



# The family office in Spain: an exploratory study

The family  
office  
in Spain

Elena Rivo López, Nuria Rodríguez López and  
Beatriz González Sánchez  
*University of Vigo, Vigo, Spain*

35

## Abstract

**Purpose** – The purpose of this paper is to gain insight into the features that the business structure known as a Family Office (FO) has in Spain by considering it as a useful tool for businessmen to manage and/or diversify their wealth. After reviewing the available literature, the authors put forward a model for the constitution of an FO in terms of a system of interdependent variables which prove useful in making sense of the different forms in which Spanish FOs are organized, governed and, ultimately, evolve.

**Design/methodology/approach** – The authors employed a case study method, selecting a sample of six Spanish FOs, being careful in that they stand for each of the different types of FO that have been distinguished in the literature. This research method is appropriate insofar as the notion of degree of development – even though it is acknowledged that applies in the business practice – has not been properly understood yet to the point that sound conceptual grounds for its study can be established.

**Findings** – We have identified and discerned among three variables which prove useful in understanding the constitution and development processes of an FO, namely: objectives-scope of activity; structure-outsourced to in-house ratio; and governance bodies. The relation between these variables and the development of an FO can be made manifest in terms of three propositions of a heuristic nature based on this case study. The authors can explain the relation between these variables and the degree of development of an FO in this way, and with it contribute foundational elements for the development of a theoretic framework that is appropriate for pursuing further research on the factors that can enhance the performance of an FO.

**Research limitations/implications** – The companies that have been sampled in this case study, even though complying with the significance criteria in a case study scenario, do not comprise the totality of operating Spanish FOs. Thus, in spite of the adequacy of this method, the results obtained cannot be extended as they are to the entire population of Spanish FOs. Nonetheless, they are helpful in suggesting a theoretic framework for a subsequent statistical study that can either reinforce or weaken the theoretic elements suggested.

**Practical implications** – Given the small-sized deployment of the FO in Spain – about only ten per cent of those located in Europe – it seems important to make available to family firms what the main motivations and rationale for setting an FO may be, together with the best conditions to proceed doing so, thus expanding their knowledge on what the most appropriate structures and governance bodies are and what the consequences of the decisions taken in those regards may be.

**Originality/value** – A number of studies, most of them conducted by America-based researchers, have been conducted in the recent past, with the aim of analyzing the deployment of FOs and the consequences for the entrepreneur family. Nonetheless, given the relatively recent constitution of this kind of structure, the number of studies devoted to it is still comparatively scarce. This is even more significant when it comes to the study of Spanish firms. Hence, this study impinges not only on the improvement of our understanding in terms appropriate for suggesting – and with further research, maybe establishing – a theoretic framework needed for any general study, but also on the optimization of the FO management.

**Keywords** Spain, Family office, Business development, Governments, Organizational structures, Wealth, Outsourcing

**Paper type** Case study



## Resumen

**El Propósito** – El propósito del presente estudio es conocer las características de la estructura de negocio conocida como una “Family Office” (FO) en España por considerarla como una herramienta útil para que los empresarios gestionen y/o diversifiquen sus patrimonios. Después de revisar la literatura disponible, proponemos un modelo para la constitución de una FO en términos de un sistema de variables interdependientes que son útiles en dar sentido a las diferentes formas en que se organizan, gobiernan y evolucionan las FOs en España.

**La Metodología** – Para realizar nuestra investigación, hemos recurrido a un método de estudio de caso. Hemos seleccionado una muestra de seis FOs Españolas teniendo cuidado en que representen cada uno de los diferentes tipos de OF que han sido distinguidos en la literatura. Este método de investigación es apropiado en la medida en que la noción de grado de desarrollo, aunque se reconoce que se aplica en la práctica empresarial – aún no ha sido entendido correctamente hasta el punto que se pueden establecer motivos conceptuales sólidos para su estudio.

**Los resultados** – Hemos identificado tres variables que son útiles en la comprensión de los procesos de constitución y desarrollo de una FO, a saber, (1) objetivos-ámbito de actividad, (2) estructura – ración subcontratar para relación interna y (3) órganos de gobierno. La relación entre estas variables y el desarrollo de una FO se manifiesta en términos de tres proposiciones de carácter heurístico basado en nuestro caso de estudio. Podemos explicar a la relación entre estas variables y el grado de desarrollo de una FO de esta manera, y con ello contribuimos con fundamentos para el desarrollo de un marco teórico adecuado para realizar más investigaciones sobre los factores que pueden mejorar el rendimiento de una FO.

**Las limitaciones/implicaciones de la investigación** – Las empresas que han sido estudiadas en nuestro caso de estudio, a pesar de cumplir con los criterios de significancia en un escenario de caso de estudio, no constituyen la totalidad de las FOs Españolas. Así, a pesar de la adecuación de nuestro método, los resultados obtenidos no pueden generalizarse para toda la población de FOs. No obstante, son útiles para proponer un marco teórico para un posterior estudio estadístico que puede reforzar o debilitar los elementos teóricos sugeridos.

**Las limitaciones/implicaciones prácticas** – Dado el pequeño despliegue de la FO en España – sólo diez por ciento de las que se encuentran en Europa – parece importante poner a disposición de las empresas familiares las principales motivaciones y fundamentos para el establecer una FO, junto con las mejores condiciones para continuar haciéndolo, ampliando sus conocimientos sobre lo que las estructuras y órganos de Gobierno más adecuados son y lo que pueden ser las consecuencias de las decisiones tomadas en esos aspectos en lo que respecta a la FO.

**La originalidad/el valor** – Un número de estudios, la mayoría de ellos realizados por investigadores americanos, se han realizado en los últimos años con el objetivo de analizar el despliegue de FOs y las consecuencias para la familia del empresario. Sin embargo, dada la reciente constitución de este tipo de estructura, el número de estudios dedicados a ella aún es relativamente escaso. Esto es aún más importante cuando se trata del estudio de las empresas españolas. Por lo tanto, nuestro estudio incide no sólo en la mejora de nuestra comprensión en términos adecuados para sugerir – y con más investigación, establecer tal vez establecer – un marco teórico necesario para cualquier estudio general, sino también en la optimización de la gestión de las FOs.

**Palabras clave** gestión de riqueza, estudio de casos, externalización, órganos de gobierno, grado de desarrollo

**Tipo de artículo** Estudio de casos prácticos

## Resumo

**Propósito/Objetivo** – O objetivo deste estudo é conhecer as características da estrutura de negócios conhecido como “Family Office” em Espanha por considerá-lo como uma ferramenta útil para os empresários gerirem e/ou diversificarem o seu património. Depois de uma revisão da literatura disponível, propomos um modelo para a constituição de um FO em termos de um sistema de variáveis interdependentes que são úteis para dar significado às diferentes formas de organizar, governar e desenvolver FOs em Espanha.

**Metodologia** – Para fazer nossa pesquisa, recorreremos ao método de estudo de caso. Seleccionámos uma amostra de seis FOs espanholas garantindo que representam cada um dos diferentes tipos de que se distinguiram na literatura. Este método de investigação é apropriado na medida em que a noção de grau de desenvolvimento, embora se reconheça que se aplica na prática de negócios - não foi ainda correctamente compreendida até o ponto de poder definir razões conceituais sólidas para estudo.

**Resultados** – Identificamos três variáveis que são úteis na compreensão dos processos de constituição e desenvolvimento de um FO, ou seja, (1) objetivos-âmbito de actividade, (2) estrutura – ratio subcontração para relacionamento interno e (3) órgãos do governo. A relação entre essas variáveis e o desenvolvimento um FO manifesta-se em termos de três proposições de natureza heurística baseada no nosso estudo de caso. Podemos explicar a relação entre essas variáveis e o grau de desenvolvimento de um FO dessa maneira e contribuir assim para as fundações do desenvolvimento de um quadro teórico adequado para futuras pesquisas sobre os fatores que podem melhorar o desempenho de um FO.

