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A unified systems perspective of family firm performance

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Abstract

Theory and practice indicate that in family-influenced firms, the interaction of the family unit, the business entity, and individual family members create unique systemic conditions and constituencies that impact the performance outcomes of the family business social system. Habbershon and Williams [Fam. Bus. Rev. 12 (1999) 1] have suggested that these unique systemic family influences can be captured through an analysis of the resources and capabilities of the organization. In this paper, we pursue their line of thinking and more specifically examine the systemic relationship of resources and capabilities as a source of advantage or constraint to the performance outcomes for family-influenced firms. The idiosyncratic firm level bundle of resources and capabilities resulting from the systems interactions are referred to as the "familiness" of the firm. Wealth-creating performance for family-influenced firms is a function of the "distinctive familiness" generated by the family business system. The performance model focuses on a particular subset of family-influenced firms whose performance goal is transgenerational wealth and wealth creation potential. We refer to those families that meet this premise as "enterprising families." We develop a unified systems model of performance that links the resources and capabilities generated in the enterprising families system with their potential for transgenerational wealth creation.

Keywords: Business; Family-influenced firms; Firm performance

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1. Introduction

Achieving strategic competitiveness is difficult in today's turbulent and complex marketplace. These difficulties are compounded when firms do not have a clear understanding of what affects their performance. Recognizing the antecedents to firm performance allows leaders to exploit their organizational resources and capabilities and to make the requisite strategic choices to pursue future opportunities. The heart of the strategic management process is to achieve the performance outcomes that allow firms, including family-influenced firms, to be competitive over time.

To date, the family firm literature has generally emphasized improving family relationships without a strong strategic management focus on firm performance (Sharma et al., 1997). Anecdotal descriptions of organizational behavior are often substituted as strategy models, and attempts to define a family firm or to delineate between the performance requirements of so-called family firms and nonfamily firms have left family and business leaders confused at best (Chua et al., 1999; Gudmundson et al., 1999). More often, the response is to discount, ignore, or isolate the family factors from the business and resort to traditional strategy models for the business. The end result is that these leaders fail to account for major systemic influences that impact their performance outcomes. In short, they do not have an adequate performance model.

Theory and practice indicate that in family-influenced firms, there are complex arrays of systemic factors that impact strategy processes and firm performance outcomes. Habbershon and Williams (1999) have suggested that these unique systemic family influences can be captured through the resources and capabilities of the organization. The idiosyncratic firm level bundle of resources and capabilities resulting from the system interactions is referred to as the "familiness" of the firm.

In this paper, we pursue the thinking of Habbershon and Williams (1999) and more specifically develop a unified systems model of family firm performance that demonstrates how the systemic interactions of the family unit, business entity, and individual family members are linked to performance outcomes. The performance model blends systems theory thinking with strategic management theory in order to show how family influences can lead to a potential competitive advantage.

The first section presents the current thinking from the field of family business studies on the family business as a strategic entity and evaluates it from a strategic management perspective. The second section builds the performance model for family-influenced firms. It begins with a general utility function of value creation for the family business social system and moves to a more specific wealth creation function for a subset of firms we refer to as "enterprising families." Enterprising families are those committed to transgenerational wealth creation, which is shown to be a function of a family-based advantage (advantage$_f$). The advantage$_f$ is found when the enterprising families system generates "distinctive familiness" (resources$_f$ and capabilities$_f$) that can be exploited for generating advantage-based rents. The paper concludes by presenting the defining function for the enterprising families system, demonstrating that family-influenced firms hold the potential for positive and synergistic outcomes. By striving to fulfill the defining function of the system, family and business leaders gain a fuller understanding of the antecedents to firm performance and are better able to explore their advantage for transgenerational wealth creation.

