

Chapter 7

Family Business Entrepreneurial Ecosystem: An Explorative Approach

Oscar Javier Montiel Méndez, Luisa Cagica Carvalho and Adriana Martinez Martinez

Abstract

The relevance of entrepreneurship in the economic systems of the regions is well documented. Recently, a new concept has emerged in the entrepreneurship literature, entrepreneurial ecosystem (EE), to analyze the dynamics of a given territory and its outputs and impact upon entrepreneurship. Moreover, it is also well documented the close relationship between entrepreneurship and family business (FB). Keeping in mind the multidimensionality of the latter, its scholars are beginning to look into the entrepreneurial elements embedded in the family processes and the influence of context.

After an extensive literature review made, a significant gap was found, given the historical relevance that FB (SMEs the vast majority) have in the global economic systems. A FB entrepreneurial ecosystem (FBEE) model is proposed based on the data collected from two case studies, on Portugal's wine industry, and Mexico's shoe industry, both artisan industries confronted with the urge to reinvent and adapt to face deep market and industry changes.

The results should indicate the feasibility of proposing a second level on the theory of EE, the FBEE, where both the family and business itself ultimately play a vital role in its success and impact the whole system.

Keywords: Family business; entrepreneurship; entrepreneurial ecosystem; regional development; context; embeddedness

Introduction

The close relationship between entrepreneurship and family business (FB) is well documented (Aldrich et al., 2021), especially when the new ventures start and begin to evolve.

FB is the main actor in emerging economies as they are the backbone of entrepreneurial activities (Astrachan et al., 2003). Surprisingly, building an EE with a focus on FB is an absence in the academic literature or public policies. Moreover, most research on FB focuses on developed economies (Basco, 2018), and there is a substantial lack of context research on FB (Gomez-Mejia et al., 2020). For example, Zata Poutziouris et al. (2006) in their *Handbook of Research in Family Business*, in 32 chapters, not even once mentioned the word “ecosystem.”

Family firms are ubiquitous organizations in both advanced and emerging economies and are credited for fueling the engine of entrepreneurship and economic development (Rogoff et al., 2003). Given the relevance that FB (SMEs the vast majority) has in economic systems in terms of employment, among other indicators, why is there no reference in the literature on building a FB ecosystem (FBE), precisely and specifically designed and built for them? Why is it that the focus is only on EE and forgets to look at the units, where both family and the business itself most of the time are embedded, that ultimately play a vital role in its success, and impact on the whole economic system?

Recently, there have been some efforts toward FBEE (Basco et al., 2020), working in a particular region (United Arab Emirates (UAE)), but only in terms of surveying FB so far.

The present chapter will have this goal in mind, a proposal on an exploratory FBEE model, based on the data collected in two cases studies, on the wine industry of Portugal, and the shoe industry in Mexico, both artisan industries that were confronted with the urge to reinvent and adapt to face deep market and industry changes.

Literature Review

Saxenian (1994) and Spilling (1996) were among the first to describe how the interaction between entrepreneurs and context might impact entrepreneurial success. Later, a couple of studies try to conceptualize this under EE (Cohen, 2006; Isenberg, 2010), followed by others that inquiry how the community and culture of territory might impact entrepreneurship (Feld, 2012; Spigel, 2017).

A growing interest has been revolving around the possibility of applying EE in more specific areas, i.e., Sussan and Acs (2017) proposal of a “digital entrepreneurial ecosystem,” companies with highly innovative products/services for the global economy. Or the reflection made by Rezaei et al. (2018) for an EE for the Middle East and North Africa (MENA), Bertoni et al. (2019) on venture capital, or Bischoff (2021) on the study of the sustainable entrepreneurial ecosystems.

According to Isenberg (2014), an entrepreneurial ecosystem includes the following components: a conducive culture; enabling policies and leadership; availability of appropriate finance; quality human capital; venture-friendly

markets for products; and institutional and infrastructural supports. The entrepreneurial ecosystem value is influenced by external factors (public policy, financial support for young entrepreneurs, incentives for venture capital investors, business incubators, business angels, bureaucracy, regulatory and tax environment, clubs and associations of entrepreneurs), and internal factors (entrepreneurship education, the density of new businesses).

The metaphor of “ecosystems” has become popular in the industry, academia, and government, focusing on the creation of innovative products and services, wealth creation, and competitiveness (Acs et al., 2017). The analogy is based on the assumption that economic agents interact with the environment, while this one is almost entirely exogenously given (Colombo et al., 2019).

Although there are numerous definitions of what an EE is, for the chapter, there are two: (1) Spigel (2017): “A combination of social, political, economic, and cultural elements within a region that support the development and growth of innovative start-ups and encourage nascent entrepreneurs and other actors to take the risks of starting, funding, and otherwise assisting high-risk ventures” (p. 50). (2) Mason and Brown (2014, p. 5) define EE as “...a set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organizations (e.g. firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, levels of ‘blockbuster entrepreneurship’, number of serial entrepreneurs, degree of sell-out mentality within firms and levels of entrepreneurial ambition).”