**Limitações/implicações da investigação** – As empresas que foram estudadas neste estudo de caso, apesar de cumprirem os critérios de significância de um estudo de caso, não constituem a totalidade dos FOs espanhóis. Assim, apesar da adequação do nosso método, os resultados não podem ser generalizados para toda a população de FOs. No entanto, eles são úteis para propor uma estrutura teórica para um posterior estudo estatístico que pode fortalecer ou enfraquecer os elementos teóricos sugeridos.

**Limitações/Implicações práticas** – Dada a pequena implantação de FOs em Espanha - somente dez por cento daqueles encontrados na Europa – parece importante colocar à disposição das empresas familiares as principais motivações e fundamentos para estabelecer um FO, juntamente com as melhores condições para continuar a fazê-lo, ampliar seus conhecimentos sobre que estruturas e órgãos de direcção são mais adequados e o que podem ser as consequências das decisões tomadas nesses aspectos no que se refere a FOs.

**Originalidade/valor** – Vários estudos, a maioria deles realizados por pesquisadores americanos, têm sido feitos nos últimos anos com o objetivo de analisar a implantação de FOs e as consequências para a família do empresário. No entanto, dada a recente criação deste tipo de estrutura, o número de estudos ainda é relativamente baixo. Isto é ainda mais importante quando se trata do estudo das empresas espanholas. Portanto, o nosso estudo afecta não só a melhoria da nossa compreensão para sugerir - e com mais pesquisas, talvez estabelecer- um quadro teórico necessário para qualquer estudo geral, mas também para a optimização da gestão de FOs.

**Palavras-chave** gestão de fortunas, estudos de casos, a terceirização, órgãos governamentais, o índice de desenvolvimento

**Tipo de artigo** Estudo de caso

## 1. Introduction

A family office (FO) is a private company devoted to the management of a family's investments and trusts (Amit *et al.*, 2009). The company's assets are those belonging to the family, usually as a result of savings accumulated throughout several generations.

Only two types of FOs are distinguished in international research, namely FOs devoted to a single family, also known as single-family offices (SFOs), and those involving assets from different families, or multi-family offices (MFOs).

The majority of international research is focused on SFOs, and our contribution also concerns this particular structure. The scope of activity of an SFO spans administration, management of the provision of personal services, and management of investments. This makes a truism of any case study implicitly tackling all three of these branches simultaneously (even though they are actually developed to different extents). The most significant distinguishing trait of the approach we put forward in this contribution is that we have considered a classification scheme in terms of the SFO's scope of activity.

An FO can be devoted to tasks ranging from the provision of personal services, such as those related to household and travelling management, to investment strategies in venture capital or development capital. Given the large costs of operation brought about by an SFO, utilizing such a structure is considered advisable only when starting up from a fortune in excess of US\$100 million – about 64.7 million euros at the time of writing (Casado *et al.*, 2008). However, figures change according to geographic areas in such a way that, while in Europe we can find a larger number of FOs in families with wealth in excess of US\$1 billion, in the Americas FOs are set in their majority by those wealthy families whose fortunes are in the interval from US\$100 to 500 million (Amit *et al.*, 2009).

The current number of FOs operating in Spain has been estimated as being between 70 and 80, which amounts to a percentage of up to about 10 or 11 over the total number of European FOs (Casado *et al.*, 2009). We think that this number will increase significantly over the next few years, thus making the research on FOs a core topic where down-to-earth business and trading practice is concerned, as well as a suitable subject for academic research. Such a class of structures has not been studied thoroughly to date; evidence in favour of this statement is seen in the scarcity of academic and research publications on the subject. Moreover, the largest fraction of the available literature refers to the US, which highlights yet another reason to bring to the forefront case studies relating to Spain.

In the present exploratory research, we try to display the different forms in which Spanish SFOs are set and governed. Our main objective is to shed some light onto the variables that contribute to the creation and development process of an SFO. To this end, we introduce a model for the constitution of such a structure in which we identify four variables, namely:

- (1) scope of application;
- (2) asset allocation;
- (3) organizational structure; and
- (4) governance bodies.

Our study of six cases of Spanish SFOs proves useful in assessing the adequacy of our four-variable model as a tool to determine what an SFO has achieved in terms of degree of development.

## 2. A review of the literature

While, as mentioned above, literature on the modern FO is scarce, this is true to an even larger extent when it comes to the SFO (Amit *et al.*, 2009). The main reason for this is that families enjoying high incomes are zealous when it comes to their privacy. Another reason is that the notion of an SFO comprises a manifold of structures, ranging from one in which a single family member is in charge of the administration for his/her own family – perhaps assuming further responsibilities – to one in which an entire team of professionals is focused on investments, accounting, legal issues, and the provision of personal services (Avery, 2004; Martiros and Millay, 2006).

The traditional notion of an SFO revolves around a business managed by and for a single family. Its functionality is focused on centralizing the management of the fortune owned by a family. More often than not, such an organization hires workers in order to manage investments, philanthropic activities, trusts, and legal issues. The objective

is transferring the family's fortune from one generation to the next. The SFO invests the family's money, manages all of their assets, and pays family members as stipulated.

We have extracted a number of proposals for a definition of an SFO from the literature. Thus, according to Curtis (2001), it is "a structure set in order to manage the assets of a very rich family", whereas Wolosky (2002) considers it as "an organization to support the financial needs of a given family – building up from the assignment of strategic assets addressing the preservation of records and reporting activity". Finally, Avery (2004) defines it as "a center of influence and stability to help exceptionally wealthy families ensure the preservation and growth of their financial assets and family heritage".

Building upon these theoretic standpoints, and in searching for a single statement which is both wide enough in its coverage and simple enough in conceptual terms that its meaning can be immediately apprehended, the following definition of an SFO has been introduced by Amit (2006): "A centre of professionals devoted to the financial and personal needs of a family with a large fortune". This is precisely the notion that we keep in mind while conducting our case study and developing this contribution.

### *2.1 The rationale for setting up a FO*

As soon as a family business achieves significant success, it begins to face a number of challenges. These include managing:

- the family business itself;
- the fortune accumulated through time; and
- the provision of services demanded by the family.

In such a scenario, many wealthy families resort to professional assistance for the management of their assets, usually in matters relating to accounting and book-keeping (Wolosky, 2002). This demand for external assistance is emphasized when it comes to such delicate issues as liquidation of the family business, which results in the release of a great deal of money (Avery, 2004). The generation inheriting the ensuing fortune seldom has the time or the experience needed to manage such assets appropriately.

It is easy to discern why families need assistance, but it is less obvious why they would set up an SFO instead of implementing a different wealth optimization strategy. Curtis (2001) uses a quote from an SFO manager in reference to this: "The most fundamental reason has to do with the challenge of stewardship: no one will take your issues as seriously as you will take them yourself". In fact, earlier studies suggest that management of the provision of personal services, together with confidentiality, control and flexibility, stand out as some of the main benefits mentioned by families that have set up an SFO (Avery, 2004).

It is thought that in addition to encouraging a larger participation and commitment, SFOs provide tailor-made and fair solutions, as well as higher confidentiality standards compared to alternative possibilities. They are also considered to be more trustworthy with regards to the tackling of issues that the family does not want to go public, to the point that not only is the SFO often considered the best means by which to preserve cross-generational wealth (Avery, 2004), but it is also involved in these private issues to the point that it becomes almost a part of the family itself (Avery, 2004; Newton, 2002). Other key benefits of an SFO are the intrinsic non-existence of conflicts of interest, structural flexibility, exclusivity and discretion (Allen, 2007).