2. The family business as a strategic entity

Discussions of strategy, planning, growth, or the performance of family firms frequently reference the tensions and contradictions that arise between the family system and the business system. Whether it is the global adaptation of family businesses in China (Yeung, 2000), the financial decision making patterns of family firms (Romano et al., 2000), their strategic orientation towards market opportunities (Gudmundson et al., 1999), or the formulation and implementation of strategy (Harris et al., 1994), the tensions among the needs, desires, goals, and practices of the family versus the business are discussed as strategic factors affecting firm level outcomes.

For nearly 2 decades, the two or three overlapping circles models (Fig. 1a and b) have been the standard theoretical models for picturing family and business as interlinking systems that explain the competitive tensions in strategy making.

These models have been used to distinguish the family business system as a distinct strategic entity (Hollander and Elman, 1988; Swartz, 1989), to describe the strategically relevant attributes and constituencies in the systems (Tagiuri and Davis, 1983, reprinted as a classic, 1996), to discuss the family business' unique strategy making processes (Carlock and Ward, 2001), and to explain how each of the subsystems move through stages over time (Gersick et al., 1999). Hoy and Vesser (1994) asserted that the critical strategic management issues for family firms (founder transition, business continuation, succession, tax planning, and owner/manager life cycles) are located in the nexus of the overlapping areas of the circles.

The overlapping circles are useful organizational behavior models for describing the complex individual and organizational phenomena associated with the overlapping subsystems and for identifying the stakeholder perspectives, roles, and responsibilities. From a strategic management perspective, however, the overlapping circles models and the ensuing theory have limitations for identifying performance outcomes and explaining how these interactions materially influence firm level outcomes (Chua et al., 1999).

Because the overlapping circles models descriptively picture a static degree of interaction (overlap) between the family and business, they perpetuate a trade-offs approach to strategy. The prevailing view in the overlapping circles models is that the family and business are two

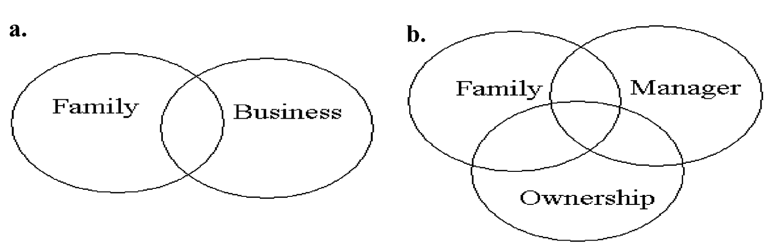

Fig. 1. Overlapping circles models.

complex social systems that, when combined, differentiate family businesses from other organizations by the degree to which the systems boundaries overlap (Stafford et al., 1999; Ibrahim and Ellis, 1988; Whiteside and Brown, 1991; McCollom, 1990). The dominant perspective is that the business system is interpenetrated by the family system, resulting in constraints on the performance outcomes of the business (Stafford et al., 1999; Whiteside and Brown, 1991). This "dual systems approach" (Swartz, 1989) emphasizes managing the boundaries between two qualitatively different social systems in order to develop coping strategies for addressing the inherent contradictions (Davis and Stern, 1980; Lansberg, 1983). There are those who stress the equal power and importance of the family and the business (Carlock and Ward, 2001; Stafford et al., 1999; Ward, 1987; Hollander, 1984), but strategy development is still presented as a satisficing process that balances the competing interests of the subsystems or that manages the changing needs and interests of the constituency groups represented in the overlapping circles of the system through time (Carlock and Ward, 2001; Gersick et al., 1999).

The dualistic stereotyping of the subsystem functioning—family as emotional based and business as task based—creates an exaggerated notion of overlap and subsystem boundaries (Whiteside and Brown, 1991). It establishes an a priori classification of inputs and actions that predisposes the assessment of strategic processes and outcomes. Using a dual systems approach, strategy making for family businesses focuses on a series of internal negative trade-offs to manage the overlap between family and business rather than a process for finding the systemic synergy that can lead to strategic competitiveness for the firm. We avoid the limitations of the dual systems approach by introducing a unified systems perspective of performance in the family business system.

