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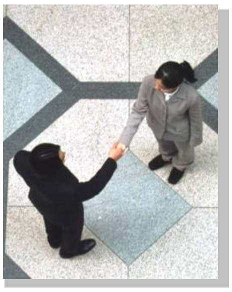
THE SUCCESS OF THE FAMILY BUSINESS SUCCESSION PROCESS: DOES GENDER MATTER?

By Vassilis Pyromalis, George Vozikis, Theodoros Kalkanteras, Michaela Rogdaki & George Sigalas

The family firm has always played and continues to play a vital role in the economy as a source of business creation and development (Duman, 1992). One of the events that may disrupt the smooth evolution of a family business is a generation transition and succession. Moreover, the enlarging role that women play in family businesses and women's increasing presence during the succession process calls for an investigation into the relationship between succession issues and gender specificity. Up till date, there have been few studies dealing with gender issues in family firm ownership and management, even though the global rise of female entrepreneurship and self-employment is a fact, as reported, e.g., by the OECD, and the Association Federation of Women Business Owners. More specifically, in the US alone, it is anticipated that women will soon own 50 percent of all businesses and that there will be an upsurge in female inheritance, ownership and management of companies founded immediately post-war, over the period 2000-2020 (Daniels, 1997; Achua, 1997). Moreover, succession issues, irrespective of gender perspective, have received extensive attention lately (Dyer & Sanchez, 1998). It is therefore quite obvious that due to the enlarging role that women play in family businesses, and the significance of the succession process in family firm, it seems worthy to attempt to correlate succession issues with gender specificity.

Factors and Model of the Succession Process

There is a rich literature on the "effectiveness" dimension of the succession process. Research findings here suggest that the characteristics of successful successions are *well-prepared successors*, *positive relationships* and specific *succession planning and control activities*, and *good family relationships* (Morris *et al*, 1997). Additionally, Miller *et al* (2003) advocate that the *successor's relation with the past* also affects the effectiveness and outcomes of the succession. In particular, a too strong attachment to the past, a strong rejection of it, and/or an incongruous blending of present and past have been found to have a negative impact on the succession process.



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EDITORIAL NOTE

The complex and challenging process of family business succession is the focus of the lead article in this issue of InnKnow FORUM. The article by George Vozikis, Visiting Professor of Entrepreneurship, and four graduates of the MBA International at AUEB, cast some new light on if and how gender matters in this process.

Corporate values, and more precisely how such values can inspire great performance is the subject of the second article. Gregory Prastacos, Maria Vakola and Alexandros Papalexandris identify a number of ancient Olympic Values and discuss their impact on building today's value-based organizations.

In the third article, Alexandros Papalexandris presents the key elements of a successful Balanced Scorecard implementation, developed from a number of strategic performance management projects conducted within the InnKnow center. This is a summary of an article published in the European Management Journal and which has enjoyed a position among the top 5 downloaded articles in 2005.

Klas Eric Soderquist

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Other factors with negative impact are *family rivalries* (Dyer, 1988) and *incompetent or unprepared successors* exhibiting one or more of the following characteristics: overdependence, conservatism, rebellion, excessive change, ambivalence, confusion, stagnation or abandon.

Regarding the role of the gender in the succession process, it is obvious from the literature that male offspring dominates quantitatively (Allen & Langowitz, 2003) regardless of suitability (Miller *et al*, 2003). Unfortunately, there still exist perceptual barriers to women's advancement to senior management positions in family firms (Crampton & Mishra, 1999, Martin, 2001). Men and women also seem to differ in many attributes relative to their entrepreneurial motivations; men's main drive is dominated by wealth creation and economic advancement, while women's drive is to achieve a family related lifestyle, flexibility to balance work and family, as well as 'constructivism', and economic parity (DeMartino & Barbato, 2003).

