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Faculteit Bedrijfseconomische Wetenschappen

master in de handelswetenschappen

Masterthesis

Advisory Board Composition in Family Firms: A Qualitative Study on the Factors Determining Whether External Assistance Will Be Used

Willem Degol

Scriptie ingediend tot het behalen van de graad van master in de handelswetenschappen, afstudeerrichting ondernemerschap en management

PROMOTOR :

Prof. dr. Pieter VANDEKERKHOF



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Disclaimer

This master thesis was written during the COVID-19 crisis in 2020. This global health crisis has had an impact on the (writing) process, the research activities and the research results that are at the basis of this thesis. There was an impact on the data collection.

Acknowledgements

This thesis is a final work as fulfilment of the degree of Master of Science in Business Administration. It focusses on the factors determining whether external assistance is used for the composition of advisory boards in family firms. I selected this topic out of interest in the upcoming phenomena of advisory boards and its importance in the professionalization of family businesses. Since I grew up in a family firm, I have always had a strong interest in this research stream. The journey of writing this thesis therefore has been very rewarding.

The completion of this thesis could not have been accomplished without the support of my own advisory board. I would like to express my sincere appreciation and gratitude to my promoter, prof. dr. Pieter Vandekerckhof, who expertly guided me through my research process. His valuable feedback, stimulation, and patience have given me a lot of energy to successfully realize this project. I would also like to thank Carolien Houbrechts for sharing her practical experiences in advisory board composition and her critical comments.

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Finally, I would like to thank my family, friends and colleagues. Their support and sounding board have meant a lot to me while writing this thesis. Most especially, I want to thank my parents for always being there for me and providing me the opportunity for pursuing higher education.

Willem Degol
June 2020

Samenvatting

Bij het nemen van beslissingen beroepen familiale eigenaars-ondernemers zich vaak op verschillende bronnen van advies om uitdagingen te bespreken en om een frisse kijk op de bedrijfsvoering te bekomen. Een adviesorgaan dat de laatste jaren zowel in de literatuur als vanuit de praktijk aan populariteit wint, is de Raad van Advies. Het is echter van groot belang dat deze Raad goed is samengesteld om zijn volledig potentieel te bereiken. Vanuit deze filosofie zijn er tal van organisaties die bedrijven begeleiden bij het opzetten van een Raad van Advies. Deze studie focust zich op familiebedrijven gezien het adviseren van deze bedrijven fundamenteel verschillend is van niet-familiebedrijven door hun bijzondere karakteristieken. Door gebruik te maken van een kwalitatief en beschrijvend multiple-case study onderzoek, tracht deze studie inzicht te krijgen in de motieven van de familiale eigenaar-ondernemer om externe begeleiding in te schakelen bij het installeren van een Raad van Advies. Hiervoor werden er 15 familiale eigenaars-ondernemers door middel van een open en semigestructureerd interview bevraagd rond de bronnen van advies waarop zij zich beroepen. Om een volledig theoretisch perspectief op de verschillende motieven te verkrijgen, werden de informanten geselecteerd uit drie categorieën van familiebedrijven, namelijk bedrijven zonder een Raad van Advies, bedrijven die zelfstandig een Raad van Advies hebben geïnstalleerd en bedrijven die hierbij externe hulp hebben gehad. Door gebruik te maken van within- en cross-case analyse van de data, werden er enkele waardevolle inzichten gecreëerd.

Het onderzoek toont aan dat de familiale eigenaar-ondernemer zich op acht verschillende bronnen van advies beroept, namelijk: personeelsleden, familie, het privé netwerk, het professioneel netwerk, consultants, affiniteitsgroepen, raden van advies en tenslotte raden van bestuur. Hoewel eerder onderzoek de adviseurs in het familiebedrijf reeds in kaart heeft gebracht, werd er in deze studie een conceptueel hiërarchisch systeem ontworpen dat weergeeft op welke adviesbronnen de eigenaar-ondernemer zich sneller zal beroepen. Hiernaast toont deze studie aan dat groei, de nood aan perspectief van buitenaf, de nood aan kennis, de behoefte om beslissingen te bekrachtigen en professionalisering van het bedrijf, de voornaamste redenen zijn om een Raad van Advies in te richten. Specifiek in de context van familiebedrijven kan de aantocht van een nieuwe generatie hier ook invloed op hebben. Een nood aan arbitrage tussen verschillende generaties of de nood aan klankbord van de nieuwe generatie kunnen hiervoor aan de basis liggen. Wanneer de motieven om geen Raad van Advies in te richten in beschouwing worden genomen, dan argumenteren eigenaars-ondernemers dat ze denken dat hun bedrijf te klein is, dat de kosten te hoog zijn, dat de tijd hun ontbreekt, dat ze er geen vertrouwen in hebben om derden inzicht te geven in hun bedrijf, dat de familie er niet mee instemt of denken verkeerdelijk dat ze dan niet meer in hun eigen bedrijf kunnen doen wat ze willen. Opmerkelijk is dat oudere generaties vaak minder open staan voor het installeren van een Raad van Advies en dat deze zich sneller zullen beroepen op de typische most trusted advisor, zoals hun boekhouder of bankier.

Wanneer de eigenaar-ondernemer besloten heeft om een Raad van Advies op te richten, dienen gepaste adviseurs worden gezocht. Deze studie suggereert een onderliggend keuzeprocess waar

objectieve en subjectieve criteria, alsook de mening van de familie een rol spelen. Eerst zal er gekeken worden welke expertise en ervaring een kandidaat-adviseur heeft. Ook de grootte van diens netwerk wordt frequent in rekening gebracht. Wanneer op basis hiervan een eerste selectie werd gemaakt, zal de verdere keuze afhangen van enkele subjectieve factoren. Zo geven eigenaars-ondernemers de voorkeur aan mensen die ze reeds kennen, zoals mensen uit hun privé of professioneel netwerk. Vervolgens speelt ook de persoonlijkheid van de kandidaat mee. Deze dient open, kritisch en standvastig te zijn. Het mag dus zeker geen jaknikker zijn. Ook dient er een zekere connectie te zijn tussen de adviseur en de eigenaar-ondernemer. Een laatste cruciaal element is vertrouwen. Respondenten geven aan dat transparantie essentieel is voor een goede Raad van Advies en dit vrijwel onmogelijk is als er geen vertrouwen is in de adviseurs. Een opmerkelijk fenomeen typerend aan familiebedrijven is dat de doorslag echter ligt bij de familieleden. Zij dienen vaak hun goedkeuring te geven om de kandidaat-adviseur aan te stellen of wensen zelf ook een adviseur aan te brengen die ze vertrouwen, wat voor extra uitdagingen zorgt ten opzichte van niet-familiebedrijven. Vanwege deze uitdagingen kan externe begeleiding voor deze bedrijven een interessante piste zijn voor het opzetten van een Raad van Advies.

Voor het opzetten van een Raad van Advies kan de eigenaar-ondernemer zelfstandig aan de slag gaan of kan er externe hulp ingeschakeld worden. Deze studie wijst uit dat er vier gerelateerde factoren zijn die zullen bepalen of externe begeleiding zal ingeschakeld worden, zijnde de noden van de eigenaar-ondernemer, het profiel van de adviseurs die aangeboden kunnen worden, de prijskwaliteitsverhouding van de dienstverlening en tenslotte de aanbieder van de begeleiding. Een eerste factor is de nood van de eigenaar-ondernemer. Sommige respondenten geven aan dat ze niet weten hoe ze dit zelf kunnen samenstellen of organiseren, niet weten waar geschikte adviseurs vinden, er zelf geen tijd voor hebben of dit zien als een garantie op een professionele Raad van Advies. Aan de andere kant geven ze aan het zelf te kunnen of dat ze geen nood hebben om door een externe partij gemonitord te worden. De overige drie factoren zijn gerelateerd aan de dienstverlening zelf. Waar de ene vindt dat de begeleiding zorgt voor adviseurs met een hoog profiel, vreest de andere dat de profielen te laag zullen zijn. Vervolgens kijkt de eigenaar-ondernemer naar welke diensten er geleverd worden en hoe dit zich verhoudt ten opzichte van de kostprijs. Tenslotte is ook het vertrouwen, de marktpositie en ervaring van de dienstverlener belangrijk. In veel gevallen verkiezen eigenaars-ondernemers om een vertrouwenspersoon of iemand met kennis van de onderneming in de Raad van Advies op te nemen, wat kan impliceren dat er zelden volledig op externe begeleiding wordt vertrouwd.

Door het samenbrengen van verschillende literatuurstromen en deze vervolgens te onderzoeken, levert deze studie drie belangrijke bijdragen aan de literatuur. Het biedt inzichten in het adviessysteem van de eigenaar-ondernemer, het keuzeproces voor adviseurs en de factoren die bepalen of externe hulp zal ingeschakeld worden. Het levert hiermee antwoorden op de vraag naar verder onderzoek naar welke soorten advies een familiale beslissingsnemer het meest vertrouwt en op de oproep om meer inzicht te creëren in het keuzeproces voor adviseurs. Daarnaast biedt deze studie ook een bijdrage tot de bedrijfspraktijk. De proposities van deze studie en de inzichten in de denk-

patronen en voorkeuren van de eigenaar-ondernemer kunnen organisaties die externe begeleiding aanbieden helpen om bepaalde fenomenen te herkennen en hier gepast naar te handelen. Dit kan leiden tot beter functionerende Raden van Advies in familiebedrijven. Er is echter nog verder onderzoek nodig om de kennis rond dit onderwerp te verbreden. Zo zou verder onderzoek naar hoe vertrouwen zich relateert tot Raden van Advies en onderzoek naar de manier waarop de familiale eigenaar-ondernemer wenst geadviseerd te worden een belangrijke bijdrage voor zowel de literatuur als de praktijk kunnen zijn.

Tot slot heeft deze studie zoals iedere studie ook haar beperkingen. Een eerste limitatie is dat de respondenten allen lid zijn van een kamer van koophandel binnen één regio. Een breder geografische spreiding van de respondenten zou de bevindingen van deze studie robuuster kunnen maken. Daarnaast waren de bedrijven die geen Raad van Advies hebben en hier geen ambitie toe hebben in de toekomst minder vertegenwoordigd. Verder onderzoek binnen deze categorie kan hun motieven verder in kaart brengen. Een laatste beperking is dat door overheidsmaatregelen ten gevolge van de COVID-19 crisis de interviews online diende gebeuren, waardoor sommige interviews minder spontaan verliepen.

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Advisory Board Composition in Family Firms: A Qualitative Study on the Factors Determining Whether External Assistance Will Be Used.

Willem Degol

Promoter: Prof. dr. Pieter Vandekerkhof

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Abstract

This study examines which factors determine whether external assistance will be used for the composition of advisory boards in family firms. Previous research shows that the choice of the right advisors is critical to ensure that the process of advising is effective. Using a descriptive multiple-case study approach, three grounded theory models were developed, providing insights into the advising system of the family owner-manager, the appointment process of an advisor, and the factors determining the choice of relying on external assistance. The findings contribute to the literature on governance and advising in family businesses.

Keywords

family business, advising, advisory board, external assistance, board composition

Introduction

When facing a decision, corporate decisionmakers frequently rely on various sources of advice to address challenges and to obtain a fresh perspective on business. Research increasingly recognizes that decision makers do not make decisions in isolation (e.g. Yaniv & Milyavsky, 2007; Bonaccio & Dalal, 2006; Strike, Michel, & Kammerlander, 2018) but they seek the advice of others, both from internal and external sources, to adjust or refine their opinion (e.g. Reay, Pearson, & Gibb Dyer, 2013; Su & Dou, 2013; Strike & Rerup, 2016).