3. A unified system performance model for family-influenced firms

A unified systems model of family firm performance focuses not only on describing stakeholder constituencies and conditions, but also shows how the parts of the system interact to generate idiosyncratic antecedents to firm performance. Using a deductive method, we begin with a general performance proposition in which the outcome of interest is maximization of the utility function of the family business social system.

3.1. The family business social system

Senge (1990) described systems thinking as "a discipline for seeing wholes. . .interrelationships rather than things. . .patterns of change rather than static snapshots" (p. 68). Similarly, Ackoff (1994) defined a system as a whole that cannot be divided into independent parts. A social system model must, therefore, show how the systemic influences of the system are a product of the continuous interaction of the parts if the utility function of the system is said to represent the system as a whole.

The family business social system is a "metasystem" comprised of three broad subsystem components: (1) the controlling family unit—representing the history, traditions, and life cycle of the family; (2) the business entity—representing the strategies and structures utilized to generate wealth; and (3) the individual family member—representing the interests, skills, and life stage of the participating family owners/managers (see Fig. 2a).

While we acknowledge that on the surface the unified systems model does not seem useful in analyzing specific stakeholder interactions and relationships, we deliberately keep the model broad in order to capture the "systemic influences." Each subsystem does, however, lend itself to a more in-depth stakeholder analysis. By defining the arguments in the utility function of the system according to the stakeholder(s) of interest, the performance analysis of the system becomes stakeholder specific.

The point of the models (a and b) is to show the circular feedback processes with continuous influence rather than picturing degrees of subsystem overlap and isolated points of influence as in the overlapping circles model described earlier. To capture systemic strategic influences, it is necessary to show how events in one of the parts of the system ultimately are both a cause and effect in the other subsystem components.

Fig. 2b shows how the subsystems have their own action and outcome interactions that continuously feed back into the metasystem. These subsystem interaction loops represent the stakeholder interests of the subsystem—goals, traditions, life cycle stage, values, etc.—that generate subsystem performance or success measures. In this regard, the utility function of the metasystem is, either implicitly or explicitly, dependent on the subsystems and the interactions in and between the subsystems. The model also recognizes that influences from external stakeholders or the environment that enter the family business social system through a subsystem component are included in the metasystem. It is impossible to bracket off the influences of one subsystem from the other, or to speak as if one part of the system can be pulled apart from the other.

We now take the first step in building our performance model by looking at arguments that may be included in the metasystem utility function: the income levels of shareholders, the number of family members active in the business, the role of family members in the business, family reputation, short-run profit, long-run profit, market share, return on investment, the

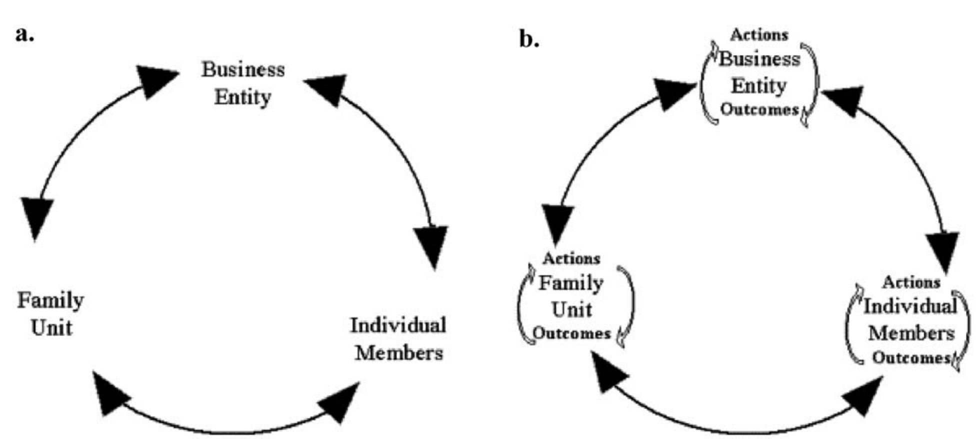

Fig. 2. Unified systems models.