Hence, the critical question arises whether the obvious succession bias against women is founded on real traits, on performance outcomes, or happens as a consequence of socio-cultural values. Inspired by Sharma et al (2001), we propose to use a simple two-fold causal relation model between two dimensions: Satisfaction with the Succession process and Effectiveness of the Succession Process. If the players involved are satisfied with the transition and the succession process, then it follows that they will be more committed to it, more participative, more flexible during negotiations, and therefore more effective in accomplishing an effective "baton passing". Furthermore, if the transition process is performed on time, as planned, and in an efficient manner, it is more than likely that everyone, or at least almost everyone, will be satisfied with it. Sharma, et al. (2001) confirm this interaction by establishing a sequential cause-effect model of the relationship between initial satisfaction, effectiveness, retrospective satisfaction and succession's success, as depicted in figure 1.

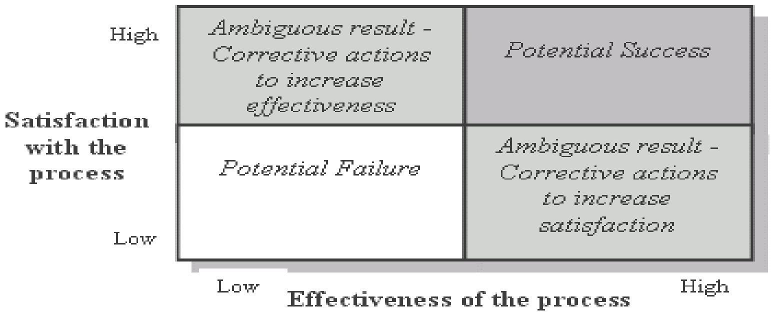

Figure 1. Satisfaction, Effectiveness, and Succession Success (after Sharma *et al,* 2001).

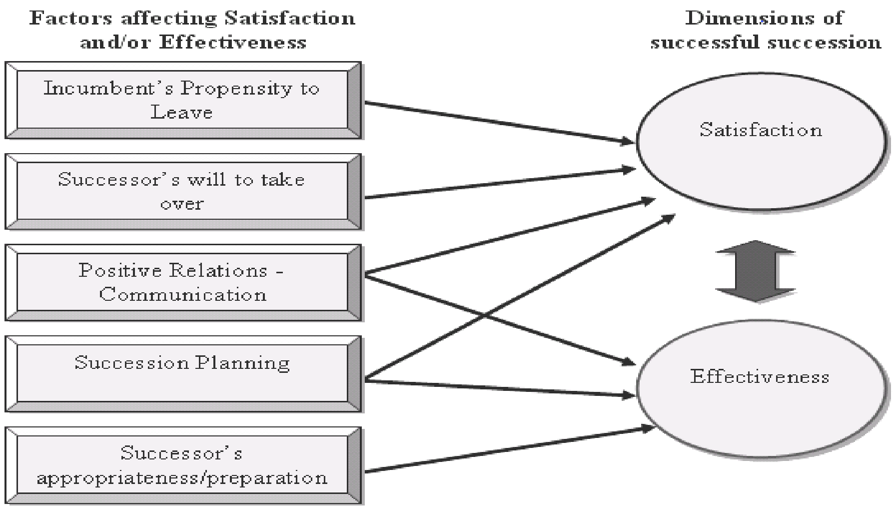

Figure 2. Critical Success Factors Affecting a Succession

Along with the above distinction, we grouped a number of different issues identified in the literature into five critical success factors (CSF) that affect either the satisfaction with the succession process or the effectiveness of the process per se. In turn these five CSFs are affected by a number of other criteria as presented in Figure 2.

We then proceeded to an extensive review and synthesis of the existing literature in order to establish as accurate as possible weights for the satisfaction and effectiveness dimensions, as well as the critical success factors of the succession process. Pair-wise comparisons between male and female successors were completed. The literature review examined over 250 studies and critically evaluated them in order to construct the conceptual framework first, and then develop comparative inter-gender weights for the critical success factors of the successful family firm succession process. To accomplish this, the screening criteria that were used were mainly the publication journal's focus and prominence and the number of references retrieved. Secondary parameters were the type of research and the date of the corresponding survey, placing more emphasis to empirical research and more recent articles. Similar criteria were used for the comparative assessment of the two genders on the derived attributes, but more importance was placed on the study's date as more recent research studies tend to equate the attributes of the two genders (Sonfield and Lussier, 2002).