Advisors are important resources for any firm. However, not every firm requires the same advising approach. Studies have shown that organizational circumstances significantly influence the advising process (Strike, 2012). This study focusses on family firms, since providing advice to this kind of firms is fundamentally different from advising non-family firms due to the distinctive character of the former (Naldi, Chirico, Kellermanns, & Campopiano, 2015). Advisors serving in family firms face different challenges, since they have to navigate themselves through overlapping

management, ownership and family systems (Davis, Dibrell, Craig, & Green, 2013) which might result in intersecting personal and business conflicts and challenges (Bork, Jaffe, Lane, Dashew, & Heilser, 1996). While advising a non-family firm mainly requires addressing business needs, family firm advisors must address both the economic and non-economic aspects of the firm and its owning family (Chrisman, Chua, Pearson, & Barnett, 2012). Advisors in family firms most commonly engage in strategy formulation, planning succession, and conflict resolution (Strike, 2012). They need to be aware of both process and content, need to cope with long-standing complex emotions, and need to work with multidisciplinary teams (Hilbert-Davis & Dyer, 2003).

Various studies suggest that family firm advisors considerably affect firm outcomes and have a positive impact on family dynamics (Reay et al., 2013). Next to an increased performance (Naldi et al., 2015), advisors are associated with adaptive sensemaking (Strike & Rerup, 2016) and successful intergenerational transitions (Salvato & Corbetta, 2013). Advisors also contribute to reducing agency costs (Michel & Kammerlander, 2015); that are the costs from conflicts that arise from when an owner (principal) assigns responsibility to a delegate (agent) (Fama & Jensen, 1983), for instance moral hazard as a result of parental altruism (Lubatkin, Ling, & Schulze, 2007).

The aforementioned benefits of advice can be realized by several types of advisors serving in a family firm (Strike, 2012), which will be briefly discussed in the following section. Advisors can act alone, or an advisory governance structure can be formed. A team of advisors

provides certain benefits towards individual advisors, including greater emotional distance, synergistic thinking of the group and a better understand of both firm and family issues (Van Helvert-Beugels, Van Gils, & Huybrechts, 2019; Horan, 2003; Su & Dou, 2013; Swartz, 1998). An upcoming structure to involve advisors in the firm, is by installing an advisory board. Whether a firm already has a board of directors or not, an advisory board is a popular option for getting in-depth advice (Cagan, 2012). It is vital for an advisory board to be properly composed and structured in reaching its full benefit. The choice of the right type of advisor is critical to ensure that the process of advising is effective (Mathieu, Strassler, & Pearl, 2010). From this point of view, several institutions offer assistance in identifying the advising needs of the family firm and finding suitable advisors that meet these needs. Notwithstanding the recognized importance of advisors in family firms, there has only been limited scholarly attention to the process of choosing advisors.

While research on advising and governance in family firms have long been a mainstay in family business practice, only little research to date is conducted on advisory boards in family firms. To address the call to increase understand the process of choice of advisors (Strike, 2012), this study attempts to gain insights in the motives of family businesses to seek professional assistance from an external institution in assembling an advisory board. This study makes four contributions to the literature on governance and advising in family businesses. First, to the best of my knowledge, this is the first article providing insights into the key elements of setting up an efficient and effective

advisory board within family firms. Second, the article identifies the advice network of the family firm and uncovers which advisors are trusted the most (Strike et al., 2018). Third, the article offers insights into the underlying process of choosing advisors in family firms (Strike, 2012). Finally, it obtains more insight in the motives of calling in external professional assistance in governance issues, as research into the connection between these two literature streams, might allow researchers to further investigate in how this can shape good governance. The paper is structured as follows. First, an oversight of the existing literature on advising, advisory boards and the enabling of external assistance in policy choices and boards is provided. This is followed by the methodology and work procedures. Third, the empirical findings are presented and discussed. Concluding remarks and theoretical and practical implications complete this paper.

Literature review

To capture the literature on advisory boards, and the use of external institutions in forming one, I provided a structured approach by bringing together several distinct literature streams. In this respect, the sorts of family firm advisors, advisory board composition and the use of external assistance in general are the main three key focus points in building the fundamentals of this study.

Family Firm Advisors

Within the family business literature, one of the most cited definitions of advisors is that of Strike (2012), who has grouped the different advisor types who serve in a family firm in three general categories: formal advisors, in-

formal advisors, and family firm boards. In this study, advisors are classified by expertise-based, trust-based, and group-based, along the lines of Strike and colleagues (2018). This categorization provides a broader perspective on all existing types of advisors and allows to better understand the underlying reasons of calling in advice of a certain advisor. I proceed by explaining each category and providing relevant examples for this study. For a broader view on the different types within each category, see Strike et al. (2018).

Expertise-based advisors

Expertise based advisors are individuals formally hired by the family or firm and may hold an external or internal position (Gordini, 2012; Salvato & Corbetta, 2013). Such formal advisors may work in one or more systems of the three-circle model characterizing a family firm, as seen in Figure 1, and are able to help family firms to navigate through issues that are unique to family firms.

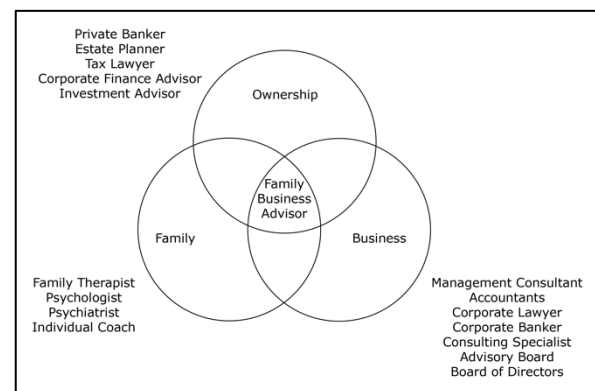


Figure 1. Types of formal advisors in the three-circle model of the Family Business System. Source: Taguiri & Davis (1996), adapted from Strike (2012).

Kaye and Hamilton (2004) categorized formal advisors in two main groups: content experts and process consultants. Content experts can be found in one of the three specific sys-

tems characterizing a family firm and provide specialized knowledge and services in a particular domain (Grubman & Jaffe, 2010), such as investment advisors, family therapists and accountants. Process consultants on the other hand operate at the intersection of the three-circle model and focus on building frameworks that help the family to develop and implement their own solutions (Hilburt-Davis & Dyer, 2003).

Trust-based advisors

Trust-based advisors may be formal or informal. In the context of a family firm, these individuals are the most relied upon sources of advice, based on a long-term relationship and are able to build trust on a relational basis (Naldi et al., 2015). Formal trusted advisors may include lawyers, accountants and consultants (Cisneros & Deschamps, 2015; McCracken, 2015; Michel & Kammerlander, 2015), but also non-family CFOs (Gurd & Thomas, 2012). These in-group advisors may become most trusted advisors, as a result of the experience and the long-lasting relationship of trust that has developed over a long time. They are cited as those being the closest to the family firm members and thereby having the strongest influence on family firm members (Strike, 2013; Strike & Rerup, 2016).

On the other hand, informal trusted advisors can be found within and outside the family, including spouses, trust catalysts (LaChapelle & Barnes, 1998), close family friends and family members. It is assumed that these hidden advisors garner more of the family's trust than formally hired advisors (Cisneros & Deschamps, 2015).

Group-based advisors

Group-based advisors not only include boards of directors and advisory boards, but also include new, not previously explicitly recognized bodies, such as family councils (Strike et al., 2018). Multiple expertise and trust-based, formal and informal advisors can serve in such advisory bodies.

Family councils. The family council is composed by a select group of family members, who meet on a regular basis. Its basic purpose is the provision of a structured forum that enables the owning family to discuss the most relevant issues to the family and its involvement in the business (Berent-Braun & Uhlaner, 2012). It provides advice on everything from educating the family for their future responsibilities to settling disputes within the family (Suess, 2014; Strike, et al., 2018). It is important to take this body into account, because the family council empowers passive shareholders to give voice to issues and concerns that lie beyond their level of understanding of company functioning, keeping family issues out of the boardroom (Poza & Daugherty, 2014).

Family firm boards. Through boards, firms have the advantage of a wide range of expertise provided by multiple advisors, often with different backgrounds. Boards can provide advice concerning firm performance, planning, strategy, family conflicts, compensation and succession (Heidrick, 1988; Poza, Johnson, & Alfred, 1998; Schipani & Siedel, 1988). As shown in Figure 1, boards are a certain form of obtaining formal advice.

Boards may consist of either a board of directors or an advisory board (Strike, 2012).

Tillman (1988) states that a board of directors has legal standing, voting rights and provide formal oversight. An advisory board functions similarly to a regular board, but its members do not have such standing or voting rights. They are an accessible instrument for family firms who need help to critically evaluate plans and proposals (van Helvert-Beugels, 2018).

Advisory boards can be defined as "*Teams of committed externals who, as a group, meet with the firm decision makers on a regular basis over longer periods of time, and their role is primarily to recurrently reflect on and provide advice regarding strategic matters and the decision-making processes*" (van Helvert-Beugels, 2018, p. 3). An important notice is that the members of the advisory board are often paid on a contractual basis and are appointed by the firm's decision makers (van Helvert-Beugels, 2018).

Through advisory boards, family firms can get advantage of the in-depth advice from multiple advisors with expertise in diverse areas (Su & Dou, 2013). Such boards function as a sounding board for the family owner-manager(s) by exploring strategic issues, dilemmas and problems, and by providing input and counsel regarding several organizational challenges (Strike, 2012). Outside boards, such as advisory boards, are primarily adopted by family firms when they want to gain the service and resource advantages that such governance structures can provide (Fiegener, Brown, Dreux, & Dennis, 2000).

In family firms, there is an increased likelihood of adverse opinions and objectives when more family members become active in the firm, amplifying the need for outside arbitration

(Kellermans & Eddleston, 2004; Voordeckers, Van Gils, & Van den Heuvel, 2007). Other cases, such as business growth or industry changes leading the firm into new territories, or perhaps a stagnated growth, may also be a reason for the need of advice by a board (Hall & Stover, 2016).

In general terms, family businesses place high priority on maintaining family control over the business (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007; Handler, 1990; Olson et al., 2003). The establishment of a board of directors may be a difficult step for an entrepreneur as a result of the delusion of control by giving outsiders formal authority (Nordqvist & Melin, 2010). The introduction of an advisory board enables an entrepreneur to feel comfortable with providing information to and accepting advice from an external group (Reiter, 2003). Therefore, an advisory board is sometimes used as a transition step from a family board to a business board by adding non-family members in an advisory capacity. In addition, it can be an important step in the professionalization of a family business (Hall & Stover, 2016; Matser, Van Helvert, Van der Pol, & Kuiken, 2013).

Advisory Board Composition

The choice of the right advisors to serve in an advisory board is critical to ensure that the process of advising is effective. An unsuitable advisor may do more harm than good. Board composition should be driven by the governance, resource, advice, and information needs of the firm (Grundeir & Talaulicar, 2002). It is important for the family firm to first establish objective criteria; determine what issues the

firm is coping with and to define appropriate benchmarks. By doing so, the needs of the family firm are well understood, and effective advisors can be selected (Mathieu et al., 2010).