So, EE is perceived as a vehicle to describe and explain how entrepreneurs interact with their environment as economic agents (Minà & Dagnino, 2017). It is mainly based on the analogy of natural ecosystems, viewed “as a community of living organisms in conjunction with the nonliving components of their environment, interacting as a system, linked together through nutrient cycles and energy flows” (Smith & Smith, 2015, p. 19).

Recently, researchers have been reflecting on the future of this research area (Wurth et al., 2021, p. 7): “This creates a new question: do entrepreneurial ecosystems enable all forms of entrepreneurship or are productive forms of entrepreneurship affected by ecosystem context in different ways than other forms of entrepreneurship? Furthermore, are different configurations of ecosystems needed to stimulate nascent entrepreneurship, startups, and scale-ups, respectively?”. So, the question might arise also regarding FB.

A model proposed by Stam (2015) provides a causal depth with four ontological layers (framework conditions, composed of formal institutions, culture, physical infrastructure and demand, systemic conditions, constituted by networks, leadership, finance, talent, knowledge, support services/intermediaries, outputs, i.e., entrepreneurial activity, and outcomes, i.e., aggregate value creation), including upward and downward causation, and intra-layer causal relations.

Stam explains how the upward causation might reveal how the fundamental causes of new value creation are mediated by intermediate causes. Downward causation shows how outcomes and outputs of the system over time also feedback into the system conditions. Intra-layer causal relations refer to the interaction of

the different elements within the ecosystem, and how the different outputs and outcomes of the ecosystem might interact. Finally, the elements of the entrepreneurial ecosystem that can be distinguished are framework conditions and systemic conditions. But this proposal fails to include the family element, as it permeates along with the EE, in every direction proposed, constantly being there. The model keeps the long-standing tradition of seeing the entrepreneur as a stand-alone, heroic figure (Sorensen, 2008).

Not only the vast majority of companies are FB, but for better or worse, family is always entrenched in every step (not only as a funding channel for the initial phase of the startup), no matter the conditions faced by this mythical figure, the entrepreneur. Moreover, the FB dynamic can have a dark side (Dark side of family business, DSFB, Montiel & Soto, 2020), embedded, that can negatively impact the entrepreneurial process, and thus, the EE.

Later, this model had an evolution as an integrative model (infrastructure) of entrepreneurial ecosystems consisting of 10 elements (same as the ones in Stam, 2015) and entrepreneurial outputs. Stam and van de Ven (2021) explain that the 10 elements are operational constructs of institutions and resources of an entrepreneurial ecosystem.

They keep explaining that the third component of the infrastructure, proprietary functions (P3), consists of the entrepreneurial firms commercializing innovations, the output of the entrepreneurial ecosystem, conceptualized as new value creation and captured by productive entrepreneurship.

Krueger et al. (2021, p. 3) explain the boundaries of the three layers of context: The micro-context refers to the family, an environment in which socioeconomic activities are developed, created, or interpreted. The meso-context is formed by several different sub-environments, the industrial sector, business environment, and social networks with multiple institutional logics shaping socioeconomic activities, and the macro-context is a more abstract representation of the environment characterized by formal (laws) and informal (culture) institutions that boost or constrain socio-economic activities. The embedded framework of family business contexts refers to the degree to which family business activities are constrained by the multilayer contexts in which they dwell (i.e., EE), that ultimately are affected by family emotions, the entrepreneurial mindset they have, and their individual and collective goals.

Moreover; Cavallo et al. (2019) propose to advance the EE research by (1) studying the entrepreneurial dynamics and their Governance, i.e., formation, growth, failure of a startup, and the interactions among the actors involved in this process (entrepreneurs, investors, incubators, policymakers, universities, or corporations); (2) analyze sub-systems of EE; (3) innovative and growth-oriented entrepreneurship, i.e., VC-backed startups and unicorns; and (4) focus on a specific territory (country, cross-country, or region). FB can be part of all four angles.

On the other hand, Ajzen's (1991) theory of planned behavior mentioned that the approval of reference people (family members/friends) plays a role in entrepreneurial propensities. Although Rueda et al. (2015) reported a weak impact of

reference people on entrepreneurial intention, *prima facie*, they might oversee the culture family might foster and cultivate through time.

Further, [Bichler et al. \(2021\)](#) show that regional business development is driven by family firms, which are generally deeply embedded in their region (e.g., rural areas). So, they put forward an entrepreneurial ecosystem embeddedness framework, highlighting the role of family entrepreneurs in three dimensions: (1) horizontal embeddedness in the economic and sociopolitical environment, (2) vertical embeddedness in industry regimes, particularly the family, and (3) spatial embeddedness in the region for value creation, embeddedness as a social fabric relates to entrepreneurial ecosystems. Embeddedness, they stated, is a social fabric in entrepreneurial ecosystems, since the unilateral engagement and a lack of coordinated embeddedness can restrict value creation.

