring creativity, risk-taking and proactiveness. This makes the topic of family entrepreneurship established on existing principles. There is, though, ambiguity about futuristic thinking regarding family business, which is due to new technological innovations transforming how family businesses are started. Furthermore, traditional views about family business have shifted with newer forms of business models becoming available. As it stands now, there is limited information about the exact nature of family business entrepreneurship. To guide practice on the topic, more knowledge is required. This includes mobilising entrepreneurial activities to focus on family business.

To foster better entrepreneurship, evidence-based practice is required. This includes a new push regarding how entrepreneurship is defined. As entrepreneurship exists in many different formats, it is important to keep an open mind as to how it is utilised. New developments have spurred entrepreneurship into non-traditional formats. This has generated new practices that balance previous knowledge with new knowledge sources. Such explorations are required if family business entrepreneurship in terms of innovation ecosystems are to grow in society. Reproducible methods that can be easily transferred across different family business contexts are needed. Such goals are required in order to engage with practice and to establish new managerial guidelines.

Family business entrepreneurship requires the cross-fertilisation of ideas from both a family and entrepreneurship perspective. This will provide more productive outcomes that consider multiple usages. Not all family business entrepreneurship is the same, as most classification systems distinguish it in terms of usefulness. This means it can be predicted through how radical or transformative it becomes in society. Incremental entrepreneurship takes a slower and gradual step to change. This means the immediate benefits might not be seen for some time. It takes persistence and perseverance to achieve great outcomes. Much of the existing spotlight is on radical forms of family business entrepreneurship, but in truth incremental forms might be more appreciated.

Innovation ecosystems in terms of capturing entrepreneurship emphasise the idea that group rather than singular action is better. This means collective activity provides a better way to facilitate growth. Increasing innovation capabilities requires participant diversity in terms of reasons for being part of the ecosystem. Each participant provides unique skills that, when disseminated to others, provides a change.

The collaborative systems evident in innovation ecosystems enable value to be created. Rather than focusing on isolated one-off activity, an innovation ecosystem provides a platform for change. Each participant has a position in the ecosystem that is based on dynamic interdependencies. To ensure ecosystem coherence, there should be an alignment amongst participants. This can be difficult to do if there is uncertainty regarding the need for an ecosystem but easy if more is known about the ecosystem. Normally an ecosystem evolves based on common understandings amongst participants. This enables the ecosystem to evolve based on continual expansion.

In an ecosystem, different roles are needed, and these include information disseminators and knowledge providers. Key participants offer specialised value that stabilises the ecosystem. To ensure the relevance of contributors, some form of regulation in an ecosystem is required. This enables information to be evaluated that can contribute to the flow of an ecosystem. Niche ecosystem participants can provide specific resources that can be a catalyst for growth. This ensures the collective gain from an ecosystem is known.

An ecosystem involves symbiotic relationships that hopefully are of a positive nature. In any environment, there are constant interactions based on relationship need. Each member of an ecosystem has different reasons for their involvement in a relationship. The relationship can be positive in terms of good benefits that are derived from the interaction. These types of relationships have mutual payoffs that can change over time. Negative relationships are detrimental to those involved and include some form of loss. These types of relationships should be discontinued if the association is destructive.

Family business ecosystems

Family business ecosystems develop over time but can quickly gain recognition in the marketplace due to the types of firms involved. This often happens with certain innovations like artificial intelligence requiring rapid collaboration. As a result, family businesses recognise the need to share capabilities. This quickness in decision-making powers enables developments to take place. Competition used to be considered a zero-sum game in terms of one person winning, but this perception has since changed with the realisation multiple entities

can gain. Digital resources have enabled family businesses to communicate and collaborate better. This means in the global competitive arena, design thinking is required about the nature of collaboration. Competition is no longer defined by geographic boundaries but rather the system of connections. This enables access to relevant information that informs market actions. Relationships amongst entities involve networks that have an evolutionary process.

Entrepreneurial insight in terms of forecasting future need is required in family business ecosystems. This enables strategic thinking to be applied in terms of creative usage of resources. To respond to the forces of competitive change, the creation of new ideas is needed. This means synchronising efforts around resource deployment.

Knowledge is power and underlies the way families interact in business ecosystems. Much new knowledge is dispersed to others when there is some form of strategic connection. This means the interplay between family businesses is based on knowledge acquisition. To produce good outcomes, knowledge about competitors and also the industry is required. This reinforces existing thoughts but expands knowledge into other areas. By orchestrating knowledge dissemination, others can be involved in the family business ecosystem. This bonds family businesses to others by aligning their activities.

In a family business ecosystem, most entities play different roles, although there can be a complementary nature. This ensures particular areas of strength are exploited in the marketplace. To keep a family business ecosystem vibrant, new ideas need to be shared. This speeds up the evolution and growth of an ecosystem. Ecosystems are based on a collective need for interaction. This is due to the integral component of many industries requiring network structures of interdependence. Collaboration in an ecosystem varies from loose and informal relationships to formal and structured relationships. No matter the type or strength of these relationships, the idea is to work together. This results in the exact nature of an interdependence often changing over time based on need.

To define family business ecosystems, some kind of connection is required in the meaning. This means support is given to others in the form of cooperation and collaboration. The idea is that there is a process or sequence of events that takes place in an ecosystem environment. It enables group-level specialisation to occur by working together. This implicitly implies agreement, but the need may not be voluntary, as it is competitive-based. The common thread in family business ecosystem definitions is the existence of system architecture. The way it is designed is based on the interaction between firms and determination of need. The family business context helps to explain the architecture in terms of who collaborates. Some family business ecosystem players have certain roles that enable the interactions to exist. This can include being a mediator or connector to others. The key point is that competitive pressures influence the power dynamics. It can be complicated to explain a family business ecosystem due to the multiple players involved. As a consequence, there may be intricate details involved in a family business ecosystem due to the complex nature of family businesses.

To create value, the dynamics of an ecosystem may need to change in order to clear blockages. This will facilitate the performance of an ecosystem over time and ensure its viability in the marketplace. Sometimes one family business may impede relationships due to a wish to have the status quo remain. This means value is captured by a few instead of being shared with others. A family business ecosystem is similar to other concepts like an industry but focuses more on mutuality. This means a holistic and progressive view about business relationships is utilised.

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