level of community involvement, philanthropy interests, dividend levels, the quickest sale of the business, and/or long-run wealth accumulation, etc. The arguments would be any outcome that has value to any members of a subsystem. It is not our intent to further define or judge the value of the possible utility arguments noted above, but rather to hint at the type of arguments that might be defined as creating transgenerational value to a familial coalition who is in control of defining and pursuing the "vision" of the metasystem. The model is highly general and is no different than that for a public company stating that their goal is to maximize shareholder value. We are intentionally stating the obvious—that the metasystem defines its own utility function based upon subsystem components and the systemic influences between and within the subsystem components. We do so in order to make the point that defining a utility function for the family business social system must include systemic activities.

In proposition form, the utility function for transgenerational value creation in the metasystem is

Utility = f(arguments that positively affect transgenerational value)

Once the defining function of the metasystem is outlined, the utility function will focus on a more narrow set of arguments specific to this paper.

3.2. The defining function of a family business social system

Critical to our argument for a unified systems approach is Ackoff's (1994) criterion for fulfilling the definition of a social system. He stated that the "whole" must have one or more defining functions that cannot be carried out by the parts taken separately. Ackoff (1994) describes a social system and its outcomes very differently from the dualistic assumptions and satisficing resolutions of a competing family and business associated with the overlapping circles models. He provides a description of a system and its definition of the defining function as follows:

> A system is a whole that cannot be divided into independent parts . . .. The whole has one or more defining functions . . .. The defining function of a system cannot be carried out by any one part of the system taken separately . . .. When an essential part of a system is separated from the system of which it is a part, that part loses its ability to carry out its defining function . . .. Synergy is the increase in the value of the parts of a system that derives from their being parts of the system—that is, from their interactions with other parts of the system. Such an increase in value can occur only if the parts can do something together that they cannot do alone . . .. A social system should serve the purposes of both its parts and the system of which it is a part. It should enable its parts and its containing systems to do things they could not otherwise do (Ackoff, 1994, p. 21–31).

The implications of Ackoff's (1994) views are significant for a systemic approach to family business strategy and performance assessment. First, the system must have a defining function that is identifiable, positive, and cannot be generated by the subsystem components taken separately. A healthy family, a profitable business, and a fulfilled individual are positive outcomes, but they could each exist without the systemic interactions of the metasystem and cannot in and of themselves be called defining functions.

Second, systemic interactions must create synergy that increases the value of the component parts and the system as a whole. The system should be able to synergistically do something that the parts cannot do separately. If the synergy must increase the value of the parts in the system and has an outcome that is synergistically positive, then viewing the family and the business as competing entities that are more effective when they are kept apart cannot be said to form a synergistic system. It is difficult to imagine making an argument that a family and a business comprise a social system if the system becomes more synergistic as it is pulled apart.

Third, it is possible for a "collection of parts" to be what Ackoff (1994) refers to as an "unsystemic aggregation" (p. 25). He specifically mentions a holding company that cannot identify a defining function other than the common ownership of the entities. This analysis implies that a family business (with their subsystem components) does not inherently possess the attributes of an effective social system. If the system does not generate positive synergistic outcomes that can be called a defining function, then it must be considered an unsystemic aggregation of parts (family, business, and individuals). A family business by any definition should not de facto be considered a social system. It must meet a definitional hurdle that includes generating a positive synergistic outcome that fulfills its defining function as a system. Much of the family business literature that attempts to explain the negative outcomes of family firms may be trying to explain unsystemic behavior as if it is normative and systemic—families, firms, and individuals that interact without positive and synergistic systemic outcomes (aggregations) versus those in which a positive value-added defining function can be identified (social systems).