Related to the latter is socioemotional wealth (SEW), a theoretical construct for characterizing family business and is defined as the most important differentiator of family firms ([Martínez Romero & Rojo Ramírez, 2016](#)). The same authors defined SEW as “The intrinsic and inextricable emotional endowment that all family businesses have, i.e., the set of feelings, emotions, relationships and binding ties between members of the business family.” They also posit that SEW can change over time and propose that SEW can alter between generations. This argument follows from an earlier study by [Villalonga and Amit \(2006\)](#) which distinguishes between founder CEOs and later ones – described as descendent CEOs and external CEOs – and postulated that founder CEOs create value for family firms whereas the others do not.

[Berrone et al. \(2012\)](#) propose five major SEW dimensions: family control and influence, identification of family members with the firm, binding social ties, emotional attachment of family members, and renewal of family bonds to the firm through dynastic succession. Other authors refined this concept by proposing that each dimension can exhibit a positive or negative valence depending on the nature of emotions involved in a particular context ([Kellermanns et al., 2012](#)).

What insights can be obtained by carrying out two comparative case studies of a family business in the Portuguese wine-producing sector and a Mexican shoe producer, to propose an FBEE?

Method

The choice of two case studies in different countries was representative of these industries is justified according to [Yin \(2001\)](#).

In the Portuguese case study, data were gathered by interviewing the CEO of the winery in the research already published ([Williams & Carvalho, 2022](#)) and cross-referencing the information gathered from numerous interviews with her published in the Portuguese press. The interview was conducted in Portuguese by one of the authors using a narrative interview approach ([Wengraf, 2001](#)). During the interview, the CEO was requested to relate how she came to leave her profession as a social worker and take over the family firm in 1989 and to describe how the firm evolved up to the present. She was encouraged to describe challenges and victories encountered and also to share her perceptions of the role of her

family during the process. In addition, plans for the future involving globalization of the firm and the role of the next generation of the family were discussed.

In the Mexican case study, the information was collected by interviewing the owner and CEO of an important company that produces sports shoes and was complemented with information that had been collected in previous research (Carrillo et al., 2014) as well as with newspaper articles published on the internet. In the previous research, in-depth interviews were conducted, recorded, and transcribed for their systematization and analysis. The guiding questions of the interviews were the foundation and evolution of the firm, as well as the challenges that he faced, and the role played by his family. In both cases, the interview quotes in the following section were translated to English by the authors.

The comparison of family business cases in Europe (Portugal) and America (Mexico) is unusual in the literature and allows a better understanding of these realities attending to the literature - family emotions, entrepreneurial mindset, individual and collective goals (Krueger et al., 2021). Additionally, the literature reveals that some profiles of FB are still unstudied such as the case of female entrepreneurs and particularly those of third and fourth-generation family businesses (Sharma, 2004). Accordingly, the practice-focused research question for this analysis is of an exploratory and descriptive nature (Feuer et al., 2002).

Case Studies

Wine Industry – Casa Ermelinda Freitas – Lisbon, Portugal

Unusually for Portuguese wineries, the firm was founded by a woman, Deonilde Freitas, in 1920 and continued by her daughter Germana Freitas and later by her grandson Manuel João de Freitas in partnership with his wife Ermelinda. On the early death of Manuel in 1989, his only daughter Leonor, who had completed a sociology degree and had a permanent post in Lisbon as a social worker in the health sector, opted to return to the family home to help her mother Ermelinda keep the firm in business.

When the company first started, wines were produced in relatively small quantities and sold wholesale and unbranded to larger firms who would bottle them and sell them under their brands. The winery located in Fernando Pó in the region of Palmela to the south of Lisbon had 60 hectares and cultivated just two varieties of grape: Castell o for red and Fern o Pires for white wine. Leonor Freitas continued this tradition in the early years but has recently taken on a young recently-graduated enologist, Jaime Quendera, she decided to create her brand named after her mother Ermelinda Freitas and to work with Quendera to produce a red wine to be put on the bag-in-a-box market under their name. This first wine, Terras do Pó became very successful and from 1997 the firm diversified its product to include bottled wines.

In 2002, the firm was faced with a crisis when their major client informed Ms. Freitas that he had a stock surplus and would not be ordering her product. She decided to stake everything on the success of the company's brand, invest heavily in new technology, and extend the number of varieties to include Trincadeira,

Touriga Nacional, Aragon s, Syrah, and Alicante Bouschet which permitted a wider range of products.

The wines began to attract attention at national and international wine-tasting competitions and in 2008 Casa Ermelinda Freitas received a significant boost when its Syrah wine won first prize among 3,800 competitors at the prestigious French competition Vinalies Internacionales. The Portuguese national press picked up on this award and there were several articles about “the best red wine in the world” which considerably enhanced the firm’s reputation at the national level. Most of the profits have been reinvested in the company to allow the construction of a considerably larger new winery with state-of-the-art equipment that includes 1,500 oak barrels.

Casa Ermelinda Freitas currently cultivates 29 varieties of grape and owns 440 hectares of vineyard, 60% of them planted with Castel o (known in the area of Palmela as “Periquita”), 30% red varieties such as Touriga Nacional, Trincadeira, Syrah, Aragon s, Alicante Bouschet, Touriga Franca, Merlot, and Petit Verdot, and 10% of white varieties such as Fern o Pires, Chardonnay, Arinto, Verdelho, Sauvignon Blanc, and Moscatel de Setúbal.