Nicholson, Shepherd and Woods (2010) found that advisors are chosen by relevant experience (75%), reputation (71%) and trust (64%). In family firms, trust is a critical factor in the choice of advisors (Strike, 2013) because privacy is essential to family firms (Lester & Cannella, 2006). Referrals for advisors often come from outside sources such as the family firm's banker, accountant, or lawyer (Swartz, 1989) or are suggested by other advisory board members (Horan, 2003).

In a normal context, advisory boards consist of external and non-family advisors. However, in the context of a family firm, family members are often relied on as advisors for the firm (Fiegener, 2010). This is because family firms are often reluctant to provide nonfamily members access to information (Chua, Chrisman, & Sharma, 2003; Ward, 1997). Nevertheless, family members have advantages with regard to firm-specific knowledge (Bammens, Voordeckers, & Van Gils, 2011) and can be expected to be more engaged than other non-family advisors (Eddleston & Kellermans, 2007; Boyd, Upton, & Wircenski, 1999); their strong identification with the business and the family strengthen stewardship behavior toward the organization (Miller, Le Breton-Miller, & Scholnick, 2008; Davis, Schoorman, & Donaldson, 1997).

Despite the benefits, the family members' personal involvement and lack of outside perspective or general business knowledge may contribute to inertia (Boyd et al., 1999; Bam-

mens et al., 2011; Siebels & Zu Knyphausen-Aufseß, 2012). In addition, Naldi et al. (2015) state that there is a significant risk that too much reliance on family member advisors may lead to the failure of solving family business issues as well as agency costs properly and can have a negative effect on performance. As a remedy to this inefficiency, external and non-family advisors are often suggested (Kellermans & Eddleston, 2006).

Next to family members, research on social networks indicates that the other advisors that family owner-managers rely upon are likely to be people with whom they share strong social bonds or are similar to themselves, for instance friends or people with a common professional background (Ibarra & Andrews, 1993; McDonald & Westphal, 2003). An explanation for this can be that these sources of advice confirm the family owner-managers' strategic judgements and beliefs (Finkelstein & Hambrick, 1996). High levels of advice from these in-group advisors, provides the owner-manager with self-serving and immediate psychological benefits by the satisfaction of its desires (McDonald & Westphal, 2003). Despite evidence of the enhancement of the objective quality of strategic choices and clear performance benefits (McDonald & Westphal, 2003; McDonald, Khanna, & Westphal, 2008), owner-managers tend to consult socially dissimilar advice sources or nonfriends relatively infrequently.

In summary, it can be said that family members and affiliated advisors such as friends and people with similarities to the owner-manager, better not serve in an advising role to avoid agency costs and suboptimal strategic choices. The use of an external assistance pro-

gram for the assembling of an advisory board, might help the family firm in the process of identifying the needs of the firm and the selection of unaffiliated effective advisors who suit these needs. In this way, it can be assumed that there is a greater chance of having an effective advisory board.

Use of External Assistance

There are several intermediaries that offer assistance and guidance in the composition of advisory boards. An effective use of outside assistance programs in general, can contribute to the overall strategic development of a company and/or can help the firm in handling specific problems (Smallbone, North & Leigh, 1993). This assistance can be provided by public, semi-public as well as private organizations (that are possibly partly subsidized by government entities). External assistance can be defined as "help relating to either specific business problems or the development of the business which was received from individuals or organizations outside the firm" (Smallbone et al., 1993, p. 280).

Despite the proven positive impact from outside organizations on the entrepreneurial undertaking (Yusuf, 2008) and the prevalence of many external assistance programs, Ram and Sparrow (1993) found that only one-fourth of firms obtain external assistance or make use of training programs. Jansen and Weber (2004) found that there is an egocentric and hierarchical support system (Figure 2) which displays three important sources of support source: first, family relatives and friends; second, more distant or professional sources of support, such as former business partners or colleagues, but

also lawyers and accountants; and third, assistance agencies (Yusuf, 2012). The more distant the firm owner (or the owning family) hierarchically is removed from the support source, the less likely it is chosen for assistance. In the case of advisory boards, two things might be concluded: First, entrepreneurs will first try to invoke on informal sources of advice, before tapping on formal sources, such as an advisory board. Second, for the assembling of an advisory board, external assistance agencies might be seen as a last resort by the family firms' owner-manager: they will first try to consult less distant sources of support.

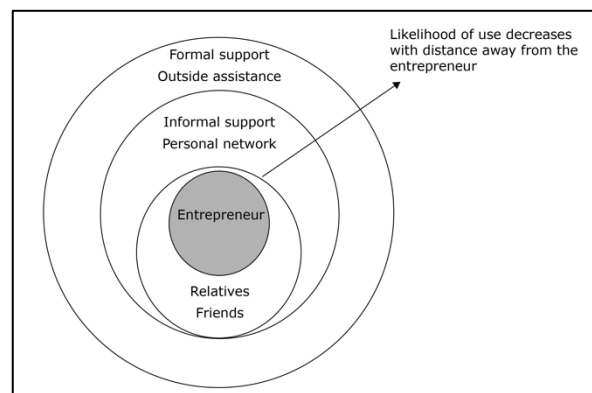


Figure 2. The hierarchical support system of the owner-manager. Source: Jansen & Weber (2004), adapted from Yusuf (2012).

In addition, the literature also refers to certain characteristics of both the entrepreneur and enterprises that determine whether external assistance is used or not. Looking at the characteristics of the entrepreneur, it can be stated that higher educated entrepreneurs and those with (international) growth ambitions, are more likely to rely on external consultancies (Smallbone et al., 1993; Donckels & Lambrecht, 1997; Johnson, Thomas, & Webber, 2007; Yusuf, 2012). The use of external assistance is also significantly influenced by the years that the family owner-manager has led

the company. Entrepreneurs managing the company for less than 10 years are more likely to rely on external assistance (Donckels & Lambrecht, 1997). Thus, in the context of a family firm, later generations might be more likely to rely on external assistance. This assumption is in line with the arguments of Bammens et al. (2008), who suggest that family firms at a different generational phase have different governance needs and characteristics. Last, Yusuf (2015) suggest that there are gender differences in the use of external assistance: female and male entrepreneurs are driven by different factors whether to use external assistance and women are more likely to make use of it.

Considering the factors of the firm, the use and diversity of external assistance grows according to the size of the company (Smallbone et al., 1993). Smaller firms often have a lower complexity of their activities, fewer resources available, and the consultancy might be inadequate for the firms' needs. Another determinant for the use of external assistance is the sector in which the firm is situated. Entrepreneurs in wholesale, production, business services and transport are more likely to call upon external assistance than do entrepreneurs in retail, construction, and catering industry. Although, the fact that there are more large companies in the first-named sectors, can be an explanation for this (ING, 2002; Lambrecht & Pirnay, 2005). Ultimately, Robson and Bennett (2000) found that the use of external consultants is encouraged by the firms' competency, defined by the percentage of employees active in management, technology or research.

When talking about concrete motives of not calling in support, Kailer (2000) found that entrepreneurs are often uncertain about the relation between the costs and benefits of the external assistance. Another main argument is that there is no need for external assistance and that all competencies are available in the firm (ING, 2002). Furthermore, entrepreneurs have the instinct to be independent. Calling in external assistance might be seen as a form of weakness (Donckels & Aerts, 1993; Bouckaert & Sels, 2001). On the other hand, the main reasons for hiring an external consultant are quality enhancement of goods and services, diagnosis of the enterprise, and organizational development.

Method

Research Design

This study will use a qualitative and descriptive multiple-case study approach (Yin, 2003; Eisenhardt, 1989). This methodology provides tools to study complex phenomena within their context and is a valuable method to generate theory (Baxter & Jack, 2008; Eisenhardt, 1989). According to Yin (2003), such design should be considered when the focus of the study is to answer "why" and "how" questions; if contextual conditions need to be covered because they might be relevant to the phenomenon under study; and/or the boundaries between the phenomenon and context are not clear. Nordqvist, Hall and Melin (2009) indicate that a case study is a common way to carry out interpretive fieldwork on family businesses. They also claim that such in-depth investigations are important for a richer and deeper understanding of complex, tacit and ambiguous

Table 1. Summary Information of Case Studies and Interviewees.

Category	Case	Gender	Age	Other involved family members	Generation	FTE
1	A	Female	31	Father, sister	Third	44
	B	Male	43	Father, mother, brother	Second	18
	C	Male	43	Nephew	Third	30
	D	Female	52	Husband	First	90
	E	Female	47	Nephew	Third	10
2	F	Male	55	Brothers	Third	14
	G	Male	59	Wife, sons	First	47
	H	Female	39	Father	Third	11
	I	Female	38	Brother	Second	13
	J	Male	58	Daughter, Sons	First	60
3	K	Male	54	Sister, brother, nephew	Second	75
	L	Male	50	Brother	Fourth	170
	M	Male	54	Sister, daughter	First	100
	N	Female	43	None	Second	5
	O	Male	40	None	First	11

phenomena in family businesses. The approach of this study fits perfectly as such phenomenon. At the same time, it is an appropriate research method to investigate the differences within the heterogeneous population of family businesses (Melin & Nordqvist, 2007).

Research Context

In order to get a better understanding into the phenomenon under study, I selected fifteen family firms according to a theoretical sampling plan. Family firms were defined as firms of any

size where the majority of decision-making rights are in the possession of the founder or the owner's family and where there is at least one representative of the family or kin formally involved in the governance of the firm (EFB, 2020). I opted to divide the companies into three general categories. In particular, firms who currently do not have an advisory board (category 1), firms who have installed an advisory board with the assistance of an external institution (category 2), and firms who have independently installed an advisory board (cat-

egory 3). This approach provides the opportunity to gain a full theoretical perspective on the various motives of family firms' owner-managers. The research sample was not randomly chosen, but as the aim is to gain more understanding in the motives of family businesses in terms of the research topic, the most important elements are access to rich data and theoretical relevance (Eisenhardt, 1989; Yin, 2003). I gained access to cases with the help of the regional Chamber of Commerce in the Belgian province of Limburg, as well as through my own personal network.

The cases in this study were all small and medium-sized family firms headquartered within the same geographical area in Belgium. In the fifteen family firms, I interviewed the ruling owner-manager, as this is the final decision maker who benefits most from the advice granted by an advisory board. In the category of family firms without an advisory board, three had the ambition of installing an advisory board in the short term (Cases A, C, and D). This variance maximized differences within this category. In the categories of firms with an advisory board, two cases were included of family firms who recently decided to abolish the advisory board (Cases I and O). By including these two extreme cases, I was able to define possible weaknesses in the effectiveness and formation of advisory boards. The general sample consists of owner-managers part of the first to the fourth generation in the family firm. Some firms had different generations active in the firm or were in a transition phase to the next generation (Cases A, B, H). The large variety of different generations makes it possible to assign unique properties to the advice-taking behavior across different generations. Although

I was not able to interview every active generation in the firm, I was able to capture information about the perception of other generations and family members on advisory boards. Table 1 provides a summary of the fifteen firms used in this case study.

Data Collection

To collect data, I used open-ended, and semi-structured interviews. This encouraged a flexible and informal dialogue. The interviews were conducted in Dutch through online meetings. Due to governmental measures as a result of the COVID-19 crisis, I was not able to meet the informants physically. If further clarification was needed, the interviews were followed up via e-mails and phone calls. Each interview lasted 15 to 80 minutes, with an average of 35 minutes. After explaining the study design, the use of their remarks, and assuring the confidentiality of the interview, the interviewees were first asked to introduce themselves and their company. Afterwards, topics such as family firm governance, advice needs and preferences, advisory boards and external assistance were discussed. After each interview, the guiding questions were modified based on important issues that were quoted by the interviewees, making the addressment of this issues in later interviews possible. Each interview was recorded and manually transcribed, resulting in more than 100 pages of transcripts for the use in data analysis.