In the general unified systems performance model we have developed so far, it is difficult to identify a defining function since we have "permitted" the system to pursue the vague goal of value creation. We now move beyond the general model and focus on a subset of family-influenced firms, specifically those pursuing wealth rather than value creation outcomes. We refer to these families as "enterprising families" and to the metasystem as the "enterprising families system."

3.3. Enterprising families

By focusing on a specific subset of family-influenced firms—namely "enterprising families"—we are able to define the arguments in the utility function as those that potentially influence transgenerational wealth creation. In the enterprising families system, a vision forged by the controlling familial coalition directs the enterprising activities of the family unit, business entity, and individual family members so as to pursue the maximum potential wealth for current and future generations of family members. The defining function of the enterprising family social system is that which synergistically and positively enables them to create transgenerational wealth.

Our focus on wealth creation stems from our conviction that firms that do not pursue an advantage in wealthy creation will in the long run have their strategic competitiveness eroded and will be selected out of the market place. Only those who are creating wealth can refer to themselves as transgenerational enterprising families since they are the ones who can guarantee their continued existence.

Business leaders create wealth for their organizations by fulfilling the primary objective of business: generating above-average returns in the market (Rowe, 2001). Generating above-average returns is obtained when a firm achieves strategic advantage and successfully exploits that advantage over other firms. Firms that do not have a competitive advantage or are in unattractive industries earn average returns at best.

We argue that in an enterprising families system, the challenge is to cultivate distinctive family-based resources and capabilities that hold the potential for rent-creating advantage. As long as these distinctive resources can be developed in ways that lead to competitive advantage, the results will be above-average returns and transgenerational wealth creation.

Wealth creation in an enterprising family is a function of performance in the form of rent and rent generation potential. We thus state a narrow form of the first proposition and introduce the second proposition for the performance model of enterprising families:

Utility = f(transgenerational wealth potential)
Transgenerational wealth of the enterprising family = f(rent generation potential)

This proposition has a number of implications for developing our unified systems model. First, the assumption underlying the model is that the system is directed towards transgenerational wealth creation. Second, to generate wealth, we must articulate a performance model such that the business entity subsystem captures rents, and thereby is the engine for wealth creation. Third, since our stated interest is in family-influenced wealth creation and not just wealth creation, we must articulate a performance model such that it captures the distinctive systemic influences of the family unit and individual family member subsystems on the performance outcomes of the business entity. To build such a system performance model, we utilize the strategic framework of the resource-based view of the firm.

3.4. The resource-based view of the firm

A systemic performance model must be able to account for a broad array of organizational influences and connect them to performance. Within the field of strategic management, the resource-based view is an established theoretical model that links these organizational influences to firm level resources, capabilities, and rent performance outcomes (King and Zeithaml, 2001; Yeoh and Roth, 1999; Miller and Shamsie, 1996; Henderson and Cockburn, 1994). Resource-based strategy scholars have incorporated a balanced process perspective that integrates the influences from psychology, organizational development, evolutionary economics, entrepreneurship, and systems dynamics (Macintosh and Maclean, 1999). With its emphasis on path-dependent behavior (Teece et al., 1997), deeply embedded resources and capabilities (Makadok, 2001), and idiosyncratic firm level advantages (Barney, 1991), it is a useful model for thinking about how systemic family influence creates the potential for advantage and corresponding performance outcomes. The resource-based model assumes that each organization is a collection of idiosyncratic resources and capabilities that differentiate firm performance across time and is the source of their returns (Hitt et al., 2001). This leads to our third enterprising families performance model proposition:

Rent generation = f(resources and capabilities)

The definitional distinction between a resource and a capability highlights the systemic nature of the resource-based approach. Broadly speaking, resources refer to all of a firm's assets and organizational attributes (Barney, 1991) including knowledge and processes controlled by them. Examples of how organizational processes can be related to performance include assessing the long-term impact of outsider assistance on the growth of new ventures (Chrisman and McMullan, 2000), researching the impact of technological innovativeness on small firms (Hadjimanolis, 2000), determining the effects of different human resource policies on firm outcomes (Olalla, 1999), understanding how the cognitive and emotional biases of decision makers impact the way in which they allocate resources (McGrath and Dubini, 1998), and determining how resource picking and capability building enable managers to create economic rents for firms (Makadok, 2001).

