

The purpose of this conceptual article is to create a novel way to analyze family firms from an entirely new perspective. Previous typologies mainly concentrate on how family firms are, as a static entity (e.g. presentation of family in ownership and/or management). We create a dynamic framework which concentrates on how family firms operate. The framework comprises two continuums, namely professionalization and formalization, on which we distinguish four new types of family firms. Based on the features that depicts each type, we created the labels Autocracy, Domestic Configuration, Clench Hybrid and Administrative Hybrid. Family firms have the ability to shift between these types. In this paper, we present an array of reasons, based on the agency theory, which can cause these family firms to shift.