Data Analysis and Coding

Data analysis in this study was done by an inductive multiple case approach, as described by Eisenhardt (1989). The multiple case design

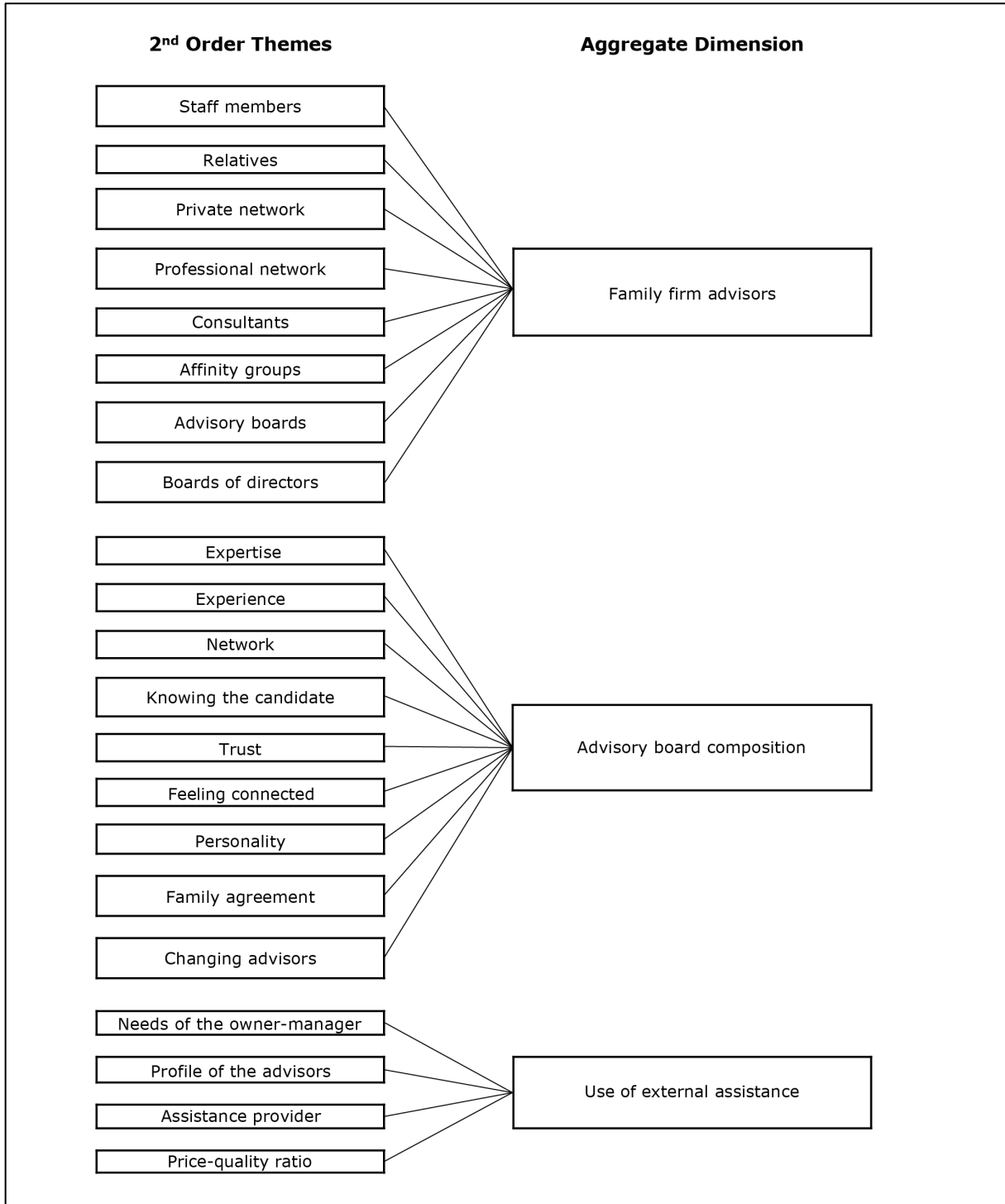


Figure 3. Data Structure.

allowed me to build and analyze individual cases and subsequently draw comparisons across cases, providing a varied empirical evidence to construct conceptual frameworks. During the

process of interviewing and processing the interviews, I overlapped data collection and data analysis. This gave me the opportunity to take a head start in analysis and to make adjust-

ments in the process of data collection, which is an appropriate method in building grounded theory (Glaser & Strauss, 1967). I first aggregated data according to the research themes introduced in the literature review. This enhanced an efficient coding process. Afterwards a detailed first-order analysis was done to uncover patterns within each research theme.

By first doing a thorough within-case analysis, I had gained a rich familiarity with each case which facilitated cross-case comparison. The overall result of both analyses were several conceptual models, presented in the discussion. After the models were created, I carefully reexamined all individual cases to ensure that there was consistency between the models and the individual data.

Findings

The use of within- and cross-case analyses has allowed me to provide gainful insights. Figure 3 presents the final data structure. The second-order themes are shown on the left-hand side of the figure, the associated research topics on the right. Table 2 provides exemplary first-order quotations from the data that represent each of the second-order themes.

Family Firm Advisors

The data have shown both implicitly and explicitly that family firm owner-managers rely on various types of advisors. The owner-managers interviewed for this study indicated that they seek advice from eight general types of advisors, identified both inside and outside the firm or its owning family.

Staff members. Informants suggested that they find a sounding board within their group of employees. Non-family management team members or other key employees of the firm who are very close to the owner-manager seem to have an important influence on their decision making and in the strategizing of the family firm.

Relatives. It makes sense that other family members who are active in the daily management of the firm provide their point of view in business issues. However, the owner-manager also tends to seek the advice of family-members who are not active in the firm (any more), such as spouses. An important determination is that spouses are not always preferred for advice in business-related topics, as they lack business knowledge. Although they mainly form a trusted outlet for the entrepreneur's daily concerns:

Sometimes I do ask my family for advice. But you notice very quickly that when your wife is not an entrepreneur herself, there are so many divergent ideas. At a certain moment you don't talk about some things anymore, because you know that the answer is not what you wanted to hear. She doesn't have the necessary experience. On a social level, I can sometimes discuss how she would solve things, but that is less the case (30).

Next to spouses, relatives of the former generation in the family are often referred to as a valuable source of advice. Their years of experience can lead to important insights for the ruling generation. However, as these people get older, the former generation was no longer invoked in a few cases, as a result of the changing entrepreneurial landscape:

I have an uncle who has been very important in the past. He has always been a strong man, but

Table 2. Representative Data Supporting the Second-Order Themes

Second-order themes	Representative first-order data
Staff members	<p>"I am someone who has found great involvement with my employees. Last December I have recruited a COO, big word for a small company. He occasionally tells me to change track." (2F)</p> <p>"One of the key figures in our firm is our salesman. He helps to set the lines for our collections and thinks with us about what we are going to do in the future and how we are going to design our stores, for instance." (2I)</p>
Relatives	<p>"I often consult my stepdad. He is a very analytical man and he can assist me. He is also an entrepreneur with a great entrepreneurial drive. He has had two companies that he has sold to a major player in that sector. He is also active as a business angel." (1A)</p> <p>"I no longer involve my father in the steps I take in the firm, the differences between our generations are too big. They think everything is expensive and unnecessary. They don't understand our business anymore, times have changed. You can better seek the advice of the younger generation; they have the knowledge, but they lack experience." (1E)</p>
Private network	<p>"I definitely also consult my friends, even on a daily base. When I am on the road, I am always calling them. We have a very close group of friends, some of which also hold nice positions in companies. They give me insights and help me deal with certain situations. They are always honest, give me confirmation for my own thoughts, but they also give me whole different insights. We call each other to speak our minds. It means a lot to me. I think they even might be my main helpline." (1C)</p> <p>"I am lucky that one of my good friends is also an entrepreneur. We spar a lot about various matters by phone. Sometimes we talk about our personnel, but also how to deal with bad payers. We talk about a wide range of topics." (3O)</p>
Professional network	<p>"I also have my sources at the bank I have worked for. So, if I have questions regarding investments in the company, which was our plan before the corona crisis, I contact my ex-colleagues at the bank." (2I)</p> <p>"My network mainly consists of people I've met at the chamber of commerce. By participating in trainings and by being part of several communities, I have met people in the same situation as me. They are dealing with the same problems. That is actually my biggest pool of people that I consult for advice, or that I talk to." (2H)</p>
Consultants	<p>"We have some consultants that we are guided by. That is not really advice but is more focused on the executive. For example, we have interim offices, but also consultants specialized in social taxation and HR. You can hardly ask them to give non-obligatory advice, it's their job. Usually it starts with an advice and then there is an assignment." (3L)</p> <p>"I get advice on finances. We also have a bookkeeper, of course, but he is a real <i>book-keeper</i>. If I want to get deeper advice on that, or when I want a creative solution, I go to a consultant." (2I)</p>

(continued)

Table 2. Representative Data Supporting the Second-Order Themes (continued)

Second-order themes	Representative first-order data
Affinity groups	<p>“Over the years I have been a member of several groups. A couple of years ago, we have started a business club with a number of entrepreneurs. We meet once every quarter. Last year we even met on a monthly base. I get a lot of feedback from them. There is a lawyer in it, a stage builder, someone in the medical sector, a very wide range of people. We have 16 members.” (2F)</p> <p>“I’m part of a group of fast-growing large companies. I think I am the smallest firm in there, but there are really big companies in it. Monthly or bimonthly we discuss a topic that concerns every firm. If you work with people and you are in a certain industry, I think most of the problems that companies have are the same for other companies. It is almost always about the same topics. People, organization, IT, modernization, digitalization, internet of things, all those matters. These topics are also important in our firm. So, I think I have a good sounding board in this group. I pay a lot of attention over there.” (3M)</p>
Advisory boards	<p>“A friend of mine found that I needed an advisory board. We were on the phone a lot to discuss problems. He said that I maybe should consider installing an advisory board. I immediately started looking for members. I actually got into it without realizing what this was and what this was going to entail.” (3O)</p> <p>“Consultants do cost a lot of money. The advisory board are down to earth people who are in the field. They have their own company and mostly they’ve already been through things.” (3N)</p> <p>“Already before the takeover of the company, I knew I wanted an advisory board. It’s not easy to make decisions alone. It’s useful if you can discuss things with someone else or to have an external sounding board.” (2H)</p> <p>“I don’t feel the need for an advisory board. In the past I’ve already had discussions with other entrepreneurs about why we only focused on one sales market. I think you have to look at the knowledge you have and the potential of what you can get done. But when it’s a busy time, you have to get it done. I think it’s already difficult enough to get things done without my mom and dad.” (1B).</p>
Boards of directors	<p>“I don’t see why I need to evolve into a board of directors. I also don’t have the need to sell shares to others. But I have to say that my advisory board functions as a board of directors. Is a problem occurs, it will be looked at immediately. It’s actually the same as in a board of directors.” (3M)</p> <p>“At a certain moment the advisory board can evolve into a board of directors. But that will depend on certain developments in the firm. As long as there is no external capital, I don’t think it’s necessary to install a board of directors.” (3K)</p>
Expertise	<p>“We have composed an advisory board with people who have specialization in several segments. We can ask any question that we have within our activities to our advisory board and there is always someone who can answer it. The other people can then judge or think along.” (3M)</p>