Results

The results suggest that in an ideal meta-analysis of the literature, men and women are almost equal as far as their potential to realize a successful succession in a family business is concerned. It is quite surprising that we see the capacity of the two genders on the succession issue to be as close as it is. If we consider instead a distributive model of the literature synthesis rather than the ideal one, we find very similar results with men at 0.495 and women at 0.505. The sum of the two weights equals 1 and can be perceived as a percentage, or a comparative indicator. No matter what aspect we examine, the results are very close to the absolute equation of one. The results suggest that men and women are almost equal as far as their potential to realize a successful succession in a family business. Hence, based on data from previous research, the success of the succession process *does not* depend on the gender of the successor. In other words, women are as "suitable" as family business successors as men are.

Additionally, we examined underlying assumptions behind the overall conclusion through a sensitivity analysis. The results show that women seem to outperform men on the 'satisfaction with the succession' dimension, while men seem to outperform women on the 'effectiveness of the succession' dimension. Indicatively, these findings support those who claim that men and women have complementary skills with respect to the success of family business succession. Women seem to possess different competencies, abilities, and *modi operandi*, which are not only useful to the management of family businesses but also beneficial because they bring different perspectives to the various managerial, financial and emotional challenges of a family firm.

This article is based on a paper presented in the Academy of Family Business Conference, May 2004.

INSPIRING GREAT PERFORMANCE THROUGH BUSINESS ETHICS AND CORPORATE VALUES

by Gregory P. Prastacos, Maria Vakola and Alexandros Papalexandris

The question of how to promote ethical behavior in organizations has for long puzzled managers and academics alike. This issue has again surfaced, maybe more intensively than ever, due to recent corporate scandals, which have shocked the business community, traumatized investor confidence and sent stock prices plummeting. The critical question that is boggling the minds of top executives around the globe, who dread nothing more than to see their companies' names on the latest update of the black list of scandal corporations, is: "How to render an organization Enron-proof?" AOM (2004).

There is a common saying among many executives that 'as long as it's legal it is ethical'. However, legislation is not enough. One cannot legislate values at the corporate level, and legislation alone will not help in inspiring and aligning employees' efforts towards superior performance. Furthermore, legislation has not prevented Enron, Worldcom, Tyco, Crown Trust, Global Crossing and many others from deceiving the public, leaving billions of dollars in losses and thousands of employees jobless. Also, legislation has not prevented the myriad of totally legitimate dotcoms, which with the help of high investor expectations cropped up like mushrooms in the trading boards of Wall Street, only to sustain serious losses and in most cases to result in bankruptcy and million-dollars losses for investors.

There exists considerable empirical evidence suggesting that being a values-driven company and promoting ethical behaviour pays off in many different ways. For example, a 1997 study by DePaul University showed that companies that are ethical and committed to their values seem to have higher sales and revenues. In 1998, a survey by Burson-Marsteller showed that it is easier for CEOs that are perceived to be ethical to attract investment capital. Also, a 2000 National business ethics survey (NBES) by the Ethics Resource Center

(ERC) has shown that 90 percent of employees value leaders with integrity as highly as they value income. Finally, a survey conducted in 2004 by the National Association of Colleges and Employers (NACE) found that when employees chose an employer, they place most of the weight in integrity and ethical business practices etc.

Thus, one can easily establish that core corporate values are an important "ingredient" to creating the visionary organization of the 21st century. In order to demonstrate how important values are, we are going back to the roots of values and demonstrate how ancient wisdom can help the contemporary manager to better comprehend the substance of values. The Ancient Olympic Games present one of the most important example of how values can help in inspiring great performance and achieving unparalleled results.