The literature also reveals intriguing differences with respect to priorities. For instance, an ability to maintain tighter control is one of the main benefits mentioned by families with regards to setting up an SFO. Nonetheless, after asking some SFO managers about their perceptions of priorities, it turns out that control is not considered to be as important as gain. Likewise, increasing the happiness and improving the lifestyle of family members, as well as providing family leadership so as to properly educate the members of the succeeding generation on their duties and responsibilities, are considered legitimate and significant decision elements when setting up an SFO – even though the latter may not seem to be immediately related to the trading practice (Gray, 2004).

This wide spectrum of priorities and motivations should be taken seriously, since they comprise inspiring and motivational elements that are featured in the decision-making considerations regarding the functions to be implemented, the services to be managed, the personnel selection criteria – whether in-house or outsourced – the management dynamics to be followed, the definition of a sensible measure of performance, and perspectives on the future in relation to the SFO market.

Such a wide spectrum is mirrored in the wealth of approaches that we find in the specialized literature. Most papers refer to approaches tackling the appropriate management of large wealth – among them different types of FO services managers – instead of focusing on a specific strategy (Avery, 2004; Gray, 2004, 2005; Newton, 2002; Shaw-Grove and Prince, 2004; Wolosky, 2002). It is also worth mentioning that in the last few years small companies that specialize in managing the provision of a particular class of services have been absorbed by large corporations aiming to make an entire package of products and services available to very rich families.

Research brings to light the increasing demands of SFOs, for the reasons outlined above. Nonetheless, guidelines on how to evaluate an SFO's performance are still lacking. As a matter of fact, preliminary research (Martiros and Millay, 2006) suggests that the SFOs themselves are searching for knowledge scenarios that provide guidelines by which to develop management standards, as well as hints for a more transparent market policy so as to be able to grant coherence and efficiency.

### *2.2 Classification schemes*

Another knowledge gap is to be found when researching the distinguishing traits regarding SFOs that are currently in operation. In principle, an SFO's overall setup depends on the individual family: the corresponding culture of values permeates the SFO's setting elements, binding together the notions of family, shareholder, owner, employer and employee. In other words, the family's DNA and objectives are embedded in the activity and assets comprising the SFO's structural and functional configurations. This leads to a huge difficulty when trying to establish what the common and distinguishing features among different SFOs are.

In Spain, the decision to set up an SFO appears to come from the consideration that in every company there is a figure akin to a finance or administration manager, who is devoted not only to the business itself, but also to the family's personal issues. This can be understood by considering that the manager or founder is devoted intensively to enlarging the family's wealth through the company's trade activity, with hardly any time left to manage the ensuing fortune. In such a scenario, three types of SFO have come to be distinguished (Casado *et al.*, 2008).



*2.2.1 Type 1: services manager.* This is seen in SFOs that manage the provision of services that are exclusive to the shareholders of the family company. The services may have different forms: from assistance in travel organization to solving legal issues regarding domestic staff, to assisting in management of the fortune (e.g. real estate, stock market investments, etc.) – but always excluding those investments involving development capital or venture capital.

*2.2.2 Type 2: services manager and investments manager.* This type of SFO, in addition to managing the provision of all services to the family, invests in development capital or in venture capital.

*2.2.3 Type 3: investments conference.* A third type of SFO, known as an investment conference, is exclusive to investment companies, whether based on development capital or venture capital. The latter type of SFO may have developed from two different scenarios. First, and most likely the best known, is that in which the family company – or its shares – has been sold off, but the people who have been involved with the company wish to remain tied to the family. In this case, the SFO is a vehicle that is devised to drive their assets in terms of different investment strategies. Second, a family company, notwithstanding its being already managed, may set up another company which is dedicated to the management of investment strategies in order to diversify the family's wealth.

### **3. A model for the constitution of a FO**

In accordance with the aim of our contribution – namely, disclosing the elements by which an SFO's developmental stages can be identified – we put forward a four-stage model for the constitution of an SFO incorporating the degree of development of each company. Our model is portrayed in Figure 1 (all data for tables and figures displayed in the present contribution are by the authors unless stated otherwise).

#### *3.1 Family objectives*

In the first stage, the members of the family company establish the SFO's objectives, which involve:

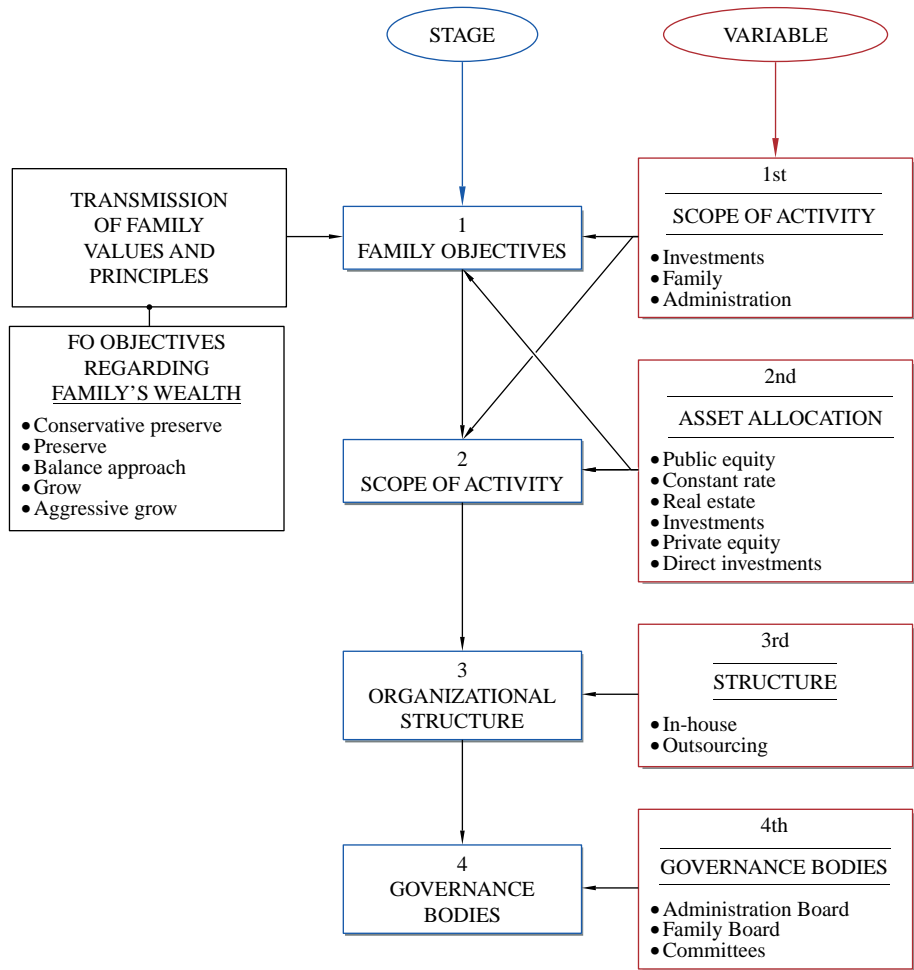
- (1) those principles and values that the family wishes to preserve as a legacy for subsequent generations – including family cohesion and education; and
- (2) the specific aims regarding management of the fortune, i.e. whether the strategy is to be in the conservative, balance approach, grow or aggressive grow modality.

The collection of objectives established at this stage will determine the SFO's scope of activity and the corresponding asset allocation.

#### *3.2 Scope of activity*

The second stage involves the actions that the SFO must perform in order to reach the established objectives. The decision to undertake investment-related, accounting-related, and/or family-related activities is a key aspect in the SFO's setup.