(continued)

Table 2. Representative Data Supporting the Second-Order Themes (continued)

Second-order themes	Representative first-order data
Experience	<p>"I have written down for myself which expertise I was in need of. Those were the blind spots I had. Based on those competences, I went to find out who can serve me." (3K)</p>
	<p>"An advisory board is actually a body that you can add to your decision-making to be committed and to make the right decisions. If you put academics or people with a high degree it in, you might still lack people who see things from a completely different perspective. So, I find that the experience and the knowledge one has gained, and the relationships that one has, to me is one of the most important aspects, regardless of whether the advisor is the best tax specialist or has a business school degree." (3L)</p>
Network	<p>"To me, the advisor has to be an entrepreneur. Not just someone who has a firm, but a real entrepreneur with a growth mindset, someone who dares to take risks and wants to come out of his comfort zone. I would certain like someone who has a lot of experience, who has also seen black snow, a real entrepreneur." (1A)</p>
	<p>"I don't attach much importance to the network of the advisors, but it might be useful. They hear a lot and know much more people than me. I only have a small network." (3N)</p> <p>"The relations one has is really important. One of the requirements I ask to my advisors is that they not only share their knowledge, but also their network. These are important aspects. You can't know everything, people like us with 20 to 30 years of experience in business, we do know a lot, but we also know many people. It is not only what you know, but especially who you know." (3L)</p>
Knowing the candidate	<p>"The advisor my sister wants is someone she knows in a professional relation. The one I have in mind is someone I met at the chamber of commerce. I'd like him to join the first few times, but then I would switch to someone else. It might sound a bit weird, but he became a good friend of mine. He told me that he wanted to help me with this. I thought about it, and actually I would appreciate if he did so. It's someone I take things from, that I look up to." (1A)</p>
Trust	<p>"We rather not bring other people we know, such as friends and family, into our company. We prefer to keep it that way, I think it is not a healthy situation. This may work for some but is not obvious for most." (2I)</p>
	<p>"In our sector we are the odd man. What we do now is at the expense of other colleagues. What we do is diligently sought by our competitors. I am not just willing to share everything what we do. In my advisory board I trust the confidentiality." (2G)</p> <p>"I trust my advisors by the people they are. I do have confidence that they handle information discretely. I usually take people's word for it, that might perhaps be a bit naïve, but that's the way I work. If there is no trust with those people, or you don't have a good feeling with them, it doesn't work. You must be able to be open about your firm." (2H)</p>

(continued)

Table 2. Representative Data Supporting the Second-Order Themes (continued)

Second-order themes	Representative first-order data
Feeling connected	<p>"I think the most important thing is the connection you have with the advisor. When you feel people are open to you, you'll be open to them too. I think that there are lots of people who know the same but where there is no connection" (3M)</p> <p>"I've spoken to an advisor who was introduced to me. There was nothing in his background what I was looking for in particular, but I just felt a connection. He understood what I was saying, and I had a good feeling about him." (2J)</p>
Personality	<p>"If an advisor just sits there and nods the whole meeting, frankly, I'm paying that person for nothing. So, I expect input, I expect that they will dare to criticize me in a respectful way. They need to take a very critical look at things and need to be well informed." (2H)</p> <p>"They must be consistent. They shouldn't say we are going to do this the one month and say something else the other month. They have to be consistent in what they advise." (1E)</p>
Family agreement	<p>"First, my sister didn't want to install an advisory board. The moment I told my sister she could propose an advisor whom she trusted and could add value, she changed her mind. Now she's into it." (1A)</p>
Changing advisors	<p>"Over a long term I think the advisory board will remain, but maybe with a different composition. I can imagine that it stops for me or one of advisors. That we can't learn from each other no more." (3N)</p> <p>"There is a principle in our advisory board that we evaluate every member on a yearly base. I think it's good to bring in a fresh perspective once in a while." (2J)</p>
Needs of the owner-manager	<p>"I didn't know where to get an advisory board. You hear a lot about people who would be good advisors. That's why I've chosen to get assistance." (2F)</p> <p>"I think I won't get assistance. I know so many people who have an advisory board and didn't get assistance as well." (1A)</p>
Profile of the advisor	<p>"I think it would have been difficult to compose the advisory board. I don't think that the people who now serve in my advisory board would ever have agreed to serve if I asked it myself." (2G)</p> <p>"The disadvantage is that we may not have enough confidence about which advisors will be proposed. Something new always arouses some fear." (1D)</p>
Price-quality ratio of the assistance	<p>"You just know you'll have a good start. If we have to choose our advisors ourselves, we might not have the right advisors. Also, you'll have the right meeting, the right preparation, the right timing, everyone who has the right agenda. These are all advantages. You'll get to know those people. You'll also have the opportunity to give feedback or easily do adjustments. I think everything will be easier." (1C)</p> <p>"There will of course be a cost, which you have to weigh up against how your company can handle it. You have to make a cost-benefit analysis of whether this could be an advantage for the company. It will be an advantage, but I don't know whether it is going to be big enough. It is also not only about the costs; you'll always have to put energy in it yourself. That is more important to me than the costs." (1D)</p>

(continued)

Table 2. Representative Data Supporting the Second-Order Themes (continued)

Second-order themes	Representative first-order data
Assistance provider	<p>“The big advantage is that the organization is wide in the market. They are strong in our region. It would be silly that if you are a member and you don’t make use of it. It makes sense that you pay a fee for it.” (2F)</p> <p>“I know that some organization have databases and platforms for advisory board composition. However, I’d rather establish an advisory board on my own. I don’t feel good about it if it’s through a platform, it also makes everything too formal. And if there is a third party involved, I think it will be very commercial, which cannot be the aim.” (1A)</p>

he is now in his early 80’s. We still really appreciate him, and we still ask him for advice, but we start to feel that he has lost touch with certain subjects. I find it a pity that he is not younger anymore. He used to be someone I could exchange thoughts with very well (1C).

On the other hand, the next generation is relatively unlikely to be consulted for advice if they are only recently or not yet active in the firm, as a result of their lack of knowledge and experience. In family firms that are in a further stage of family governance and professionalization, a family council may provide platform for the point of view of other family members:

We do have a family council. As in our advisory board, we discuss what we want to do in the firm. In our family council we discuss what we’ve decided in the management and is less involved in the financials. We keep our direct non-active family members informed and we test their opinion, because it concerns them. We’ve not yet reached the point that we make important decisions about for instance selling shares. They just give ideas, and these are taken seriously. We also discuss to what extent certain matters are important for the family. (2J)

Private network. Several owner-managers explained that they often seek advice from people whom they have close relationships

with, such as friends who are also entrepreneurs or have business knowledge. One interviewee declared that this form of advice might even be one of his most influential sources of advice, giving him confirmation for his own thoughts and actions (see Table 2).

Professional network. By meeting several other entrepreneurs and experts, owner-managers build a large network of people with different expertise whom they can fall back on for advice or sounding board. These rather informal advisors are for instance met during receptions, social networks, trainings, or might be former colleagues of the owner-manager. Depending on the strength of the relationship between one other, these persons might be called in for advice. While some entrepreneurs rather keep the conversations superficial and talk about mutual daily entrepreneurial concerns, for instance non-paying customers, others dare to call each other for an external view on delicate business-related issues. However, some entrepreneurs might not find this advice sufficient, as one respondent said:

While you’re at a reception and you’re talking to your buddy about the firm, it’s a very superficial conversation and I think that is less interesting. In general, your interlocutor is not very interested

in what you say. He wants to talk about himself and I want to talk about myself. These people always refer to their own firms and then elaborate to themselves. Now, that's the enthusiasm someone has about their company. But sometimes it goes too far and then you notice they only want to explain how well they are doing. (30)

An important notice is that people from the professional network of the owner-manager might be candidates for advisory board membership or might be engaged on a contractual basis as formal consultants, bringing us to the next category of advisors.

Consultants. The owner-manager relies on a wide range of professionals who offer assistance in a particular domain. Examples given by respondents include bankers, accountants, lawyers, social secretariats and consultancy firms. They are also referred to as formal advisors by Strike (2012). Although they are recognized as advisors in the family business literature, the owner-manager doesn't see them as such. For instance, one interviewee found that their services are not advisory but executive. The advice given by external consultants is always followed by an assignment, suggesting that this form of advice is less non-committal.

One more distinctive form of consultants is the business coach, offering all-round strategic advice to the owner-manager. These advisors seem to have a closer relationship with the owner-manager. While one interviewee found that their coach is like an associate to them (21), another found that his advisory needs were not satisfied, seeking more practical experience:

At a certain moment you feel their advice is by the book. I absolutely do not break down advisors such as ..., they have great skills and are good

guides. As a young entrepreneur you will feel this less quickly. But as an experienced entrepreneur who has been doing business for a long time; we've huddled through big storms. We have all gone through difficult periods and we endured. We know how we've reacted in the past and what we better shouldn't do again. You really notice when they don't know it anymore and when things get theoretical. From that moment on, I quit. (2F)

Affinity groups. Some entrepreneurs who share similar interests and concerns, regularly meet each other in affinity groups to discuss problems and provide one another with advice. In this closed groups, experiences in solving certain problems are shared in an informal way. The affinity groups are for instance referred to as business clubs or communities of practice by informants.

Advisory boards. There are several reasons for the owner-manager to call in advice of an advisory board. In four cases, recommendations from other entrepreneurs have prompted the advisory board to be set up. Another main argument is growth. While the firm grows, the owner-manager faces new challenges, such as mergers and acquisitions or international expansion, and might have growing pains. Furthermore, owner-managers highly value the knowledge of their advisors and the fresh outside view they give on their business operations, as they admit they've gotten in a tunnel vision, lacking new ideas and creative solutions to their problems.

They give advice, they help you and provide new insights. We always take a blinkered view of the matter. I think it's great to take a look at things through a different lens. It's of great added value to set a new tone and to acquire fresh ideas. (1A)

Some entrepreneurs found that the advisory board is a good substitute for external consultants, as these often charge high rates for their services. Owner-managers also feel strengthened and more confident about their decision making when supported by an advisory board when they have to give account to several stakeholders:

I think that an advisory board can make certain decisions more acceptable. I am convinced that you've made a strong decision when it's supported by the advisory board. If you had to make an unpopular decision, it's really difficult to communicate. But when you're able to say that two or three people have taken a look at the decision, and therefore you can argue why you've made the decision, then I think it might make your decision stronger. This to both the family and the outside world. (1C)

In family firms where multiple generations are active or where succession recently has occurred, the advisory board might also be called in life when the new generation has a need for external advice, or by means of arbitration between two generations.

Finally, a last argument given by owner-managers to set up an advisory board is the professionalization of the family firm. While some owner-managers want to bring in certain knowledge they lack, others see the advisory board as an important step of the professionalization of their firm:

To me, it's a common step in the professionalization of the firm. When I had recruited an external CEO, I decided that I needed an external college to challenge myself, the CEO and the management team. That was a reason to install the advisory board. As with any advisory board which is professionally run, it helps to professionalize your

business. It forces you to be accountable and to report every quarter. (3K)

While there are several arguments of an owner-manager for the installation of an advisory board, there are also arguments to not to do so. Some owner-managers simply indicate that they do not need an advisory board, that their company is too small or that they are put off by the costs. Furthermore, some entrepreneurs are held back by their available time. Respondents indicate that they do not have the time to prepare and attend the meetings of the advisory board. In addition, there is also an argument that the advisory board creates more work in general. However, this is rather a personal argument, since most entrepreneurs recognize that an advisory board is in the best interest of their firm. Most advisory boards on average meet four to six times a year. While one has not enough time, others have urge to be monitored more closely, making the advisory board a less suitable body.