The Ancient Olympics Arena

There are numerous cases where history has provided valuable lessons for companies competing in today's highly demanding and fiercely competitive environment (e.g., Sun Tzu, 1981; Manville and Ober, 2003). In the Ancient Olympics, a few core values coupled with considerable training and determination impelled athletes to attain what were considered as "extraordinary, even god-like achievements". The long journey of the Olympic Games began more than 2,700 years ago, more precisely in the year of 776 BC. It was then that the basis of the Olympic Movement began to evolve into a philosophy of life: exalting and combining the qualities of body, will, and mind in a balanced whole. The Olympic Principles urged athletes to do their best in order to achieve excellence in terms of competences and skills "citius, altius, fortius" (approx. "faster, higher, stronger"). Furthermore, unlike today, the winners of the Olympic Games were not given lucrative rewards. Simply they were crowned with an olive wreath. However, their strong belief in a few core values and in the glory of achievement made them pursue excellence in such a rigorous manner that it caused awe to their opponents and enemies. An actual event demonstrating this is the one of Tritantaechmes, a Persian military, leader who before going to war with the Athenians and having heard that they were holding the Olympic Games, enquired about the prize for which the athletes contended. Upon hearing that the only prize to the winner was an olive wreath he could not forbear from exclaiming before everyone, "Good heavens, Mardonius, what manner of men are these against whom you have brought us to fight; men who contend with one another, not for money, but for honour" (Herodotus, The Persian Wars, VIII, 26. Mardonius was a Persian General that took part in the Persian wars 480 and 490B.C.).

We have yet to find a top executive not yearning to have a workforce as motivated and committed as the athletes who would compete for honour and for the glory of ancient Olympic achievement. Therefore, one can easily establish that values are not only a prerequisite to conducting business in an ethical and appropriate manner, but that they also represent the means for inspiring great performance and for leaving competitors "frozen with fear" like Tritantaechmes.

What Values Inspire Great Performance?

The challenge of designing a company's core corporate values is a big one. Large amounts of communication dollars have been wasted on hammering in principles that even designers themselves never believed in. Thus, even though more than 80% of the Fortune 100 companies make publicly known their core corporate values, the latter "too often stand for nothing but a desire to be au courant or, worse still, politically correct" Lencioni (2002 p.114).

In the ancient Olympics, there were mainly four values that were embraced by athletes and which inspired great performance:

- **Cooperation**. The Olympic Games where much more than a simple sporting event: "As in the daytime there is no star in the sky warmer and brighter than the sun, likewise, there is no competition greater than the Olympic Games" (Pindar, Greek lyric poet, 5th century BC.). As such, there was a need for all the cities that would participate to contribute to the hosting of the Olympic Games. Cities that were hostile to each other and cities that were at war would have to declare truce and work together in order to prepare for and host this glorious event. Much like today's teamwork, this value called for a cooperative mindset between all athletes favouring team achievement and building on active participation, mutual respect, comradeship and voluntary effort. Great performance can be achieved in this way now as then, since the weakness of one person is coupled with the strength of another to attain outstanding results.
- **Fair play and ethics**. Fair play is based on high ethical standards, transparency and democracy. It guarantees the sustainability of the achievement in terms of long lasting respect and recognition. It also enables athletes and employees alike to be able to stand up for their achievements. "Do you think, fellow citizens, that any man would ever have been willing to train for the pancratium or any other of the harder contests in the Olympic Games, or any of the other games that confer a crown, if the crown were given, not to the best man, but to the man who had successfully intrigued for it? No man would ever have been willing." (Aeschines, Speeches speech 3, section 180) Olympic Games involve cultivating ethos, a set of widely accepted social and personal norms. Ethics is also of extreme importance in the contemporary business landscape. Managers

today are increasingly exposed to a number of ethical dilemmas that emerge, especially when exploring new markets. It is obvious, therefore, that respect of an accepted code of ethics emerges as an important imperative in today's business management, as it is of importance in the Olympic Games.