The winery is equipped with up-to-date technology and employs temperature-controlled stainless-steel vats for the fermentation process. The company has 32 regular staff and 40 seasonal employees. It produces over 12 million gallons per year and 40% of its production is exported to 30 overseas markets.

In 2009, Leonor Freitas was awarded the title of Comendador da Ordem do Mérito Empresarial by the Portuguese President.

Footwear Industry – Grupo Pirma, Leon, Guanajuato, Mexico

The founder of Grupo Pirma is Rafael León. When he was in high school, after class, he worked lining charro hats. When he finished high school, he took a break because he couldn’t get into the career he liked. Then, with two friends, he began to sell a sailor-type shoe that was produced by a shoe manufacturer in the municipality of San Francisco del Rincón. Once the product was sold, the owner of the factory no longer wanted to manufacture it, since he had already long time doing it; since that moment, Rafael saw the opportunity to move from the sale to the production of footwear, it was the year 1986. The fashionable shoes were green and blue; at the beginning of the production there were only three people: his sister Rosa, a partner and him; the partner left them after six months.

In 1990, two more brothers, Javier and Jorge, began working with him. In that year, the company “Maquiladora de Calzado Caribbean” was born, dedicated to the manufacture of sports shoes, focusing on soccer. Until 1990, they manufactured sailor shoes, and because of the 1990 World Cup, they began to produce sports shoes. In 1990 fashion changed, and tennis shoes began, so Pirma began to manufacture sports shoes, from the beginning they were very well accepted, with good demand. At that time, it already had a warehouse for the manufacture of sports shoes and another for the manufacture of sailor shoes. The resources they

obtained were invested in the production of molds to differentiate themselves from their competition.

In 1992, “Manufacturera San Javier” was created, dedicated to the production of clothing and accessories. In 1994, he founded “Maquiladora San Javier” to produce running and basketball footwear. In 1995, the sole and polyurethane plant began operations.

In 1997, they open its first flagship store. This allowed them to grow at sustained rates of 3–4%. Later they opened wholesale warehouses with which they gained the trust of their customers since they had the product closer to them, and did not have to spend on transportation. The stores handle a comprehensive concept, they sell sports shoes, accessories, and clothing. Currently, the company has 15 wholesale warehouses and 200 stores. To improve their distribution system, they have visited international companies that have opened their doors and shown them their distribution centers. In 1998, it began its exponential growth. It has sponsored soccer teams, such as, León, Necaxa, and Estudiantes del Tecos.

Grupo Pirma obtained 2009 the “Carlos Abascal Carranza” Labor Merit Award granted by the Undersecretary of Labor and Social Welfare of the Government of the State of Guanajuato, for the project “Development and implementation of a Lab of physical-mechanical tests for the footwear industry.” In 2010, the Guanajuato State Environmental Protection Agency certified it as a Clean Company. In 2012, it established the “Development of Reliable Suppliers” program, taking as evaluation parameters: delivery time, material return rate, and response time. The supplier payment policy is eight days, the common in the sector is 30–60 days. In 2014, it received the certification called “Mexican Shoes Quality” granted by the Chamber of the Footwear Industry of the State of Guanajuato. This certification seeks to improve the following items: response capacity, cost reduction, and productivity.

Currently, Manufacturera San Javier is dedicated to the production of urban and basketball footwear, and Maquiladora de Calzado Caribbean to the manufacture of running and soccer footwear. Sportswear and accessories are manufactured in Bangladesh, Pakistan, China, and Vietnam. The sports they attend are soccer, basketball, boxing, athletics, and tennis. It has more than 3,000 employees. The company exports to the United States, Canada, Costa Rica, and Brazil. Its main competitor is Nike.

The firm has modern machinery at the forefront of technology, which is constantly being replaced. The company’s competitive advantage lies in innovation. During the pandemic, they closed the plant for 3 months and paid their workers their full salary.

Rafael León has received the “Entrepreneur of the Year” awards for his support in the development of the Pueblos del Rincón (2013) granted by the Asociación de Empresarios del Rincón and the “San Crispín de Oro” (2021), the highest award granted by the Chamber of the Footwear Industry of the State of Guanajuato to entrepreneurs who have distinguished themselves for their contributions in the development and positioning of the Mexican footwear industry.

Discussion

FBEE Model

Fig. 1 presents the proposed FBEE model. This is an iterative model, where every element influences and gets influenced constantly. Embeddedness is not only restricted to regional development but is being inclusive outside of this context.