Another important argument is trust. Some owner-managers find it difficult to give inside information about their company to a third party. In addition, they are afraid that the advisors will interfere with business operations or that they cannot do what they want in their own business:

I would have a hard time sharing information with outsiders. It may be a bit suspicious. But to give a foreigner information about my firm... Who knows what this person is going do with the information? There is no trust. And if they give advice, I don't know for sure if I would make use of it. I don't know if I would be inclined to just follow the advice. You have to be critical. I want to do what I want in my own business. (1B)

In family businesses, the owner-manager sometimes has to take the opinion of other family stakeholders into account before installing an advisory board. Other family firm members might not be open for an advisory board, as they run into the abovementioned arguments. Mainly older generations seem to have difficulties with this:

My father is not in favor of the advisory board. I think it's due to our difference in generation. My father is someone who executes. He was always on the field. According to him, matters such as strategy and marketing are only things that cost money. He does not think it makes sense. He thinks it's a waste of time. I also think that for his generation it might be seen as a weakness to call in the advice of others. (2H)

Boards of directors. As the aim of this study is on advisory boards, there were no firms included who had an active board of directors. By some the advisory board is seen as a preparatory step on a board of directors. However, relevant to report is that respondents found that there is no need to install a board of directors, as long as there are no non-family owners in the firm. In addition, some owner-managers find that their advisory board is at the same level as a board of directors. Two interviewees used to have an active board of directors in the past, but as they missed its service and advisory role, an advisory board was brought to life.

Advisory Board Composition

When a family firm's owner-manager has decided to install an advisory board, the next step is to find suitable advisors for advisory board membership. Data analysis has led to nine major factors involved in the appointment process of advisors.

Expertise. One of the heaviest weights in the selection procedure for advisory board membership, is expertise. The process of choice almost always seems to start with a self-reflection of the owner-manager. Based on the missing knowledge in the firm, segments are selected, and expertise is sought. While some firms do not have concrete challenges and prefer to cover a wide range of business segments, others have specific needs and are searching for certain expertise. Owner-managers seem to prefer people with expertise in a business related to, but not exact to theirs.

Experience. Owner-managers highly value the experience their advisors have. Respondents explain that they prefer experienced entrepreneurs to have a seat in their advisory board. Examples given were advisors who already fell down and stood up again, who have a growth perspective and an entrepreneurial mindset. They must also be able to provide advice tailored to the size of the company.

Network. Another element that owner-managers sometimes take into account in their decision, is the professional network of the advisory board candidate. Although this doesn't seem to have a heavy weight in the decision, some owner-managers find it useful to be in the ability to rely on a large network of professionals through their advisors:

The relations one has is really important. One of the requirements I ask to my advisors is that they not only share their knowledge, but also their network. These are important aspects. You can't know everything, people like us with 20 to 30 years of experience in business, we do know a lot, but we also know many people. It is not only what you know, but especially who you know. (3L)

Knowing the candidate. When asking the respondents about their advisory board composition, it was noticeable that there was a lot of difference in the history between the owner-manager and their advisors. Continuing on the previous section, relatives or staff members usually do not take up the position of advisor in the advisory board. However, they do may hold a non-advisory seat when they are operationally involved in the daily management of the company.

People from the private network may also hold a position in the advisory board. In a few cases, close friends from the owner-manager serve in the advisory board. A comment to be made is that despite the strong bond, these people do have business knowledge. Some do consciously prefer not to have friends, as they indicate that they rather not formally involve friends in the firm or that they find that their friends know them too well:

One of my advisors is a childhood friend of mine. He also convinced me to install an advisory board. He's an even more committed entrepreneur than me. However, I won't ask him for advisory board membership again, as he knows me too well. (30)

Furthermore, people from the owner-manager's network thought to be competent are frequently asked for advisory board membership. These do not necessarily have to have close relationships with the entrepreneur. Referrals for advisors can also come from the owner-manager's network, giving the candidates credibility.

Apart from the relationship between the owner-manager and the advisor, respondents sometimes seem to find it important that there

is a certain continuity in the advice granted by advisors. Therefore, people who already have experience in advising the firm are asked for advisory board membership. Usually these people seem to have a trusted relationship with the owner manager:

In our advisory board I spend a lot of time explaining how our business works. That is why I wanted a third advisor who knows us very well. I don't have to explain everything to him. Also, because I think it is important to have continuity in the advice. (21)

Trust. One of the most recurring arguments that the respondents gave was trust. There is almost a general agreement that trust is an essential factor in advisory boards. As one informant noted, "*it would be terrible if someone would go public with for instance our financials, you can make a competitor very happy with that. I think everyone would react emotionally to that.*" (3A). Without trust, it is virtually impossible to be entirely transparent in the advisory board.

Feeling connected. Several owner-managers have indicated that their choice of advisor was determined by the connection they felt with the candidate for board membership. Respondents said that there has to be a match between the personalities of the advisor and the owner-manager, between the advisor and firm's culture and between advisors serving in the advisory board. Owner-managers seem to rely on their gut feeling. One informant made the comparison with recruiting staff.

Personality. When talking about personality, owner-managers seem to prefer an advisor who is not a yes-man. The entrepreneur wants to be challenged by their advisors. In this re-

spect, the advisors have to express their point of view, be critical and straightforward. Besides that, they have to stay resolute in their advice; they have to maintain their position and not constantly change their mind. Another personality trait is openness, as interviewees found that advisors should be open to be open themselves.

Related to this, respondents want their advisor to understand the dynamics in the firm they attach importance to and show empathy for that. In two cases, an advisor did suggestions that were not in line with the family's vision, which displeased the owner-manager:

Our advisory board told us to stop one of our production lines and throw some customers out, because they were less profitable. I understood them, but what about our employees? Do we have to throw them out too? No one leaves us unless they retire. I had a hard time with that, those are drastic decisions. (2J)

Family agreement. A remarkable phenomenon was that some owner-managers ask for the permission of their active family members. In two cases, other family members only agreed when an advisor of their choice could also be appointed:

Although I have relied on external assistance in the composition of my advisory board, I appointed one advisor by myself. He is a former confident of my father. I appointed him to make the link to my father, so he doesn't feel pushed aside. (2H)

Changing advisors. Most respondents mention that the advisory board is something they want to keep over a long term. However, some admit that their current composition will be revised after a while. Arguments given are that there is a risk that the advisors get to know the

owner-manager too well, or that the advisory board might be in need of a fresh perspective.

Use of External Assistance

In the analysis it became clear that there are several factors influencing the arguments of the owner-manager whether or not external assistance is going to be relied on. These factors can be divided in four general categories: the needs of the owner-manager, the profile of advisors for board membership, the price-quality ratio of the assistance, and the organization that offers the assistance.

Needs of the owner-manager. An evident argument given by informants to rely on external assistance is that they do not know how to start with the formation of the advisory board. They admit that they do not know where to find suitable advisors or how to organize the advisory board itself. An informant also indicated that you can hardly do without if you want a professionally running advisory board (1C). Furthermore, as the owner-manager has a lack of time, external assistance is seen as an appropriate manner to set up an advisory board.

When considering arguments of not calling in external assistance, respondents indicate that they know other people who have successfully installed an advisory board or that they know how to do it themselves. Additionally, some also do not feel the urge to be closely monitored by an external party.

Profile of the advisors. As some owner-managers have difficulties with finding suitable advisors, external assistance is seen as reliable manner to do so. Informants seem to highly value assistance, as they find it a guarantee on having professional advisors in their advisory

board. They indicate that it is also an opportunity to reach certain profiles who would be inaccessible if they were contacted by themselves. External assistance therefore removes barriers and anxiety in contacting people they do not know. Furthermore, one respondent found that if advisors are chosen this way, impartiality to other family and management team members is assured:

I had someone in mind. But then it is someone who comes in through me again. It will look like as if this person is going to be on my side. I just think you are stronger if we choose two or three members to join together with the team. (1C)

Considering the arguments of owner-managers of not calling in advice with regard to the advisors, some owner-managers have their doubts about which advisor is going to be proposed. They seem to find that the advisors who present themselves in this way, would not match their expectations of a good advisor. In addition, another argument given is that these advisors already serve in several advisory boards or just want to earn some extra money:

I have been sent a couple of names. But some of them really didn't match us. I have seen a couple of people whom I really didn't need to serve in my advisory board. There are a couple of people in that market who profile as an advisor that want nothing more than to make some extra money. I don't want to say that those people know nothing about it. But this shouldn't be the challenge of your advisory board. (3M)

Price to quality ratio of the assistance.

When looking at the assistance itself, informants find that it is a guarantee to a good start and a well-run advisory board. Secondly, the fact that everything is taken care of is seen as a great added value, as some owner-managers

admit that they are negligent in it or that they want to learn how to do it themselves. Furthermore, there is someone looking over the shoulders of the entrepreneur, who makes adjustments to the advisory board if needed and helps with the evaluation of the advisors.

The most common argument of not calling in external assistance is its cost price. However, mostly this is put into proportion to the services provided.

Assistance provider. A main argument given by informants who had assistance is that they had trust in the organization who offered the assistance. Besides that, the fact that the organization is widely marketed and has experience with it, played part in the decision to be assisted. However, some owner-managers do not want to be attached to an organization or find that it is too commercial.

Discussion

As the above analysis showed, the family owner-manager is surrounded by various sources of advice. This is consistent with findings of previous studies, such as described by Strike and colleagues (2018) in their review on family business advising. In addition, I found that staff members form a valuable source of advice. However, their capacity as advisor can be put into perspective by the fact that it is part of normal business processes. Therefore, this source might not be seen as advice in the literature. Furthermore, research indicated that advice is also often sought from affinity groups, where entrepreneurs meet to discuss business-related topics and provide one another with advice based on their experiences. Membership in this groups might sufficiently satisfy the