In all of the cases that have been considered in our study, we perceived a propensity to focus on investment-related activity with the aim of diversifying risk factors. Enquiries conducted by Amit and Liechtenstein (2009) demonstrate that the scope



**Figure 1.**  
The model for the constitution process of an SFO

of activity of SFOs in the USA involves family-related issues to a much larger extent than their European counterparts.

### 3.3 Organizational structure

A third stage can be understood as spanning a time lapse in which the SFO is bound to decide whether all of its activity will be developed in-house, or will be outsourced to some extent – and, in the latter case, to what fraction. Thus, our third stage is structure-oriented.

It should be noted that such a decision is instrumental with regards to the SFO's structural setup. From the case study summarized in the present contribution we can discern a general trend towards outsourcing that is in sharp contrast to the conclusions obtained by Amit and Liechtenstein (2009), who provided a neat classification of SFOs in terms of the different degrees to which activities are developed in-house.



Nonetheless, it is worth remarking that European SFOs display a larger in-house to outsourcing ratio than those located in the Americas, except with regards to technological support and joint accounting.

### 3.4 Governance bodies

Our fourth stage addresses the creation of governance bodies, which are of course, instrumental in managing any SFO. Throughout our study we considered studying all of the implemented governance bodies (i.e. board of administration, family board, and the different executive committees); however, the extant empirical research conducted on this topic is focused solely on the existence of committees, as well as on the SFO's documentation and reporting policies. A tentative explanation for the sharper dynamics that European SFOs show, in contrast to their US counterparts, points to the existence of a more developed system of governance bodies in the former: European SFOs display a higher average number of committees, a comparatively advanced use of documentation, and a reporting policy that leads to more frequent communication, compared to their US counterparts.

Our model displays the basic factors involved in an SFO's constitution in terms of their developmental functions. Building on this approach, we put forward the following as distinguishing variables for an SFO:

- (1) asset allocation: objective-related;
- (2) structure: in-house to outsourcing ratio dependant; and
- (3) governance bodies.

We have studied the ways in which the three factors above contribute to an SFO's evolutionary development in terms of a qualitative case study based in turn upon a grounded-theory approach.

## 4. Methodology

In our study, we examine the different ways in which Spanish SFOs are set and governed by resorting to a case study method and focusing on the variables impinging on an SFO's organizational structure and governance, as enumerated in Chapter 3.

Our study is based upon a series of interviews with CEOs from different SFOs, which focus on the objectives and challenges established by each family for the corresponding SFO. We learnt that it is possible to discern distinguishing features of each SFO regarding their origins, objectives, asset allocation, structure, and governance bodies. Our decision to focus on such variables has of course, been based upon the model introduced in Chapter 3, as well as on up-to-date empirical studies on European and American SFOs (Amit and Liechtenstein, 2009; Amit *et al.*, 2009). All of the cases involve large firms with businesses spread throughout different trading areas and countries.

The preliminary contact with the CEOs afforded by the interviews allowed us to gain insight concerning topics related to the organizational structure and the governance of an SFO, so as to fine-tune our subsequent, and more detailed, study. In this way, we realized that the number of Spanish-based SFOs is quite limited, but at the same time there is an increasing interest in the implementation of this type of structure, since it is considered to be tailored to managing the fortunes of rich families. We also observe that, whatever the implemented type of SFO, there is a general trend for outsourcing a fraction of the scope of activity.

After having reviewed the literature on methodological topics, we consider the core subject in our study; namely, in what ways the variables of an SFO's setup and governance we identify contribute to its evolutionary development.

#### 4.1 *The case study approach*

In the past few years, a number of studies have become available – primarily from American researchers (Amit and Liechtenstein, 2009; Amit *et al.*, 2009) – which are devoted to the deployment of FOs and their implications for family companies. However, since such structures have been deployed only recently on a significant scale, specialized literature in the area is still scarce. Furthermore, references to this topic with a specific focus on Spanish companies are even less frequent. Nevertheless, in spite of the current small-scale deployment of the SFO in Spain, we have been able to find some interesting information that could prove useful in researching the concerns of business organization and strategy.

The application of a case study method is an appropriate tool in this scenario, since a proper understanding of the subject matter, despite being already at work in real-life business practice, is lacking in conceptual terms. Thus, Ying (2003) states that a case study is “an empirical study by means of which we research a contemporary phenomenon in its own context, especially when the boundaries between phenomena and context are not sharply delineated”. The application of the case study method is particularly appropriate when it comes to studying issues in which research and theory are at a preliminary or starting stage (Roethlisberger, 1977) as well as, according to Bonoma (1983), when tackling “delicate practical issues where the experience of those involved is important and the context is fundamental”.

Consequently, by making an assessment of these cases we can expect to improve our understanding of the complexity and implications that the implementation of an SFO may bring about. This will, in turn, be helpful in devising an empirically-based decision-making criterion regarding the organizational structure of an SFO, in accordance with the particular objectives to be achieved.

In this way, before proceeding to build a theoretic framework, we can benefit from resorting to this method in order to document the business experience gained from real-life trading practice (Benbasat *et al.*, 1987). Moreover, a case study method allows the researcher to answer the “why”, i.e. address the existence of interrelations – as well as the “how”, i.e. address the features of those interrelations, if existent – taking as a reference point the opinions of those actively involved in daily trading. This is to be distinguished from the pre-established solutions forced upon the reader by some researchers (Howorth and Ali, 2001).

In the following section, we will consider fairly recent publications on the subject of the FO that have utilized a case study method (Barack *et al.*, 1988; Cater and Justis, 2009; Dunn, 1999; Dyck *et al.*, 2002; Garcia-Alvarez *et al.*, 2002; Garcia Alvarez, 2001; Howorth and Ali, 2001; Lambrecht, 2005; Miller *et al.*, 2003; Murray, 2003; Santiago, 2000; Tsang, 2002).

#### 4.2 *Sampling strategies*

All of the six cases considered in our study involve large Spanish SFOs; each are in a different business area, and conduct international activity. Our selection has been made in accordance with the classification introduced in Section 2.2, and we have specifically included at least one case for each of the types of SFO enumerated therein.

Eisenhardt (1989) states that random selection is not necessary in the application of a case study method, since the aim is precisely to choose cases that are useful in the corroboration or enlargement of a particular theoretic approach. For much the same reason, these methods are not appropriate for theory-testing (Eisenhardt and Graebner, 2007). Researchers look for critical cases in order to prove their most significant discoveries; these cases can turn out to be validating, non-validating, extreme or typical. Moreover, a case study displays concrete ideas (Siggelkow, 2007).

There is no agreement regarding the amount of companies that is appropriate for conducting a sensible qualitative study. According to Cater and Justis (2009), the existence of multiple cases always increases the reliability of the results. Furthermore, Ying (2003) compared the accumulation of cases to that of experimental repeated trials in a controlled scenario. In turn, Eisenhardt (1989) proposed that the researcher must keep on adding cases iteratively until the incremental improvement drops below a certain threshold value; Eisenhardt (1989) considers an appropriate number of samples to be between four and ten. Finally, Creswell (1998) suggested that researchers should set an upper boundary of four for the number of cases.

#### 4.3 Data collection and compilation

Our study is based upon a series of in-depth qualitative and semi-structured interviews with the CEO team of each selected SFO. The interviews were conducted by the authors between 2008 and 2009, and were structured so as to provide information for a subsequent analysis regarding the challenges faced when setting up the SFO for the corresponding family, and through its subsequent management. This topic was of particular interest to us, in that all the SFOs involved had been set up quite recently.