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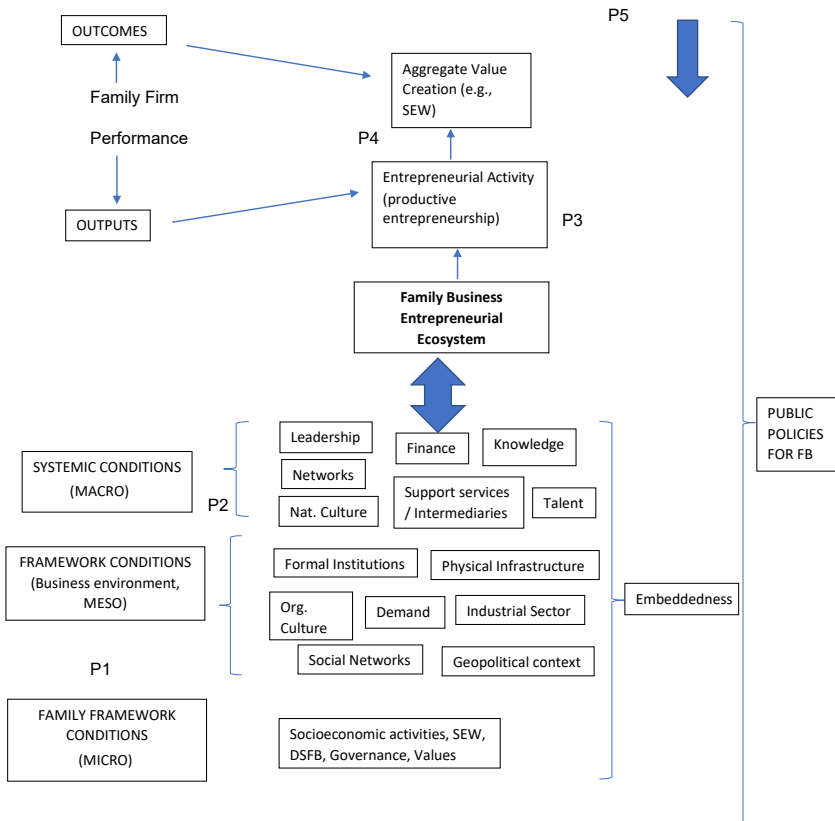


Fig. 1. Family Business Entrepreneurial Ecosystem, FBEE.
 Source: Own elaboration, based on Stam (2015), Stam and van de Ven (2021), and Krueger et al. (2021).

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Related to the latter is socioemotional wealth (SEW), a theoretical construct for characterizing family business and is defined as the most important differentiator of family firms (Martínez Romero & Rojo Ramírez, 2016). The same authors defined SEW as: “The intrinsic and inextricable emotional endowment that all family businesses have, i.e., the set of feelings, emotions, relationships and binding ties between members of the business family.” They also posit that SEW can change over time and propose that SEW can alter between generations. This argument follows from an earlier study by Villalonga and Amit (2006) which distinguishes between founder CEOs and later ones – described as descendent CEOs and external CEOs – and postulated that founder CEOs create value for family firms whereas the others do not.

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According to Isenberg (2014), an entrepreneurial ecosystem includes the following components: a conducive culture; enabling policies and leadership; availability of appropriate finance; quality human capital; venture-friendly markets for products; and institutional and infrastructural supports. The entrepreneurial ecosystem value is influenced by external factors (public policy, financial support for young entrepreneurs, incentives for venture capital investors, business incubators, business angels, bureaucracy, regulatory and tax environment, clubs

and associations of entrepreneurs), and internal factors (entrepreneurship education, the density of new businesses).

Although there are numerous definitions of what an EE is, for the chapter, there are two: a) [Spigel \(2017\)](#): “A combination of social, political, economic, and cultural elements within a region that support the development and growth of innovative start-ups and encourage nascent entrepreneurs and other actors to take the risks of starting, funding, and otherwise assisting high-risk ventures” (p. 50). And in the other hand, [Mason and Brown \(2014, p. 5\)](#) define EE as “...a set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organizations (e.g. firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, levels of ‘blockbuster entrepreneurship’, number of serial entrepreneurs, degree of sell-out mentality within firms and levels of entrepreneurial ambition).”

Therefore, the following is the definition proposed for FBEE:

The infrastructure, based on family business dynamics/processes, of social, political, economic, and cultural elements within a region that support the development and growth of innovative start-ups, and encourage nascent or established entrepreneurs and other actors, to take the risks of starting, funding, and assisting ventures.

Cross Case Discussion

Family Framework Conditions

Portuguese Case Study. In 1978, when Ms. Freitas was 38 her father died after a brief illness. An only child, she had been sent away to the city from the rural family home at the age of 10 by her parents to have access to education and after completing her university course, in Lisbon, she continued to live an essentially urban life. At the time she had settled in the city of Setubal where she enjoyed her work as a social worker in the health sector. Her husband was an engineer in a cellulose firm and their two children João and Joana were 10 and 4 respectively ([Williams & Carvalho, 2022](#)).

Ms. Freitas admits that had vivid memories of rural life as a little girl watching her grandmother Germana or his father developing their daily tasks. And even today she takes into account these memories to deciding about the business. The memories of her grandmother Germana that was widowed at 38 and kept the business going were a huge influence.

Nevertheless, she was the first member of this family that has frequented higher education and taken graduation, their parents want to give her a “better life” in the city (far from rural life).