- **Balanced and continuous development**. Realizing that true excellence requires a harmonious development of body and soul, and thus physical training alone was not enough to win the competition, the athlete's mentor not only contributed to the development of the former's technical skills, but also aided him in discovering his competencies/abilities and his inner-strength of character. A balanced development of the athlete's skills, involved physical training, training in the values and ethical codes, philosophy and discipline; all being elements that were believed to aid him in enduring the rigorous training and achieving superior results. In contemporary organizations this value incites employees to focus on learning and perfecting their skills and behaviours so that they evolve in their professional roles.
- **Pursuit of excellence in all things**. When the Athenians beat the Persians in the battle of Marathon, a Greek soldier, Phidippides, ran as widely known from Marathon to Athens to announce the Greek victory and died from fatigue shortly after (Herodotus (book IV, 105)). The International Olympic Committee estimates the distance he ran was 34.5 km. The particular value related to this event drives people to surpass previous achievements and excel towards increasingly high levels of performance. This value is key in today's highly demanding and competitive business context (although it is certainly unethical to push people to the extent Phidippides was), where executives are called upon to develop the inspirational part of every job by providing appealing rewards and making the big picture visible to employees of all levels, so that they can be motivated to achieve excellence in terms of performance and efficiency both at the individual and the corporate level.

Although the ancient Olympic history is filled with examples of spectacular performance, the Olympic values described above are far from earth-shattering. They resemble the values that most organizations have today, and one can even find many similarities to the values that Enron published in its 2000 annual report, a few months before it went bankrupt: Communication, Respect, Integrity and Excellence (Lencioni, 2002). Thus, even though companies that want to sustainably outperform competition should have sharply formulated, clear and inspiring corporate values, values alone are not enough to turn one company into Enron and the other into a successful value-driven organization. In order to create tomorrow's values-based organization managers must avoid to fall into the trap of alienated values that leave customers confused and employees indifferent. There is need for a new down-to-earth focus on the values that actually guide and frame the way that operational tasks, activities and processes are executed.

Creating Tomorrow's Values Based Organization

In order to achieve desired outcomes and behaviours compliant with the organization's values, one must answer the question "How can company values be communicated to employees so that they are rightly understood?" and "How can the behaviours and actions of all employees be aligned with the core corporate values that the organization holds?" Synthesizing the literature and drawing on our academic and consulting experience, we have identified three consecutive and complementary ways of making values an integral part of organizational life.

Select and train. Selecting the people that fit the organization's culture is an effective way of identifying those employees who potentially can understand, respect and use the values in their everyday practices. For example, part of IKEA's selection process is showing a large variety of photos to candidates asking the latter to select those that fit the company's culture and values. IKEA is well known for promoting family-related values such as honesty, loyalty and modesty. As a result, if a candidate chooses a picture showing a grandfather playing with his grandchild instead of a young man playing his electric guitar, he or she makes a selection that fits with the company culture. Furthermore, selection coupled with orientation training provides even more noteworthy results. After the selection of the employee, IKEA offers a very intensive training to newcomers focusing on basic principles that formulate IKEA's distinctive culture such as informality, friendliness, teamwork, flexible rules and flat hierarchy. These values are truly impregnated in the employees' world-views when they see their CEO and other senior executives dressed up in the characteristic yellow and blue, and not in traditional business dress.

In the Ancient Olympics, the selection of the athletes that would be fit to compete for the Olympic Games was rigorous, since a lot of effort and time had to be committed by the athlete and his mentor in the training process. Furthermore, the training was more of a Balanced Development than an actual technical and physical skills training.

Commit and communicate: In order to actually formulate a value-based culture, the most powerful enabler is the commitment and determination of top management. When IBM's CEO Samuel J. Palmisano decided to draft the new IBM core corporate values, he was the one driving the project, he personally reviewed the findings and he participated in the finalization of IBM's revamped values (Hemp and

Stewart, 2004). Nonetheless, executive commitment is not enough. Commitment must be clearly and continuously communicated throughout the organization. Whether this is done via the corporate intranet of the company (such as in the case of IBM), or whether it is through workshops, seminars and team building exercises; one should bear in mind the motto that 'Actions speak louder than words'. Thus, verbal communication is not sufficient for people to adhere to the values that the company stands for. For this to happen, the communication must be coupled with 'leadership by example'. In line with this argument, the CEO of a leading Internet provider claimed that: "When you print and post your corporate values on a fancy billboard hoping that this will shape employees' behaviour, is when you have lost the game… I abide to the corporate values in my every action and my managers make sure that this is visible to employees at all hierarchical levels".