We tried to identify the differential features regarding:

- structure;
- composition;
- objectives;
- governance bodies; and
- activity developed.

for which we have taken as our guideline the empirical research discussed by Amit and Liechtenstein (2009) and Amit *et al.* (2009); we have applied to this our model for the constitution of an SFO.

As explained above, the interviews were all of a qualitative nature, and included open questions on the SFO's degree of implementation and development. The primary data (i.e. the qualitative interviews) were complemented with additional remarks made by the professionals involved, as well as internal documentation and reports from the company.

**4.3.1 The qualitative interviews.** The interviews were conducted on a single-person basis to a total of 18 executives (three per SFO). They were tape-recorded, ran to a total length of about 12 and a half hours, and lasted from between 20 min to one hour each, with an average time of about 38 min per interview. The typed transcriptions filled 202 pages, with 11 pages per interview on average.

**4.3.2 Observation.** Throughout our entire study we paid close attention to everything that related to our research in terms of the interactions among each SFO's

CEO team, including – albeit in an informal manner – their different objectives and management styles. The field notes and informal conversations proved to contain useful supplements to the material in the taped interviews.

*4.3.3 The documentation.* We requested the members of each management team to provide every sort of documentation they could make to us regarding both the company and the family in relation to the topics to be considered in our study. This included magazine and newspaper articles, and seminars.

#### *4.4 Research cases*

Throughout our study, we followed a communication protocol with each SFO. First, we checked whether or not the SFO complied with the requirements concerning objectives and features according to its type. In the affirmative case, we conducted an interview with the top manager in order to decide whether they were suited to inclusion in our study. If this stage was successful, we proceeded to conduct an interview with the CEO team. Using this approach, we contacted 15 family companies in order to check the extent to which they complied with our requirements; the final number of cases involved in our research was within the range suggested by Eisenhardt (1989).

From the very beginning of our study, all the companies contacted were granted confidentiality and anonymity. The authors have no relationship of any kind with, nor any financial interests in, any of the companies that were addressed to participate in the study.

Among the six SFOs that eventually comprised our sample collection, there is at least one instance of each of the types currently operating in Spain.

Two final constraints were used to determine whether or not a company was ultimately suitable as a research case for our study:

- (1) the SFO must have been set up and still be in operation; and
- (2) at least one of each type of SFO (as described in Section 2.2) had to be included in the sample.

The companies considered are all large family companies that are each involved each in a different area of the Spanish economy, including perfumery, pharmaceuticals, building, banking and automotive; in addition, they operate throughout different countries. They have assets worth between 75 and 2,000 million euros, and their staff consists of between five and 48 members. The ages of the SFOs range from four to 20 years, and the generations of the family members involved range from the first to the fourth. For general information regarding the scope of activity and objectives, see Table I; for more detailed data, see Table II.

With regards to the objectives of the SFOs, it is notable that they cover the entire five-level spectrum suggested in Amit *et al.* (2009), as follows:

- (1) preserve very conservatively;
- (2) preserve;
- (3) balanced approach;
- (4) grow; and
- (5) aggressively grow.

SFO	Year	Scope of activity	Main objectives	Objective on wealth	Area	Workers	Gen.
A1	1992	Services	Accounting consolidation Family cohesion Concierge services	Preserve	Perfumery	14	Third
B2	2002	Services and investment	Fortune management	Preserve	Pharmaceutics	6	Third
C2	1990			Grow	Building	22	Second
D3	2006	Investment conference: diversification			Banking	48	Second
E3	1994	Investment conference: money allocation after liquidation		Balance approach	Building (from liquidation of business shares)	5	First
F3	2006		Family cohesion and education		Car industry components (from liquidation of the company)	10	Third

**Notes:** A blank cell is to be read as a reiteration of the contents of the homologue cell in the row immediately above; we use an index-based labeling for the SFOs in the form  $\alpha n$ , where  $\alpha$  is a letter from A to F and  $n$  is a number from 1 to 3; the former refers to the company proper, the latter to the SFO type

**Table I.** Information collected from the SFOs in our sample

#### 4.5 Data analysis: a grounded-theoretic approach

Although our research proceeds in accordance with the protocols of a case study, our techniques have also followed those discussed by Strauss and Corbin (1998), which in turn are based upon grounded theory analysis.

First, we studied each case individually so as to be able to gain insight into each company's inner workings. After a careful review of the interview transcriptions, we proceeded with a trial and error stage, with the aim of emphasizing assorted statements and thoughts by distinguishing the most significant, labelling thoughts in terms of corresponding categories, clipping all of them and arranging the resulting cut-outs in separate folders. This was followed by coding and subsequent analysis of the data built up from the manual cut-and-paste method. Such a procedural sequence is consistent with the methods advocated by Glaser and Strauss (1967).

**4.5.1 Open coding.** At the first stage of the procedure – called open coding by Strauss and Corbin (1998) – we started from a 202-page transcript and, through a comparison procedure, were able to distinguish among 183 instances of recurrent significant statements or thoughts, leading to the identification of 32 category codes based upon the data collected from our interviews, as well as our observations and annotations.

In the following list we have compiled several live codes; however, it should be borne in mind that these are labels for the different categories, and can be comprised of

**Table II.**  
Relevant features of the  
samples in our case study

SFO	Scope of activity	Portfolio management: fixed assets and holdings in other companies	Organizational structure	Governance bodies
A1	<ul style="list-style-type: none"> <li>Portfolio management: fixed assets and holdings in other companies</li> <li>Tax advice</li> <li>Communication</li> <li>Administrative management</li> <li>Fleet management</li> </ul>		<ul style="list-style-type: none"> <li>Personnel:               <ul style="list-style-type: none"> <li>Professionals (9)</li> <li>Staff members (5)</li> </ul> </li> <li>Outsourcing trend</li> <li>Professionalism and self-sufficiency</li> <li>Outside financial consultancy</li> </ul>	<ul style="list-style-type: none"> <li>Administrative board</li> <li>Family council</li> </ul>
B2	<ul style="list-style-type: none"> <li>Real estate:               <ul style="list-style-type: none"> <li>Residential</li> <li>Commercial</li> <li>Office space</li> </ul> </li> <li>Hotels and assets management</li> <li>Finance</li> <li>Private equity and venture capital</li> <li>Administration and services:               <ul style="list-style-type: none"> <li>Administration and services:                   <ul style="list-style-type: none"> <li>Financial advice</li> <li>Real estate</li> </ul> </li> <li>Taxation services</li> <li>Legal services</li> <li>Labor services</li> <li>General services</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Outsourcing trend</li> <li>Professionalism and self-sufficiency</li> <li>Outside financial consultancy</li> </ul>	<ul style="list-style-type: none"> <li>Owners council</li> <li>Family council:               <ul style="list-style-type: none"> <li>Independent advisors (3)</li> <li>FO executive committees:                   <ul style="list-style-type: none"> <li>Investments</li> <li>Planning</li> <li>Strategy</li> </ul> </li> </ul> </li> </ul>
C2	<ul style="list-style-type: none"> <li>Central and strategic allocation</li> </ul>		<ul style="list-style-type: none"> <li>Independent personnel:               <ul style="list-style-type: none"> <li>Accounting (6)</li> <li>Secretaries (2)</li> <li>Attorneys (4)</li> <li>General services (1)</li> <li>IT (2)</li> <li>Back-office (2)</li> <li>Investments (4)</li> <li>Derivatives strategy (1)</li> <li>Outside managers (ca. 50)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Administrative board:               <ul style="list-style-type: none"> <li>SFO director (1)</li> <li>Family members (4)</li> <li>Board secretary (1)</li> <li>Outside auditors as SFO directors (3)</li> <li>Family council</li> </ul> </li> </ul>

(continued)