But when her father dies, she has a decision to take: sell the company and close the FB (leaving all memories and emotions associated with her history and family) or left their profession in Lisbon to return to the rural area with the hard work and contingencies imply in rural life. In the end, emotions influenced their decision to return.

She reveals a different and more innovative mindset, assumes the FB, introduced innovations such as new varieties of grape, and invests in buying up parcels of land as they became available in the area. And today it is one of the largest wineries in the Setubal Peninsula and is exported to several countries. Nowadays her daughter and son already work for the company and assume the continuation of the FB succession for the next generation. They also bought land in other regions in Portugal and produce wine from different regions with different tastes and features.

Mexican Case Study. In 1986, Rafael León Meléndez and his family founded a workshop in the municipality of San Francisco del Rincón dedicated to the production of soles, at that time he was 21 years old. He and his brothers have the determination and dream to establish an innovative company to produce sports shoes. This is reflected in the values of Grupo Pirma: morality as a basic principle, order, cleanliness, honesty, punctuality, the desire to improve, responsibility, respect for the law and regulations, respect for the rights of others, and the love and passion for work. The firm's vision is: "... to be a leading, avant-garde and productive company with the highest quality standards and a passion for serving our customers, harmoniously linking technology with personal and ecological development."

In March 1994, he bought machinery for half a million dollars from Taiwan manufacturers through a loan from the Taiwan Eximbank, at the end of that year the Mexican crisis occurred, which caused a devaluation of the exchange rate. This made him have uncertainty, and stressed; however, a friend told him, "Don't worry, in the end, your machinery is worth the same"; he negotiated with his clients to pay him on time and did not give them increases. Within a year he was able to pay off the account, and then he opened another production line. At first, his sisters helped him sell sports shoes in the US, in small quantities.

In total there are 10 brothers, five women and five men. Only nine of them are related to the company: three are partners in Manufacturera Caribe: Rafael (56), Javier (54), and Rogelio (50). The other six are indirectly related: four have distributions in Toluca, León, and Puebla, another is the director of clothing and accessories, and another brother assembles a children's line.

... because family businesses have gone bankrupt because the wives or husbands begin to influence what the son has to stay with when the son has no capacity at all, then we are trying to keep it based on capacity, the knowledge and experience he has.

(Personal communication, January 11, 2022)

Regarding the governance, the purpose is to work during 2022 and 2023 on the issue of corporate governance, the first thing is the formation of a Council in which four external businessmen will participate and in the appointment of a director of the company. Currently, Rafael León's daughter (27 years old) works in the administrative area, and his son (25 years old) spent a year in charge of the warehouse they have in Querétaro, now he will be appointed Regional Director so that in the future he can replace him. However, his other two partners (brothers)

also have children, so they are currently discussing what evaluation they will carry out to find out if they can succeed, he points out that everything will be based on capacity and not on family ties because they are concerned that the company endures over time, in this regard he mentioned:

The main challenges for the company are (1) family succession, the founder is still young (56 years old), and (2) the global positioning of its brand given that the market is dominated by very strong brands.

Framework Conditions

Portuguese Case Study

Formal Institutions. To characterize Portugal concerning formal institutions and environment to support entrepreneurial ecosystems, we provided some highlights from [Global Entrepreneurship Monitor. GEM \(2020\)](#) refers that entrepreneurship has been encouraged by the Portuguese Government as well as by actors in the entrepreneurial ecosystem with a range of policy actions, such as the StartUp Portugal Program which supports national startups and attracts foreign entrepreneurs and investors. These initiatives allow increase the number of startups as well as the incubators and promote international visibility. Entrepreneurship is engaged in society and policymakers use them to solve unemployment issues, promote innovation and support the competitiveness of SMEs. Nevertheless, some problems are still to be solved, mainly related to bureaucracy and high taxes that are barriers to entrepreneurship.

In this context, the wine sector represents a very important industrial sector of the Portuguese economy. Portuguese wine received an international reputation and its exports demonstrate this sector's dynamism, having registered a very favorable performance over the last years, which could be confirmed by the numbers provided by ViniPortugal:

- 725 million euros of Portuguese wine exports in 2014 (Note: includes Port and Madeira wine);
- 1.5% of the total national exports of goods are ensured by Portuguese wine;
- 66% is the representativeness of Portuguese wines within the export of Portuguese beverages, spirits, and vinegar” products;
- 45% is the percentage of the exported wine production;
- 9th is Portugal's position in the international wine trade ranking;
- 12th is Portugal's position as a wine-producing country worldwide.