In the Ancient Olympics, the values were instilled through the mentor. The mentor was responsible for the physical and spiritual development of the athlete and his guidance and contribution both to the technical training and to the understanding of the values and the philosophy behind the Olympics was momentous. In today's organization, the mentor can be analogous to the role that the counselor holds in many organizations. The counselor, who should be different from the manager in order to avoid conflicting interests, should be responsible for monitoring and contributing to the development of the employee in accordance with the values of the company.

Monitor and Reward: Executive commitment and communication form the foundation for a values-based organization. However, what will actually motivate employees to work towards achieving the shared goals will stem from the rewards that are associated with this. One of the earliest, but still contemporary, articles about the problems inherent in performance measurement and employee rewards was written by Steven Kerr (1975). In his analysis, Kerr, identified serious setbacks presented in the performance measurement and consequently in the appraisal systems of the majority of companies. For example he found out that even though organizations strongly need to surface bad news only good ones are rewarded, whether they are true or not. Unfortunately this and many other 'follies' identified by Steven Kerr did not change over a period of 20 years (Kerr, 1995) and seems still not to have changed in 2005. This presents a serious setback, since managers are often tempted to bend the rules in order to 'get the job done' and to report the figures that the markets expect. Worse still, in a research involving top executives, Veiga, Golden and Dechant (2004) found that over 70 per cent believed that bending the rules was appropriate if done for performance-based reasons.

In the Ancient Olympics, whilst the reward was inspiring for athletes, the punishment was also severe to the athlete, his mentor and his relatives, who would have to live without honour if it was ascertained that the athlete was competing unethically and contrary to the Olympic values. This acted as a further deterrent to non-ethical behaviour.

Concluding Remarks

In today's competitive environment, with the numerous corporate scandals and the doubt about the ethicality and correctness of many managerial actions, corporate values have again made it to the top of the managerial agenda. This time, however, it is the content and substance of the values that need attention so as to ensure that they truly contribute to motivating employees and increasing the trust of stakeholders in the company

We have discussed how three consecutive and complementary enablers can make values an integral part of organizational life and with the help of Ancient Olympic stories, coupled with recent examples of corporate excellence, we have demonstrated the benefits that organizations can reap as a result of implementing a values-based culture.

PUTTING THE BALANCED SCORECARD INTO ACTION

by Alexandros Papalexandris

Realizing the need for an integrated management system that would incorporate both traditional quantitative and more abstract qualitative performance measures, Kaplan and Norton (1996) developed the concept of the Balanced Scorecard (BSC), which aims at providing "a framework that translates strategy into action". The BSC is developed along the four well-known perspectives of *Financial, Customer, Internal Business Process, and Learning and Growth Performance*, which, at any point in time of performance measurement, characterize the current status and future potential of organisations. These perspectives foster a balance between short- and long-term objectives, between desired outcomes (lag performance measures) and the performance drivers of these outcomes (lead performance measures), and between quantitative-objective measures and qualitative-subjective measures.

Through the years, the Balanced Scorecard has evolved, from the performance measurement tool originally introduced by Kaplan and Norton (1992), to a tool for implementing strategies and a framework for determining the alignment of an organisation's human, information and organisation capital with its strategy (Kaplan and Norton, 1996; Kaplan & Norton, 2004a). This shift has prompted companies to view the BSC as a strategic communication and management system, thus placing significant weight on several implementation issues that have not previously been documented in the literature. These include a number of critical supporting factors such as change management, project management, IT infrastructure development, quality assurance and risk management that, from our experience are critical for the successful implementation of a Balanced Scorecard.

In this article we develop a holistic but lean methodological approach for BSC synthesis and implementation, which capitalises on the work of Kaplan and Norton and on the knowledge already documented in similar implementations from different countries, industries and company, while incorporating those critical issues.

The proposed methodological approach for preparing, designing, implementing and rolling out the Balanced Scorecard is a results-oriented methodology, focusing on short distinct phases with manageable outcomes. It is developed along two main axes: *project phases* and *transversal activities* as illustrated in figure 3.