Makadok (2001) defined a capability as a "special type of resource—specifically, an organizationally embedded nontransferable firm specific resource whose purpose is to improve the productivity of other resources" (p. 389). Amit and Schoemaker (1993) distinguished resources and capabilities by conceptualizing resources as factor stocks that are deployed through a firm's capabilities. Teece et al. (1997) argued that capabilities must be built rather than bought, and Makadok (2001) made the distinction between "resource-picking" and "capability-building" (p. 389). Miller and Shamsie (1996) distinguished between "systemic" resources that are embedded in the organization and "discrete" resources that are more readily transferable.

Research has shown that resources and capabilities create "chains" of interactions that are directly and indirectly (Yeoh and Roth, 1999) linked to firm performance, competitive advantage, and firm wealth creation. For example, social capital has been shown to enhance knowledge acquisition (Yli-Renko et al., 2001), alliance formation (Chung et al., 2000), and interunit linkages (Tsai, 2000). Similarly, learning has been shown to affect the ability of organizations to build alliances (Khanna et al., 2000) and to positively change other capabilities (Helfat, 2000). Identifying these systemic links in the resource and capability chain is an important step in understanding firm level performance outcomes.

Due to the systemic interaction of the family unit, business entity, and individual family members, family-influenced firms are unusually complex, dynamic, and rich in intangible resources and capabilities. Many of the potential advantages associated with family firms are found in their path-dependent resources, idiosyncratic organizational processes, behavioral and social phenomena, or leadership and strategy making capabilities (Habbershon and Williams, 2000). These systemic influences lead to the idiosyncratic resources and capabilities unique to the enterprising family and which we in turn can link to their performance outcomes (for a more complete literature review of the resource-based view and its link to the family business literature, see Habbershon and Williams, 1999).

3.5. The "familiness" of a firm

The systemic influences generated by the interaction of the subsystems—family unit, business entity, and individual family members—create an idiosyncratic pool of resources and capabilities. These resources and capabilities have deeply embedded defining characteristics that we refer to as the "family factor" (*f* factor) and connote as resources$_f$ and capabilities$_f$. Fig. 3 shows how each of the three subsystems can generate family-based systemic resources$_f$ and capabilities$_f$ that become inputs into the metasystem performance model.

Any of the resources and capabilities that could be associated with a given firm might have an *f* factor influence, either positive (f+) or negative ($f-$). We refer to positive *f* factor influences as "distinctive" and note that they hold the potential to provide an advantage. We refer to negative *f* factor influences as "constrictive" and note that they hold the potential to constrain competitiveness. For example, family-influenced firms may have unique potential for trust$_{f+-}$, cost of capital$_{f+-}$, HR policies$_{f+-}$, leadership development$_{f+-}$, alliance building strategies$_{f+-}$, decision making$_{f+-}$, etc., depending upon the specific context of the systemic influences of the family business system.

In light of the model in Fig. 3, we present our fourth enterprising families performance model proposition:

Resources$_f$ and capabilities$_f$=f(systemic influences of an enterprising families system)

The "familiness" of the firm can thus be referred to as the summation of the resources$_f$ and capabilities$_f$ ($\sum f$) in a given firm. This idiosyncratic familiness bundle of resources and