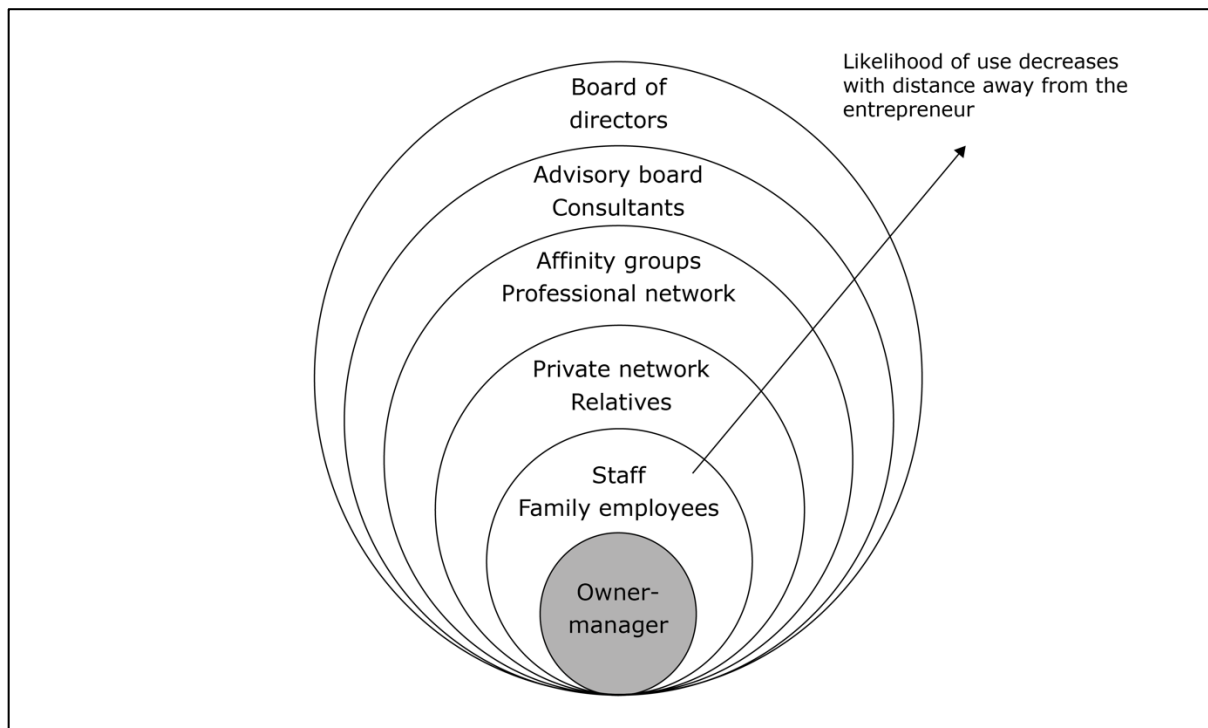


Figure 4. Advising system of the family owner-manager. Adapted from Yusuf (2012).

advisory needs of the owner-manager, which can lead to the entrepreneur not being in need of an advisory board. Although this can also have an enhancing effect, as in some cases an advisory board has been recommended by such groups. Additionally, membership in affinity groups familiarize the owner-manager with sharing confident information about the firm with outsiders, which in turn lowers the threshold of installing an advisory board.

Previous research conducted by Jansen and Weber (2004) has suggested that there is a hierarchical system which displays several support sources an entrepreneur consult. This can also be used to map advisors. Based on the analysis, I brought together the different sources of advice in a conceptual model based on this hierarchical system, as shown in Figure 4. The fact that advisory boards are further removed from the core, might be explained by

the financial compensation and the level of trust required that form a threshold for the owner-manager. An important note is that this figure illustrates the situation before an advisory board is installed, as the informants indicated that the advisory board is often held very close to the management and is a trusted body once installed.

In regard to the motives of a family owner-manager in whether or not installing an advisory board, the findings suggest that growth is a main argument. Besides that, owner-managers may feel the need of an outside perspective, want to give more strength to their decisions, or want to bring more knowledge into the company. The findings in this area are consistent with previous research on boards and governance (Hall & Stover, 2016; Fiegenger et al., 2000). Furthermore, the data shows that advisory boards may be called in life as a result of

the arrival of a new generation, supporting previous research indicating that there is a need for outside arbitration when more family members become active in the firm (Kellermans & Eddleston, 2004; Voordeckers et al., 2007). Next to arbitration, the findings propose that firms where succession has taken place are more likely to install an advisory board, as the new generation has a need for a sounding board or when the family sources of advice from the former generation are no longer sufficient.

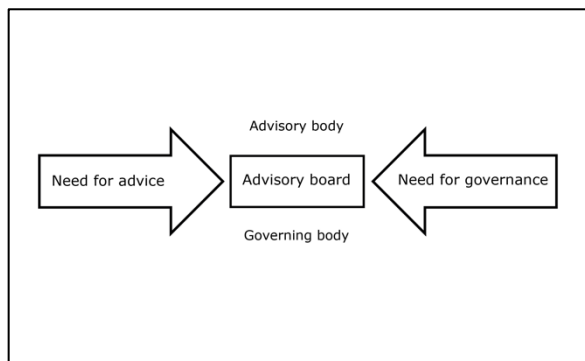


Figure 5. Perspectives on an advisory board.

Previous research on boards has revealed that an advisory board is established by means of professionalization and that it can be seen as a transition step between a family board to a business board (Hall & Stover, 2016; Matser, et al., 2013). These findings are supported by this multiple-case study. However, while the main literature considers advisory boards as a governing body, the findings of this study suggests that in some cases an advisory board is rather seen as a means of amplifying the owner-manager and the management team with knowledge they lack. From this point of view, an advisory board is often seen as a cheaper substitute to consultancy, rather than an approachable board of directors. In other words, an advisory board forms the bridge between an

advisory body and a governing body, implying that an advisory board can fulfil two entirely different needs. Figure 5 illustrates these two perspectives on advisory boards.

The current literature on advisory boards provides no relevant insights into the motives to not install an advisory board. Data analysis suggests that owner-managers often think their company is too small, that the costs are too high, that they are not willing to make time for it, that they are reluctant to provide others with information about their company as a result of a lack of trust, that other family members do not want it, or argue unfairly that they want to do what they want in their own business. Furthermore, the findings suggest that older generations are less likely to be open for the installation of advisory board. These people, as well as others who are held back by trust issues or do not often consult others for advice, seem to rely more on classic sources of advice, such as accountants or bankers. As these sources are often seen as most trusted advisors (Strike, 2013), this might suggest that owner-manager who rely heavily on the most-trusted advisor, will be less likely to install an advisory board.

When the family owner-manager has decided to install an advisory board, convenient advisors have to be sought. Based on the analysis, the factors influencing the process of choice are brought together into a grounded model, as presented in Figure 6. This model suggests that the underlying process consists of first taking objective criteria in account, in particular the expertise and experience an advisor has, and the size of its network. Next, when the objective criteria are satisfied and possible

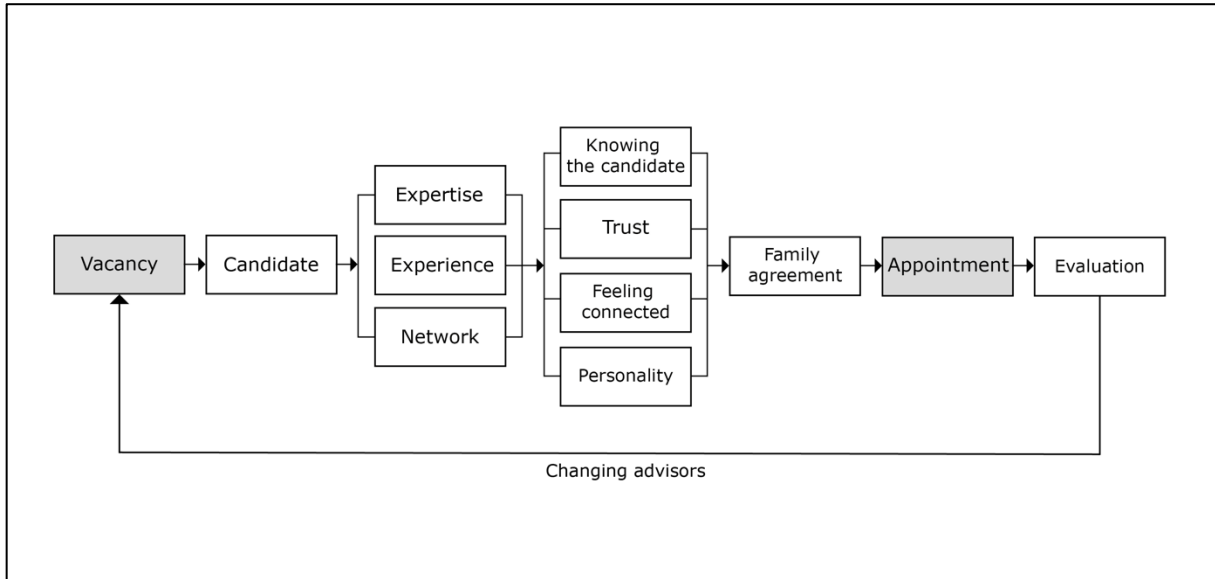


Figure 6. The appointment process of an advisor.

candidates are found, owner-managers follow a more subjective process, based on interpersonal experience. Ultimately, when the desired advisor is found, the approval of the family is requested.

Considering the objective criteria, expertise in a specific field forms the main element in the selection procedure of an advisor. Followed by experience this person has in his field or as an entrepreneur and the size of its network. This is partly supported by the findings of Nicholson et al. (2010), who suggest that advisors are chosen by relevant experience and reputation. In this case, the size of the network might be seen as a parameter for reputation. Furthermore, the data analysis suggests that owner-managers who have a specific advisory need and see the advisory board as an advisory body, as suggested in Figure 5, are more likely to be in search of specific expertise, while owner-managers who are looking for a governing body, seek the widest possible and more gen-

eral expertise. The latter group might also attach more importance to the network of the advisor.

When looking at the more subjective arguments, owner-managers tend to prefer people that are part of their private or professional network, regardless of the strength of the relationship. These findings are in line with previous research, which suggests that family owner-managers are more likely to rely on people with whom they share social bonds or are similar to themselves, such as people with a common professional background and friends (Ibarra & Andrews, 1993; McDonald & Westphal, 2003). As Fiegner (2010) proposed, the findings of this study confirm that advise is often sought with family members. However, the analysis refutes the suggestion that family members are relied upon for advisory board membership. The cases have taught that family members active in the firm may hold a seat in the advisory board but are usually not formally

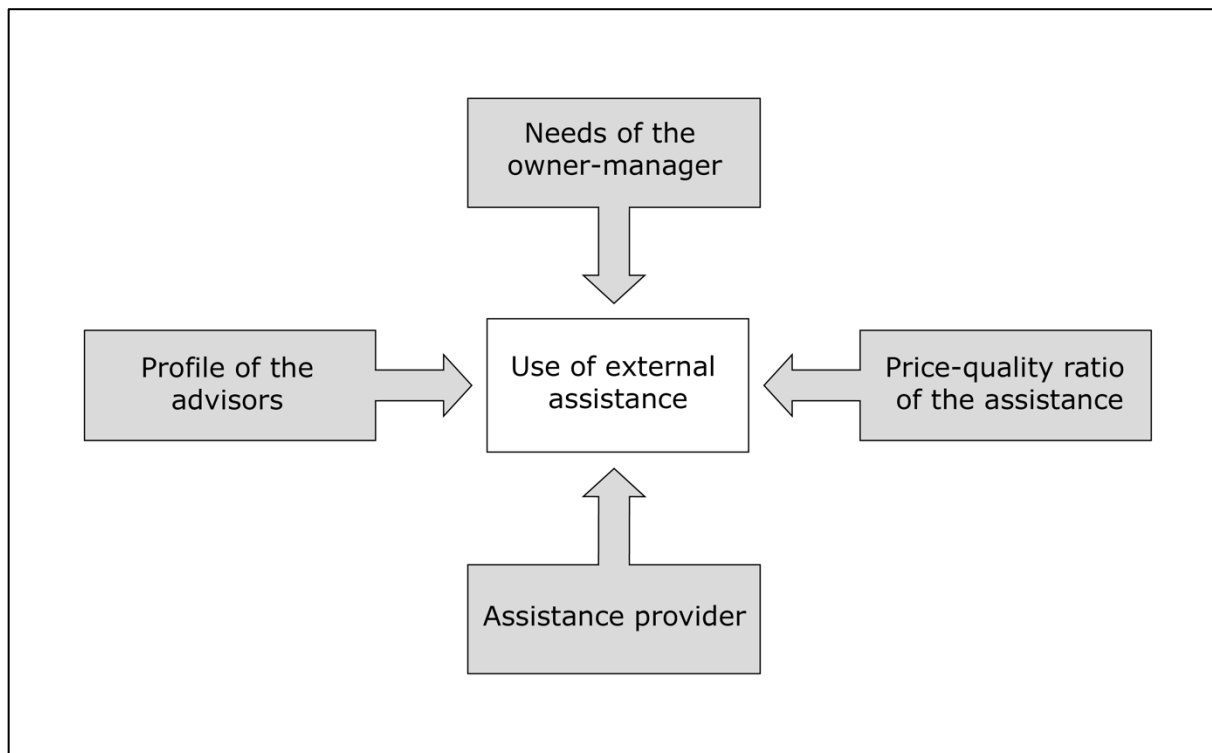


Figure 7. Factors determining the choice of relying on external assistance.

hired as board advisor. Furthermore, other family members involved in the firm seem to find a better platform in a family council, which affirms earlier research that proposes that a family council empowers passive shareholders to give voice to issues and concerns (Poza & Daugherty, 2014).