SFO	Scope of activity	Organizational structure	Governance bodies
D3	Real estate: sales and rentals Investments: Strategic holdings Stock portfolio Risk capital Untraded companies	Personnel (48): Investments team: internal analysts (8) Real estate (30) Control and administrative management (10) No outsourcing Senior professionals One executive is the son of the main shareholder	Administrative board (9): Family members (4) Independent advisors (5) Committees: Leadership Real estate Investments Sole administrator
E3	Hedge funds Real estate sector Office portfolio Private equity Direct investments in untraded companies Public equity		
F3	Sensitizing the enterprising families in order to assist them in defining their family and multigenerational assets strategies Joint innovation forum with the aim of defining innovative solutions encompassing: Business leaders Academics Consultants and professionals Disseminate knowledge and best practices	Matrix and project organization (10) Outsourcing	Councils: Family (inc. both family members and independent advisors) Leadership Management committees: Group Foundation

Table II.

excerpts, entire statements, or even the literal transcribed words spoken by the interviewed executives. Such a coding procedure is a common methodological element in a grounded-theoretic approach:

- (A1) "Two months ago we set a course for the fourth generation members with the title 'Why the fourth generation cannot become an executive part of the business'".
- (B2) "The FO bears the burden of the responsibility for the preservation of the family's wealth".
- (C2) "There are 22 persons working for the FO and we are trying to have most of the process outsourced".
- (D3) "It is neither a traditional FO nor a vehicle for the management of the family's assets. There is more to it in terms of a company that concentrates on trading activities".
- (E3) "Most of the family's wealth is in the FO, which means that investments ought to be balanced, with an equally balanced portfolio structure".
- (F3) "We think that it is money that keeps the family united through time; it is the legacy of principles and values that keeps the family together generation after generation".

In a subsequent stage of the open coding procedure we distinguished four code topics and established how these were related to the categories.

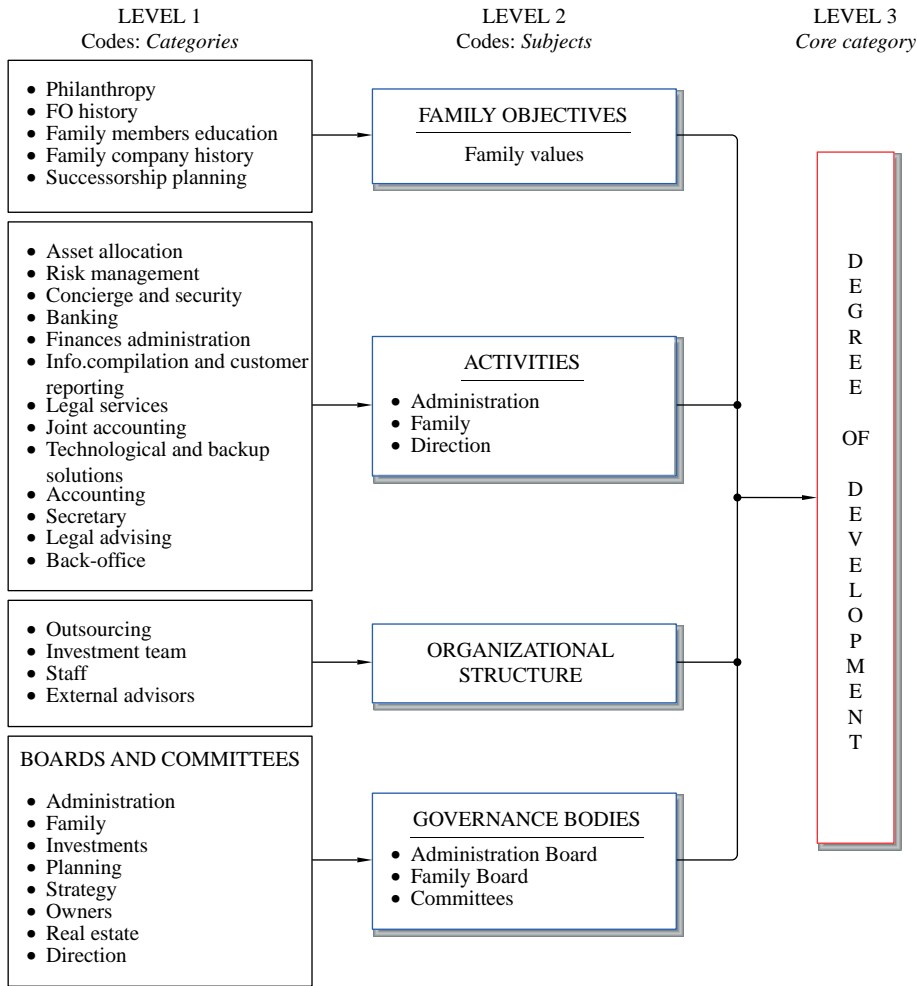
*4.5.2 Axial coding.* In the next stage – called axial coding by Strauss and Corbin (1998) – we took as a core category the SFO's degree of development as perceived from structural and governance viewpoints. Figure 2 shows our resulting coding structures for this stage.

*4.5.3 Selective coding.* In the final stage of our qualitative analysis – labelled selective coding by Strauss and Corbin (1998) – we distinguished a series of recurrent topics, collections of ideas and statements, within which we searched for common propositions and a connective language in order to build an analytical framework (Creswell, 1998). This, in turn, provided insight into the organizational and governance structure so as to enable assessment of how they impinge on the SFO's degree of development. From such a theoretic basis we have obtained three propositions, together with an explanatory model for their interdependence.

## 5. Propositions

We conclude with three propositions that can be taken as guidelines for further research based on our study of six cases of Spanish SFOs. Since our study contains such a small sample and is ultimately exploratory in nature, we cannot claim to go any further than encouraging and inspiring future research that focuses on the organization, governance and degree of development of an SFO. Therefore, our statements must be taken with a pinch of salt. The propositions are founded on the following presuppositions:

- (1) The family's objectives determine the scope of activity of the SFO.
- (2) The structure of the SFO is conditioned in terms of the in-house to outsourcing ratio.
- (3) The governance bodies are strongly influential in terms of the degree of development of the SFO.



**Figure 2.** A graphic depiction of our grounded-theoretic approach: the axial coding defined after the open coding stage)

**Note:** At level 3 we find the degree of development of the SFO

All of the data referred to in the following section are shown in Table II. We have been careful to ensure the full confidentiality of all the companies involved, and the identity of our informants.

### 5.1 Scope of activity

We analyzed the scope of activity of our sampled SFOs, and distinguished neatly between activities that relate to investments, activities that relate most directly to the management of services to be provided to the family, and activities relating to administration.

In terms of family-related activities, in our case study the three SFOs A1, B2, and C3 are involved in activities including philanthropy, risk and insurance, concierge and security services, wealth planning, and the education of family members.

The four SFOs A1, B2, C3, D3 are involved in activities relating to administration, including banking and financial administration; investor reporting; the provision of legal services, technological and backup solutions; and accounting.

With the single exception of A1 – which is dedicated entirely to family services and administration – the SFOs in our sample manage both investments and asset allocation. In particular, the top manager of D3 remarked that they are focused on investments:

We do not provide services to the family, nor do we function as a vehicle for the family's investments on a single-person basis. I would rather say that our SFO is the company that binds together the trading activity of the entire group[1].

In turn, E3's top manager sees the SFO as an investment society: "Our FO proceeds in accordance with a model that is closer to an investments company than to a manager of services for the family members".

The SFO is thus perceived primarily as a private investments manager. Topics such as education, concierge services and philanthropic activities are thought of as subsidiary activities (Amit *et al.*, 2009). In addition, the majority of Spanish SFOs manage investments, even though all of the managers interviewed feel that the development of an SFO embraces all of the three types of activity – namely, family, administration and investments.