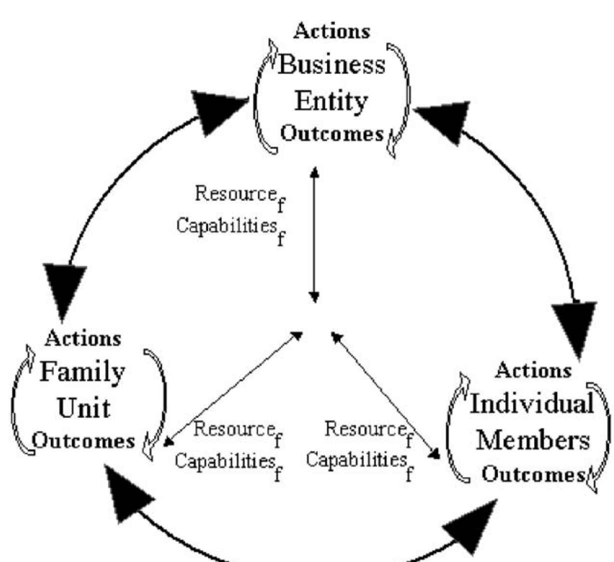

Fig. 3. Resources$_f$ and capabilities$_f$.

capabilities provides a potential differentiator for firm performance and explains the nature of family influence on performance outcomes. Hence:

Familiness $= \sum$(resources$_f$ and capabilities$_f$)

As noted above, it is "distinctive familiness" ($\sum f+$) that holds the potential for providing firms with a competitive advantage. We now present the fifth enterprising families performance model proposition:

Advantage$_f = f$(distinctive familiness)

We conclude, therefore, that rent-generating performance for the family form of business organization is a function of those advantages$_f$ that stem from the distinctive familiness of a particular firm. The final proposition for our enterprising families' performance model is presented as the following:

Rent generating performance$_f = f$(advantage$_f$)

Fig. 4 presents the completed unified systems performance model for enterprising families. It shows how the resources$_f$ and capabilities$_f$ generated by the interaction of the subsystems lead to advantage$_f$ and the possibility of generating supernormal rents. Wealth creation is thus tied to the systemic influences in the system as they create an idiosyncratic bundle of distinctive familiness resources for the firm.

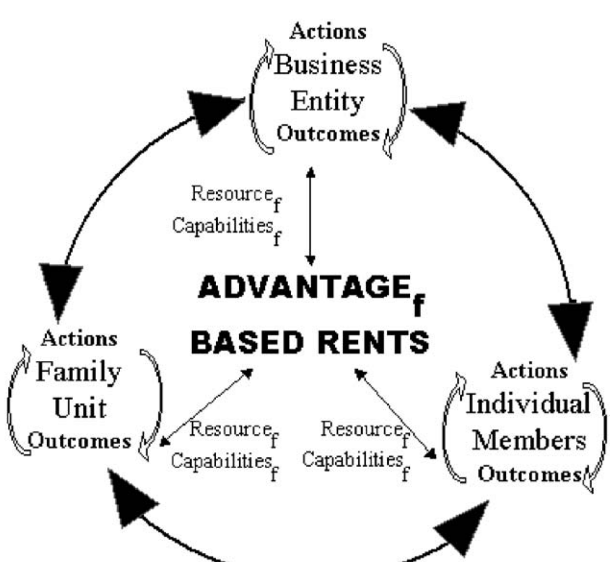

Fig. 4. Unified systems model of firm performance.

3.6. The defining function of the enterprising families system

We are now ready to present the defining function of the system for enterprising families. The defining function of a system whose purpose is to create wealth—an enterprising families system—must address competitive advantage and above-average returns since that is the source of sustained wealth creation. Based upon the reasoning in our performance model, an advantage for family-influenced firms is rooted in the systemic influences we have called the "*f* factor +" of resources$_f$ and capabilities$_f$ or its distinctive familiness. The defining function of an enterprising families system must, therefore, include the commitment and ability to generate distinctive familiness leading to an advantage$_f$.