The Portuguese geography and climate favor the wine production and wine are also associated with Portuguese culture since its foundation. Even though Portugal occupies little over 90,000 km², the diversity of vines accounts for more than 250 grape varieties when it comes to indigenous types. If we compare this to other territories around the world, this number becomes even more astonishing. In the USA, for example, 80% of the wine comes from less than 10 grape varieties. Currently recognized and protected in all the Portuguese territory are 33 Designations of Origin and eight Geographical Indications. Portugal counts 13 different wine regions. Wine can be considered in Portugal as a cultural heritage,

and some demarcated regions, such as the Douro Wine region are classified as UNESCO cultural heritage that involves a living cultural landscape. This case study presents a winery that was born in the Peninsula de Setúbal region (although it currently has wineries in other demarcated regions) that is set in the south of Lisbon. This region has a strong tradition in this sector. In the nineteenth century, the largest continuous vineyard in the world was in the Setúbal Peninsula region: around 4,000 hectares of a vineyard belonging to a single producer. Today, the area occupied by vines is about 8,000 hectares. Setúbal Peninsula offers a Wine Route that is a programmed and structured itinerary to visit the wineries that are interconnected, combines heritage, culture, and nature, and also promote tourism.

Physical Infrastructure. The Freitas winery located in Fernando Pó in the region of Palmela to the south of Lisbon cultivated just two varieties of grape: Castell o for red and Fernão Pires for white wine.

In 1992, the vineyard area consisted of 55 hectares of Castelão (known locally as Periquita) and 5 hectares of Fernão Pires, the typical grape varieties of the region. After five years, the entrepreneur believed that the conditions were in place to start bottling a selected part of the harvest, and launched 8,000 bottles of the Terras do Pó brand onto the market, on a trial basis. In 1999, confident in the commercial results achieved, the company launched the Dona Ermelinda and Quinta da Mimosa brands, which consolidated and reinforced the investment in the production of bottled wines. In 2001, the top-of-the-range Leo d'Honor was launched, produced from the old Castelão vineyards, which proved a great success with critics and in the market.

In 2002, now with 100 hectares of vineyards, it was decided that all the wine produced should be bottled, the winery was equipped with state-of-the-art technology and a great step was taken toward Casa Ermelinda Freitas reaching its current size and prestige.

The area of vineyards continued to expand, and today stands at a total of 315 hectares. It should be noted that this figure does not include small-scale producers in the area, who through grape purchasing agreements and technical support, add around 300 hectares to the company's vineyards.

The monopoly of the above-mentioned traditional castes Castelão and Fernão Pires has given way to a diverse range of varieties. Among red grape varieties there are now Touriga Nacional, Touriga Franca, Trincadeira, Aragonês, Syrah, Merlot and Petit Verdot. Among white wines, there are Moscatel de Setúbal, Arinto, Verdelho, Sauvignon Blanc, and Chardonnay.

The winery, equipped with the most modern technology, offers a symbiosis between the modern and the traditional, with the same building housing a range of areas, from production to aging in oak barrels and wine bottling, this project falling under the remit of Engineer Jaime Quendera.

They have the capacity for the fermentation of 21 million liters in temperature-controlled stainless-steel vats.

The company has three aging cellars: two with 3,500 barrels for the fermentation and aging of white, red, and sparkling wine; the other is dedicated to the aging of Setúbal muscatel wine and has a capacity of 2,000 barrels.

The winery has three bottling lines, one for bottles with a capacity of 3,000 bottles/hour and two “bag-in-box” lines with a capacity for 800 BIBs/hour. And bottle more than 15 million liters per year.

The expansion of the company to other demarked wine regions in Portugal began when the company acquire Quinta do Minho. The Quinta do Minho, which covers 40 hectares, was born in 1990 in Póvoa do Lanhoso near Braga, as a result of the merging of two of the oldest estates there: Quinta do Bárrio and Quinta da Pedreira. The main house dates back to the eighteenth century and has gradually been restored to support activities related to wine tourism. With a typical terroir of the Alto Minho, its elegant and fresh wine is based on the Loureiro grape variety, which is the queen of this region.

In 2018, the company also acquired Quinta de Canivães in the Douro region, Leonor Freitas fulfilled a long-standing dream of having an estate by the Douro river. This old estate is located on the left bank of the Douro, near Vila Nova de Foz Côa, and was formerly known as “Quinta do Porto Velho” as it has a small port where the small boats would dock. Covering 50 hectares, it has 20 hectares of vineyards of various ages, composed of the noblest red varieties, and 4.5 hectares of olive groves that are used to produce very high-quality olive oil.

These projects are a continuation of the great partnership between Leonor Freitas and winemaker Jaime Quendera.

Demand. This company in addition to domestic sales (B2C and B2B mainly HORECA) has an important presence in the international market. And is considered an ambassador for Portugal in the world, as it is already present in over 40 markets, especially England, the USA, Poland, and Luxembourg. Despite the Covid-19 pandemic, over the last year, the company has been reinforcing its internationalization plan and gaining new clients in markets “where wine consumption is growing the most” such as the Asian market. “We are opening up new buyers in Japan, Korea, and China” reveals the managing partner of Casa Ermelinda Freitas (Marketeer, 2021).

Mexican Case Study

Formal Institutions. One of the distinctive characteristics of the footwear sector is its geographical concentration. Guanajuato is the main footwear producing state in Mexico, with production located in León and in the towns of Rincón: San Francisco del Rincón and Purísima del Rincón.