Besides knowing the candidate, trust forms a crucial determining factor in the appointment of an advisor, which again confirms earlier research on advisory board composition (Nicholson et al., 2010). Although it is in a way related to trust, owner-managers seem to prefer advisors whom they feel connected to and whose personality meets their expectations, for instance by being critical, open and straightforward. The findings in this area support earlier findings from research on social networks (Ibarra & Andrews, 1993; McDonald & Westphal,

2003). Ultimately, this model points out that family agreement is a final factor in the selection process. In family firms there are often different actors who must agree with the decisions the owner-manager makes. This implies that other family members also have to feel comfortable with the advisors, which complicates the choice of an advisor and the composition of an advisory board. This suggests that family firms with different active generations in the daily management, or in case of CEO duality, have more difficulties in advisory board composition. This might lead to external assistance being relied on for establishing the advisory board.

The final pattern arising from the data analysis is a model is brought together in Figure 7. This model suggests that the choice of an owner-manager to rely on external assistance is

determined by four general forces, being the needs of the owner-manager, the profile of the advisors suggested by the assistance, the price to quality ratio of the assistance, and the organization that offers the assistance. The findings do not completely support the propositions in previous research that suggest that external assistance is seen as a last resort (Jansen & Weber, 2004; Yusuf, 2012). However, as the findings suggest that owner-managers are more likely to let people from their network serve in an advisory capacity, this can have an impeding effect on invoking an external institution for the installation of an advisory board.

Furthermore, the findings suggest that regarding the advisors suggested by the external assistant, some owner-managers are afraid that these profiles would not be sufficient for their firm. Although this is a premature stance, this mainly occurs in larger firms, as they look for profiles on a higher level. This might suggest that larger firms are less likely to call in external support. Moreover, regarding the quality of assistance offered, owner-managers often seem uncertain about the value for their money, which is confirmed by earlier research by Kailer (2000).

A final remark is that, as owner-managers value the presence of a trusted person or someone who has affinity with advising the firm, they seldom trust entirely on external institutions for assembling the advisory board.

Contributions to Knowledge and Practice

This study was performed with the purpose of increasing our understanding of the process of choice of advisors for advisory board membership and whether a family owner-manager is

going to rely on external assistance for this. By bringing together several distinct research streams, it is the first article providing a practical approach on the composition of advisory boards in family firms. This study makes three main contributions to the literature on advising and governance in family businesses:

First, this study identifies the advising system of the family owner-manager. Previous research on advising in family firms already uncovered different types of advisors in family firms (Strike et al, 2018). However, this study is the first to bring the advisors together in a conceptual hierarchical model, providing insights into the advice-seeking behaviors of the owner-manager. This model provides an answer to the call for research on what types of advisors family business decision makers do trust the most (Strike et al, 2018). Furthermore, it also provides a foundation for future scholars to base further research on how the advisors within this system relate to each other.

Second, as outlined in Figure 6, this study offers insights into the underlying process of choosing advisors in family firms. To date, only little research has been conducted in how family firms choose advisors (e.g. Ibarra & Andrews, 1993; McDonald & Westphal, 2003). This study contributes to the literature by giving insight into the objective and subjective constructs that influence the choice, addressing the call to increase understand the process of choice of advisors (Strike, 2012). This model is important to understand and further research the choices a family owner-manager makes in the selection process of an advisor.

Third, the findings show that there are four general factors determining whether external assistance is relied on for advisory board composition. Previous research has explored why some entrepreneurs use outside assistance programs in general (Yusuf, 2008). However, understanding why external assistance is relied on in the specific context of advisory board composition has remained elusive. Therefore, this study contributes to the literature by giving a more practical insight in the ways how advisory board composition can take place.

In addition to the contributions for scholarly research, the insights of this study suggest a number of practical implications for institutions who offer external assistance. As this study offers more insight into the thinking patterns and preferences of a family owner-manager, the institutions can rely on the propositions of this study to recognize certain phenomena and then act accordingly. In this regard, family firms can be better supported in the composition and installation of their advisory board, leading to better functioning advisory boards. However, more research is needed to develop immediate usable applications.

Limitations and Directions for Future Research

The results of this study should be considered in the light of some limitations. First, the research sample solely consists of informants who are active members of a Chamber of Commerce in one geographical region. These people are more likely to have a larger personal network as a result of their networking activities. Because of this, these owner-managers might also feel more comfortable in providing outsiders with information about the firm. This

could have an influence on their advice preferences. In addition, the findings might be subject to geographical differences from other regions. Expanding the sample to a wider range of family firms with a geographical variance, could make the findings more robust.

Second, the majority of respondents within the category of firms who have no advisory board had clear ambitions of installing an advisory board in the near future. Therefore, only a limited view has been formed on the motives of owner-managers that do not want to install an advisory board. Further research within this category may enable scholars to uncover more factors determining whether an advisory board is going to be installed and external assistance is going to be used.

Finally, as a result of the COVID-19 crisis, interviews with informants had to be conducted online. As some people do not feel comfortable with doing online conversations, it felt more difficult to gain the trust of these respondents, resulting in less personal and shallow conversations without spontaneity. Fortunately, this did not occur in many interviews. I tried to minimize any shortcomings by asking as much as possible questions, so that enough information was collected. Although there were less spontaneous answers from these people, which could have led to new theories.

The findings of this study suggest that trust plays an important role throughout the whole process of selecting advisors. In future research, scholars may extend these findings and study how trust further affects the installation of an advisory board in family firms. Especially interesting would be to investigate how the advisory board relates to the most trusted ad-

visor and whether the advisory board can become a most trusted advisor. In addition, as informants made the comparison between selecting advisors for advisory board membership and recruiting employees, it might be gainful to explore the commonalities between these two topics to expand knowledge in this emerging literature stream. Ultimately, in certain cases resistance against advice occurred, as it was not in line with the vision of the owner-manager. Therefore, future researchers may explore the advice-taking preferences of the owner-manager to get more insight in how to advise a family owner-manager both efficiently and effectively.

Conclusion

This study seeks to develop knowledge about why some owner-managers obtain external assistance for advisory board composition while others do not. Using a descriptive multiple-case study approach, this study developed three conceptual models providing several insights. The first one hierarchically illustrates the advising system of a family-owner manager, the second one represents the appointment process of an advisor, and the last one offers insights in the general factors that determine whether external assistance will be used for advisory board composition.

This article adds to the body of theory related to family business advising and governance in family firms. It contributes to knowledge by providing answers to calls to increase understanding in the process of choice of advisors and calls for more research on what types of advisors in family business trust the most. The insights of this study can help future scholars

to understand and further research phenomena related to advisory board composition and family firm advising in general. This study also has important practical implications, as institutions who offer external assistance in advisory board composition can rely on the propositions of this study.

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Attachments

Interview guide

Inleidende vragen

1. Wat is uw rol binnen het bedrijf?
2. Wat is uw leeftijd?
3. Hoe lang bent u al actief in het bedrijf?
4. De hoeveelste generatie is actief in het bedrijf?
5. Hoeveel FTE telt het bedrijf?

Advies in het familiebedrijf:

1. Wie vormt, buiten u, het dagelijks bestuur van de onderneming?
2. Als u mensen vraagt om advies met betrekking tot uw onderneming, over welke topics gaat dit dan?
3. Welke partijen/bronnen consulteert u hiervoor? (buiten de RvA). Waarom deze bronnen?
4. In welke mate betreft u familie bij besluitvorming in de onderneming? Vraagt u hen soms om advies?
5. Heeft u een familieraad?
6. Heeft u een actieve, professionele raad van bestuur?
7. Heeft u andere adviesorganen?

Raad van advies (voor bedrijven met een RvA):

1. Hoe is uw Raad van Advies ontstaan?
 - a. Heeft generatiewissel hierin meegespeeld?
2. Hoe bent u begonnen aan het opstarten van uw Raad van Advies?
3. Heeft u hulp gehad bij het oprichten van uw Raad van Advies?
 - a. Van wie?
 - b. Waarom deze hulpbron?
 - c. Hoe ervaarde u deze hulp?
 - d. Er bestaan organisaties die u hierbij in kunnen bijstaan. Waarom heeft u zich hierop (niet) beroept?
4. Wie maakt onderdeel uit van uw Raad van Advies?
 - a. Zijn dit mensen die u hiervoor al kende?
 - b. Wat is de achtergrond van deze leden?
5. Welke criteria hebben meegespeeld in de keuze van adviseur?
6. Welke vaardigheden van de adviseur waren voor u belangrijk?
7. Zetelen er ook familieleden in uw Raad van Advies? Waarom?
8. Welke zaken bespreekt u binnen de Raad van Advies?
9. Wat is de positie van de Raad van Advies in de lange termijn visie?

10. Wat is de mening van de familie ten opzichte van de Raad van Advies?
11. Hoe ervaarde u het delen van informatie van uw bedrijf met buitenstaanders?
 - a. Had u het hier moeilijk mee?
 - b. Kan u de feedback van de adviseurs goed aanvaarden?
 - c. In welke mate vertrouwt u deze mensen?
12. Bent u over alle zaken van uw bedrijfsvoering volledig transparant?
13. Wat zijn de belangrijkste lessen die u heeft geleerd?
14. Wat zijn voor u de grootste voordelen en nadelen van een Raad van Advies?
15. Wat zijn voor u de grootste voordelen en nadelen van het invoeren van een extern hulpkanaal bij het oprichten van een Raad van advies?

Raad van advies (voor bedrijven zonder RvA):

1. Heeft u al gehoord van een Raad van Advies? (vooraf te toetsen)
2. Heeft u ooit al overwogen om een Raad van Advies op te richten?
3. Waarom heeft u deze stap nog niet gezet? Welke criteria spelen hierin mee.
4. Waarom gaat u deze stap zetten?
5. Wat zijn voor u de grootste voordelen en nadelen van een Raad van Advies?
6. Zou u het er moeilijk mee hebben om informatie over het bedrijf te delen met buitenstaanders?
7. Als u morgen een RvA zou oprichten, hoe zou u hiervoor aan de slag gaan?
8. Er bestaan externe organisaties die helpen bij het opzetten van een raad van advies. Wat zijn voor u de grootste voordelen en nadelen van het invoeren van een extern hulpkanaal bij het oprichten van een Raad van Advies?

Slot

Is er nog iets wat nog niet aan bod is gekomen wat u graag met mij wenst te delen? Of heeft u nog vragen over hetgeen we besproken hebben?