The above points lead us to suggest our first proposition:

*P1.* SFOs are mainly dedicated to investing and managing family wealth (investment activities). Family-related activities such as education, philanthropy and so on are subsidiary activities of the SFO.

### 5.2 Structure

According to Amit and Liechtenstein (2009), FOs can be distinguished in terms of their outsourcing to in-house ratio. The same authors state that European FOs display a smaller ratio when compared to FOs in the US, which have a larger number of in-house workers only for those activities which are related to technological support and joint accounting.

Even though European FOs display rather limited outsourcing practices when compared to those in the US (Amit *et al.*, 2009), all of our samples, except for D3, display a finite ratio. The latter SFO employs 30 people in the real estate area, ten in control and administration, and eight in management. According to its top manager:

Broadly speaking, we make direct management. Fortunately enough, we can afford it. We rely on a team of analysts. In the investments team we have eight persons; we create our own opinions. We do not purchase or delegate management. Management is not outsourced, nor do we invest in vehicles for driving collective investments.

All in all, there is a clear trend with respect to outsourcing in our samples. A1 is comprised of 14 persons: nine of these are professionals, and the remainder are staff members. In order to prevent structural overload, many procedures are outsourced. For B2, the financial department is managed by an external independent consulting company which is not a division of any direct financial entity. C3's traditional assets portfolio is managed by about 50 out-of-house managers. The latter SFO includes 22 persons: six in the accounting department, two secretaries, four lawyers, four devoted to investments, and the remainder devoted to the management of derivative strategies.

A reasonable assumption made by many investors is that a larger outsourcing to in-house ratio – under the proviso that the professionals involved are highly qualified and competent – entails a larger degree of development. Thus, we put forward a second proposition:

- P2. SFOs have a larger outsourcing to in-house ratio for activities which are related to technological support and joint accounting. Management is not outsourced.

### 5.3 Governance bodies

Four of the SFOs in our sample, namely A1 through D3, have an administration board comprised jointly of family members and independent advisors. More specifically, the board in D3 is comprised of nine persons, four of which are family members and the remaining five are external and independent. As for the other two samples, E3 has a single administrator and F3 has no administration board.

Four of the SFOs researched have implemented foundation management boards and executive committees to address:

- investments;
- planning;
- strategy;
- leadership; and
- real estate.

D3 has a management committee and a real estate board, with meetings scheduled on a monthly basis. Both are comprised in their majority of executive officers. The investments board is comprised of a family member (in the role of a delegate advisor), the SFO's top manager, and an independent advisor; the latter two are in charge of key investments. In F3, the direction committees for the group and the foundation report to the direction board, and the latter directly to the owners. In addition, there is a special committee devoted to the management of the synergy between the foundation and the group.

Five of the SFOs have set up a family council, which is comprised of family members together with independent professionals. In B2, the family council meets four times a year. It is comprised of three independent advisors, who are not members of the family. The council aims to achieve consensus, and includes the investments committee as well as the planning and strategy committee. Among its functions, we identified those relating to establishing the governance principles, implementing procedures, insurance programmes, retirement funds, philanthropic activities, career plans, coaching, remuneration projects and incentive plans for the workers. The members of the council receive a small payment in order to encourage the family members to become involved. Lastly, for F3 the top governance body is the family council, which is comprised of family members and external professionals, and there is no governance body akin to an administration board. One of its functions is management of the family cohesion system.

Amit *et al.* (2009) suggest that there is no correlation between the volume of managed wealth and the number of executive boards implemented in an SFO – a result consistent with our experience. Nonetheless, the same authors found that European SFOs have implemented a larger number of boards and committees compared to their American counterparts. They also state that a first-generation SFO has a smaller number of boards than later-generation SFOs. Amit *et al.* (2009) were able to discern a

clear relation between governance bodies and performance. In our study, we saw that C2, a second-generation SFO, had no boards, and that E3, a first-generation SFO, implemented just a few. The managers interviewed also state that the existence of boards and committees proves influential in terms of the SFO's degree of development:

- P3.* SFOs have a larger number of implemented boards. The number of committees increases with the degree of development of the SFO.

## 6. Conclusions, limitations and suggestions for further research

In our study, we considered the different ways in which Spanish SFOs are organized and governed by examining the corresponding structures in a sample of six cases.

We have distinguished three interdependent variables that prove useful in understanding an SFO's degree of development:

- (1) objectives (related to scope of activity);
- (2) structure (related to outsource to in-house ratio); and
- (3) governance bodies (boards, committees, councils, etc.).

We have brought these variables into focus via the conceptual framework of a four-stage analysis of the constitution of an SFO. These elements – which, so far, are of a purely heuristic nature – allow us to posit a tentative model which binds together the evolutionary process of an SFO and the successful achievement of its objectives. This may be put to good use by other SFOs as a benchmark for the strategies and management practices to be considered.

Thus, our case study contributes to the development of a conceptual understanding of the SFO by providing a model for its constitution process in terms of binding its corresponding explanatory variables with the degree of development. According to the variables suggested, firms which have reached a more advanced evolutionary stage should be best-fitted to the environment, thus providing a benchmark for other firms. In this regard, we put forward three propositions relating to the evolutionary process of an SFO; these are based on the data collected in our case study.

Our study provides consistent empirical grounds from which to pursue further research that is focused on the topic of SFO development. Moreover, this research avenue can contribute both to expanding our conceptual knowledge, and enhancing management practices, since an SFO can prove particularly useful to the members of a family firm where the management and diversification of their wealth are concerned. Our study is significant given the currently limited number of SFOs in Spain. A family whose members consider setting up an SFO will not only be able to clearly discern the advantages of doing so, but will be able to refer to our model to help them understand the scope of activity, the organizational structure and the governance bodies set by those SFOs with a larger degree of development, and which can reasonably be expected to lead to a successful management strategy.

Nonetheless, we are aware that our study is inherently limited in scope and depth. First, the companies interviewed were chosen from among those who agreed to participate. Even though the study complies with the significance requirements of the case study method, we were not able to contrast our conclusions from our sample with the data provided by the entire range of possible setups. Second, the method itself cannot be extrapolated to the entire SFO population; rather, it simply provides some



heuristics to assist in shaping a proper theoretical basis from which to research our subject matter. Thus, further statistical research is needed. Similarly, we face a third limitation, this time related to the measures used for each of our variables: even before proceeding with a statistical analysis, we would need to conduct further research about the particular measures to be applied.

To this end, it is necessary to analyze the performance of an SFO in terms of two dimensions, i.e. the influential effects of:

- (1) setting different governance bodies; and
- (2) the ratio of outsourced activity to that which is developed in-house.

This is work in progress.

Considering all of the above, further research lines should establish sharp quantitative measures for each driving variable as a first step towards a meaningful subsequent statistical analysis. The latter would either reinforce or weaken our concluding propositions on the performance drivers as put forward in the present contribution. We also suggest conducting an in-depth analysis of each SFO's asset allocation.

#### Note

1. The original quotations in Spanish from top managers, which have been translated into English in the main text, are provided below:
  - (D3) "No proporcionamos servicios a la familia, ni actuamos como vehículo de inversión individual para los miembros de la familia. Más bien, nuestra FO es la empresa que consolida todas las actividades de negocio del grupo".
  - (E3) "Nuestra FO sigue un modelo que está más cerca de una compañía de inversión que de una empresa de servicios a los miembros de la familia".
  - (D3) "En general, realizamos una gestión directa. Afortunadamente nos lo podemos permitir". "Contamos con un equipo de analistas. En el equipo de inversión contamos con ocho personas; generamos nuestra propia opinión. No compramos ni delegamos la gestión. No se externaliza la gestión, ni tampoco se invierte en vehículos de inversión colectiva".