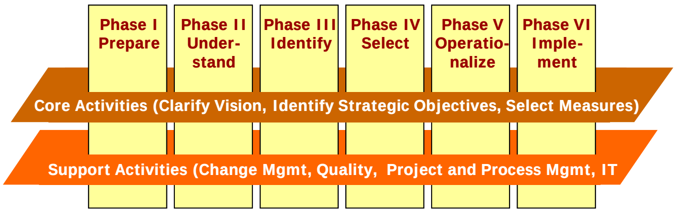

Figure 3. Project phases and transversal activities.

The vertical bars -*project phases*- represent the chronological succession of the project activities. It comprises six distinct project phases. The horizontal axis -*activity groups*- comprises the different sets of activities with two main activity groups – *core* and *supporting activities*, which are defined by the different skills and knowledge required to undertake a given activity. This novel approach of using activity groups helps managers identify the different skills required to complete all critical activities throughout the project phases. It also distinguishes the *core* BSC activities which account for fundamental building blocks of the BSC methodology and which are project independent, from the *support activities*, which generally vary according to the complexity, time and budget of specific projects. Thus, the categorization along two axes demonstrates the cross-functional tasks that must be performed within each project phase by people with different skill sets. Furthermore, this categorization provides strong inter-functional coordination, which is a fundamental condition for achieving the desired project outcomes (Matta and Ashkenas, 2003). In the following, we describe in more detail the different activity groups.

Activity Groups

The seeming simplicity of the Balanced Scorecard concept makes people underestimate the difficulties of putting it in place (Olve, 2004). However, the process of introducing a BSC in an organization is a challenging endeavour that constitutes a significant change initiative.

The Core Activity Group is concerned with the major strategy-related activities that must be performed in order to design, implement and deploy a BSC. They start from the *analysis of the vision and strategy* of the company, encompass the *identification and linkage of the strategic objectives* in a strategy map, cover the *selection of the measures* and end up in the *development of the targets and the strategic initiatives*. These core activities relate to the building blocks of the BSC, and have been extensively analysed in the literature, both by Kaplan and Norton and other researchers.

However, dealing with the strategy aspect of a BSC project and thus executing the core activities will not ensure the success of the project, since, as mentioned above, there are other components / levers related to structure, processes, people and technology, which must be considered during implementation. The *Support Activity Group* aims at identifying all these additional and supporting activities that have a large impact on the organisation and should be considered during the whole project's lifecycle. The support activity group also specifies the different competencies needed to undertake each activity, thus contributing in defining the different skill sets required by the members of the BSC implementation project team. The support activities involve:

(a) *Change Management*. As the introduction of a Balanced Scorecard is equal to the introduction of a new performance measurement system and a new performance management approach, it comprises important changes in organisation, management and systems. Change efforts, however, often result in failure (Strebel, 1996). In particular, we have encountered numerous instances where the introduction of a BSC has met resistance, especially from middle managers, since the BSC is a management tool that makes organisational performance transparent to the whole organization. The aim of this activity group is to account for and minimize resistance to change by ensuring that people understand the need for change, are properly motivated to change (e.g., formulation of incentive programs) and participate in the process of designing and implementing the new performance management system (Neely *et al.*, 1996).

(b) *Risk Management & Quality Assurance*. Identification of project risks and the need to effectively manage them is strongly emphasised in the project management literature (Williams, 1995). However, even though risk management approaches are positively correlated with meeting time and budget goals, few projects in general integrate specific risk management practices (Raz *et al.*, 2002). The proposed tasks related to risk management comprise a two-stage approach, namely *risk assessment* and *risk control*. Risks associated with BSC projects include frequent and uncontrolled changes to the building blocks of a BSC (strategic objectives, measures, etc.), poor time and cost estimates, poor communication and tensions between the project team members (especially in designing the strategy map and establishing the targets for the measures), project inertia, and changes in the company's strategy during BSC implementation. Quality assurance (QA) is concerned with the fitness (efficiency and effectiveness) of the BSC solution to meet the needs of the users. For this reason a process should be implemented for reviewing, performing necessary changes / enhancements and approving the work done by the BSC project team. Also, a special QA team, which will be responsible for ensuring the quality of the project, should be composed.