Going a step further, the defining function of an enterprising families system must also identify the strategic intent of the system as a whole or define the utility function for the system in a cohesive fashion. Chua et al. (1999) get at this point in their theoretical definition of a family business. They argued that strategic intent is captured in the vision of an organization, and stated that a family business is defined by the vision of the dominant coalition of one or more families who have the intent to sustain it across generations. Combining their theoretical premise concerning strategic intent with our systemic model for wealth creation, we present the defining function of enterprising families system as

> The systemic vision of the familial coalition that leads them to pursue distinctive familiness for the purpose of transgenerational wealth creation.

Our defining function for the enterprising families system fulfills Ackoff's definitional requirements. (1) It includes the systemic interaction of the family unit, the business entity, and family members as individuals in order to fulfill the defining function and can therefore be said to be both positive and synergistic. (2) Following on this, the value of the whole can be said to be greater than the sum of its parts because the parts cannot create the same outcome when they operate as individual subsystems. (3) The model also requires the system to be unified about its purpose (utility maximization) and to clarify the antecedent functions in the performance model (distinctive familiness) in relation to the performance outcomes (transgenerational rents) of the system.

4. Conclusions

Wernerfelt (1997) challenged resource-based scholars to gain a more specific understanding of the nature of different resources and capabilities rather than discussing them only in terms of their effects. Our "*f* factor" approach describes the nature or source of the resources and capabilities in family-influenced firms and adds depth to the explanatory power of the antecedents in the performance model.

The unified systems performance model does not make an a priori judgment about the degree or nature of the *f* factor influence. In this regard, the model applies to all types of firms—from the copreneurial couple, to the multigenerational owned and managed firm, to the family-controlled public company. It allows the researcher to identify and describe the *f* factor influence as antecedents to the resources and capabilities and link them to specific advantages and performance of the firm. The model overcomes the constraints of debating the definition of a "family business" or of establishing boundary conditions that limits the investigation. It focuses on the degree and nature of the systemic family influences with a clear line to the impact on outcomes.

The unified systems performance model for enterprising families addresses a number of other critical issues for exploring the nature of family influence on business and wealth creation. First, it isolates the performance of the business entity as the appropriate outcome measure for a system intended to create wealth (Sharma et al., 1997). By defining the arguments in the utility function of the metasystem as those that create wealth, it removes the confusion concerning the role of the business entity subsystem in relation to the other subsystems.

Second, it identifies the systemic conditions and constituencies generated by the system as influences or inputs into the wealth creation process. Rather than downplaying the role of the family in relation to the business or creating dualistic tensions, our model demonstrates how the influence of the family and individual family members can be evaluated more positively and synergistically in relation to the business entity.

Third, it clarifies the use of dependent and independent variables in the systemic model. For example, generation of economic rents is the dependent variable, and subsystem and metasystem outcomes are the independent variables. Further, it is possible to isolate any one of the subsystems and develop stakeholder models that assess the systemic influences of that subsystem on any appropriate outcome measure. As is the circular nature of systems, each of the outcome measures (dependent variables) for a given subsystem can also serve as systemic inputs (independent variables) into the outcome measures of any other subsystem or for the metasystem as a whole.

Fourth, the model calls enterprising family leaders to be metasystems leaders. By this, we mean they need to intentionally manage the interaction of the family unit, business entity, and individual family members as an important source of their resource and capabilities pool. Ignoring the systemic family influences or attempting to bracket them off will negatively impact performance outcomes. Family leaders should clarify the defining function of their family business system as a vision that pursues distinctive familiness for the purpose of transgenerational wealth creation.

Lastly, the model calls for researchers to more aggressively study the degree and nature of family influence on firms and wealth creation. The resource-based unified systems perspective provides an accepted strategic management framework for identifying the antecedent *f* factor resources$_f$ and capabilities$_f$ to performance outcomes and for developing models to empirically test the relationships derived from maximizing the utility function of enterprising families. As the *f* factor resources$_f$ and capabilities$_f$ are identified and tested, a fuller understanding of the "familiness" of firms will be developed.

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