#### References

- Allen, C. (2007), "The changing face of the family office", *Global Investor*, Vol. 200, pp. 21-22.
- Amit, R. (2006), "Family offices in the US", working document.
- Amit, R. and Liechtenstein, H. (2009), "Report highlights for 'benchmarking the single family office: identifying the performance drivers'", Technical Report, Wharton School, University of Pennsylvania, Philadelphia, PA.
- Amit, R., Liechtenstein, H. and Prats, M. (2009), "Single family office: private wealth management in the family context", Technical Report, Wharton School, University of Pennsylvania, Philadelphia, PA.
- Avery, H. (2004), "Keeping it in the family", *Euromoney*, Vol. 425 No. 35, pp. 236-246.
- Barack, J., Gantisky, J., Carson, J. and Doochin, B. (1988), "Entry of the next generation: strategic challenge for family business", *Journal of Small Business Management*, Vol. 2 No. 26, pp. 49-57.
- Benbasat, I., Goldstein, D. and Mead, M. (1987), "The case research strategy in studies of information systems", *MIS Quarterly*, Vol. 11 No. 3, pp. 369-386.

- Bonoma, T. (1983), "Get more out of your trade show", *Harvard Business Review*, Vol. 61 No. 1, pp. 75-83.
- Casado, F., Martinez, J., Lopez, F., Butler, C., Sterba, A., Cazorla, J. and Prado, D. (2008), "Family office en la empresa familiar", Technical Report 147, Instituto de la empresa familiar, Barcelona.
- Casado, F., Vidal-Rivas, E., Brito, A., Salgado, A., Verdaguer, J., Willette, R. and Pastor, E. (2009), "Family office en la empresa familiar", Technical Report 152, Instituto de la empresa familiar, Barcelona.
- Cater, J. and Justis, R. (2009), "The development of successors from followers to leaders in small family firms", *Family Business Review*, Vol. 2 No. 22, pp. 109-124.
- Creswell, J. (1998), *Qualitative Inquiry and Research Design: Choosing Among Five Traditions*, Sage, Thousand Oaks, CA.
- Curtis, G. (2001), "Establishing a family office: a few basics", White Paper No. 10, Greycourt.
- Dunn, B. (1999), "The family factor: the impact of family relationship dynamics on business-owning families during transitions", *Family Business Review*, Vol. 1 No. 12, pp. 41-60.
- Dyck, B., Mauws, M., Starke, F. and Mischke, G. (2002), "Passing the baton: the importance of sequence, timing, technique and communication in executive succession", *Journal of Business Venturing*, Vol. 17, pp. 143-162.
- Eisenhardt, K. (1989), "Building theories from case study research", *Academy of Management Review*, Vol. 4 No. 14, pp. 532-550.
- Eisenhardt, K. and Graebner, M. (2007), "Theory building from cases: opportunities and challenges", *Academy of Management Journal*, Vol. 1 No. 50, pp. 25-32.
- Garcia-Alvarez, E., López-Sintas, J. and Gonzalvo, P. (2002), "Socialization patterns of successors in first- to second-generation family businesses", *Family Business Review*, Vol. 3 No. 15, pp. 189-204.
- Garcia Alvarez, M. (2001), "Los valores del fundador y su influencia en la empresa familiar en Galicia", PhD thesis, Universitat Autònoma de Barcelona, Barcelona.
- Glaser, B. and Strauss, A. (1967), *The Discovery of Grounded Theory: Strategies for Qualitative Design*, Aldine, Chicago, IL.
- Gray, L. (2005), "How family dynamics influence the structure of the family office", *Journal of Wealth Management*, Vol. 2 No. 8, pp. 9-17.
- Gray, S. (2004), "Changing face of the family office", *International Money Marketing*, April, pp. 23-32.
- Howorth, C. and Ali, Z. (2001), "Family business succession in Portugal: an examination of case studies in the furniture industry", *Family Business Review*, Vol. 3 No. 14, pp. 231-244.
- Lambrecht, J. (2005), "Multigenerational transition in family businesses: a new explanatory model", *Family Business Review*, Vol. 4 No. 18, pp. 267-282.
- Martiros, S. and Millay, T. (2006), "A framework for understanding family office trends", White Paper.
- Miller, D., Steier, L. and Le Breton-Miller, I. (2003), "Lost in time: intergenerational succession, change, and failure in family business", *Journal of Business Venturing*, Vol. 18, pp. 513-531.
- Murray, B. (2003), "The succession transition process: a longitudinal perspective", *Family Business Review*, Vol. 16, pp. 17-33.
- Newton, C. (2002), "Adopting the family office", *Journal of Financial Planning*, Vol. 6 No. 15, pp. 66-74.

- Roethlisberger, F.J. (1977), *The Elusive Phenomena*, Harvard University Press, Cambridge, MA.
- Santiago, A. (2000), "Succession experiences in Philippine family businesses", *Family Business Review*, Vol. 13, pp. 15-35.
- Shaw-Grove, H. and Prince, R. (2004), "Family offices: assets and motivations", *Financial Advisor Magazine*, October.
- Siggelkow, N. (2007), "Persuasion with case studies", *Academy of Management Journal*, Vol. 1 No. 50, pp. 20-24.
- Strauss, A. and Corbin, J. (1998), *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*, Sage, Newbury Park, CA.
- Tsang, E. (2002), "Learning from overseas venturing experience: the case of Chinese family business", *Journal of Business Venturing*, Vol. 17, pp. 21-40.
- Wolosky, H. (2002), "Family offices come downtown", *Practical Accountant*, Vol. 3 No. 35, pp. 23-27.
- Ying, R. (2003), *Case Study Research: Design and Methods*, Sage, Thousand Oaks, CA.

#### About the authors

Elena Rivo López holds a PhD in Business Administration from the University of Vigo, where she is a Professor in the Department of Business Organization and Marketing. She is also a member of the Family Business Chair at the same university, and of the Galician Family Company Association. She holds an MBA from ICADE and a Master's in Banking and Finances from AFI. In addition to family business, her main research interests are related to RDI cooperation and knowledge management. She has also coordinated the Degree in Business Organization and Marketing at the University of Vigo, Campus of Ourense. From 2012 she coordinated the Master's course in Creation, Direction and Innovation at the University of Vigo. Elena Rivo López is the corresponding author and can be contacted at: rivo@uvigo.es

Nuria Rodríguez López holds a PhD in Business Administration from the University of Vigo, where she is a Professor in the Department of Business Organization and Marketing, lecturing at the Business Administration and Tourism School on subjects such as Business Management, Business Strategy, Logistics and Operations Management. She has also contributed to many papers and research projects on topics related to operations management, vertical integration, governance forms and relationships with suppliers. She is a member of the REDE (Research in Economy, Business and the Environment) Group. She has been a vice-dean at the Business Administration and Tourism School, and from 2010 to 2011 she coordinated the Master's course in Creation, Direction and Innovation at the University of Vigo.

Beatriz González Sánchez is a Professor at the University of Vigo. She holds a PhD in Business Administration and Management from the same university and a Magister in Economy Analysis from the Spanish Ministry of Finance. In 2005, she was awarded a research prize in the area of humanities and the social sciences by the Diputación de Pontevedra. Before becoming a college professor, she worked in consulting for Consultores de Administraciones Públicas (Grupo Analistas). She has authored many papers and books, and her research lines address – in addition to the family company – RDI cooperation and knowledge management.

To purchase reprints of this article please e-mail: [reprints@emeraldinsight.com](mailto:reprints@emeraldinsight.com)  
Or visit our web site for further details: [www.emeraldinsight.com/reprints](http://www.emeraldinsight.com/reprints)

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.