(c) *Information Technology*. Due to the data intensive nature of BSC implementations, companies engaging in a BSC project should also prepare to implement a BSC Information Technology (IT) solution, which can range from customizable large software vendor solutions to simple off-the-self applications. However, IT should not only be viewed as a means for automating low value-added activities, but as a strategic enabler to efficiently use the BSC and as a mechanism that enhances coordination and control abilities throughout the firm (Grant, 2002). In this context, the IT activities proposed by this methodology relate to specific tasks for the assessment of existing technologies, the detailed definition of technology requirements, the evaluation-selection-procurement-customisation of vendor solutions, the interfacing to existing systems, and the testing of the final system.

(d) *Project and Process Management*. The implementation of a BSC project requires the involvement and management of employees from different departments. Hence, project management is one of the key activities that must be performed to ensure timely, accurate and within budget implementations. Even though the introduction of a BSC is a relatively small project, several cases have been recorded where BSC projects have deviated significantly from the budgeted time and cost. The majority of the time delays were the result of poor project planning and diverging agendas among project team members, while the excess costs mainly originated from the implementation of the data-mining technology required to gather and calculate the BSC performance measures.

In Conclusion

Turner (1992) describes a project as:

an endeavour in which human, material and financial resources are organised in a novel way, to undertake a unique scope of work of given specification, within constraints of cost and time, so as to achieve unitary, beneficial change, through the delivery of quantified and qualitative objectives.

Under these principles, we have developed an integrated methodological approach for BSC synthesis and implementation, which aims to provide a comprehensive framework covering the important aspects of a Balanced Scorecard synthesis and hence can serve as a guideline for implementations.

Even though every attempt is made in generalising the concepts presented, company specific factors, such as size, strategy, and resources might requiring deviations from the proposed methodology, will always need to be considered while implementing a BSC. Furthermore, even though most organizations seem to agree that a BSC implementation will be beneficial, one must not overlook the fact that its effectiveness and benefit is highly dependent on the fit between implementation process and organizational contingencies.

This article is based on a paper by Papalexandris, A., Ioannou, G., Prastacos, G.P. and Soderquist, K.E. (2005), entitled "An integrated methodology for putting the Balanced Scorecard into action, European Management Journal, 23(2), 214-227.

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USEFUL WEB LINKS (Entrepreneurship, Family Business Management / Women Entrepreneurship)

European Union – Enterprise and Industry, http://europa.eu.int/comm/enterprise/enterprise_policy/index_en.htm, The EU portal for entrepreneurship and small business development. Contains many reports, articles and statistics. Of special interest is the 2004 Eurobarometer on entrepreneurship, which can be downloaded from (http://europa.eu.int/comm/enterprise/enterprise_policy/survey/rapporten2004.pdf).

Organization for Economic Cooperation and Development – OECD, www.oecd.org. Under "ByTopic", "Enterprise, Industry and Services", there are many resources, studies, papers and presentations available in the area of SMEs, family business management and entrepreneurship in general.

National Association of Women Business Owners, www.nawbo.org, is the site of the voice of America's over 10 million woman entrepreneurs. The site contains a number of resources, most of which are accessible only after membership. There are several useful links to other sites as well as some interesting statistics and press releases available.

The Family Firm Institute, www.ffi.org, contains a number of resources both for family business owners and for researchers and consultants. Link to Family Business Review (Blackwell Synergy), a journal that combines scholarly research and practical experience devoted exclusively to exploration of the dynamics of the family firm.

Entrepreneur Magazine, www.entrepreneur.com. This is the online publication of Entrepreneur Magazine, with news and updates on what is important for entrepreneurs and small business owners, as well as resources related to a variety of entrepreneurial issues.

Fast Company, www.fastcompany.com. Maybe the leading Internet publication on all issues related to how "fast companies", i.e., entrepreneurial and fast growing companies are managed and operate. A rich site to explore for quite some time!

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(no 5, spring 2004).

Managing Knowledge
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