There are a lot of institutions related to the Footwear Industry in Guanajuato. [Table 1](#) shows the main importance.

Physical Infrastructure. From 1986 to 1987, their workshop measured 30 m², they had six workers and they produced 60 pairs a day. In the words of Rafael Leon:

...it was a very nice adventure because from that time we liked to make shoes well made, with all the shortcomings in the world (speaking of infrastructure), very traditional, but we did it well. I was 21 years old.

(Personal communication, January 11, 2022)

Table 1. Universities and Institutions Related to the Footwear Sector.

Institution	Type	Purpose
Mexico Business Value Center (CEVEM, by its acronym in Spanish) https://cevem.org.mx	Private	To increase the competitiveness of the Footwear Industry through the application of specialized consulting, advisory, and training services.
Foreign Trade Development Coordinator (Cofoce, by its acronym in Spanish) https://cofoce.guanajuato.gob.mx	Public	To promote products and services abroad through participation in international activities.
Center for Applied Innovation in Competitive Technologies (Ciatec, by its acronym in Spanish) https://www.ciatec.mx	Public	To solve science-based problems through projects that generate and apply knowledge.
Center for Research and Educational and Cultural Promotion (Cipec, by its acronym in Spanish) https://cipec.org.mx	Private	Fully train children, youth, and adults to improve their quality of life. Among its training, we can find courses for cutters and stitchers for the Footwear Industry.
Chamber of the Footwear Industry of the State of Guanajuato (CICEG, by its acronym in Spanish) https://www.ciceg.org	Private	To promote the Mexican Footwear and Leather Goods Industry by providing its members with world-class services that generate added value and strengthen their national and international competitiveness.
Prospecta https://www.prospecta.mx	Private	Offer information, knowledge, and services that boost the profitability of companies, influence the growth and articulation of the value chain, and allow the sector to advance in a sustainable direction.
La Salle University	Private	It offers, since 2002, a degree in Fashion and Footwear Design.

Source: author's elaboration based on web information from each institution.

From the beginning, they had a propensity to save, to invest, so they bought a 400 m² piece of land and built the first industrial warehouse, and bought their first machines. His first customers were from Mexico City, they came to the company on Tuesdays and Fridays, and paid in cash, the product was for Mexico City, specifically the well-known popular market called Tepito.

They currently have a bonding factory, sole factories of different types: EVA (Ethylene, vinyl, and acetate), polyurethane, TPU, vulcanized rubber, molded EVA, injected EVA; cutting factory, factories that assemble footwear, have a design area for clothing and accessories, a design area for footwear, wholesale warehouses to serve large customers such as Coppel, Bhermanos, Price Shoes, and the exclusive stores of its brand; in these stores, they sell everything they buy from local and foreign suppliers of clothing and accessories. They have 3,500 workers, 2,500 in the production plants and 1,000 in the stores, their production is more than 5 million pairs a year. They also have companies that make them up.

When the company acquires machinery, Rafael León makes trips to the place from where it will bring it, and his strategy is that the expert and the engineer of the process in question, as well as the mechanic, travel with him; so that they learn directly how it works, in the words of Rafael León:

They are the that they are going to do it, so they must be involved in the trips, many people tell me that it is not good to do it because it opens their eyes, we do not see it that way, because if we did it that way, we would not be able to grow.

(Personal communication, January 11, 2022)

Demand. According to the Chamber of the Footwear Industry of the State of Guanajuato, in 2021 of the 190.5 million pairs that were produced nationwide, the state produced 156.2 million pairs, which represented 81.99%. Likewise, 4,698 economic units generate 124,000. The sector contributes 3.00% of the state GDP. [Table 2](#) shows the exports from 2014 to 2021.

The leather sector has undergone important transformations in recent years and has faced challenges in terms of competition, especially imports from Asian countries.

Table 2. Footwear Exports 2014–2021.

Year	Exports Millions of Pairs	Annual Variation %
2014	26.62	n.a.
2015	27.50	3.31
2016	25.36	−7.78
2017	26.35	3.90
2018	26.17	−0.68
2019	22.07	−15.67
2020	18.77	−14.95
2021	29.15	55.30%

Source: Own elaboration based on <https://www.ciceg.org/pdf/SectorCalzado.pdf>.

Systemic Conditions

Portuguese Case Study

Leadership. Unusually for Portuguese wineries, the firm was founded by a woman, Deonilde Freitas, in 1920 and continued by her daughter Germana Freitas and later by her grandson Manuel João de Freitas in partnership with his wife Ermelinda. On the early death of Manuel in 1989 his only daughter Leonor, who had completed a sociology degree and had a permanent post in Lisbon as a social worker in the health sector, opted to return to the family home to help her mother Ermelinda keep the firm in business. In her words “My success is related to the generation that worked before me, to my family, to the team I have, to the region and, ultimately to the consumers. The house lives on for them” Leonor Freitas (Casa Ermelinda Freitas).

The markedly matriarchal nature of this family business has ensured its continuity, through the commitment and dynamism of her young daughter, Joana, who already forms a key part of its structure and development strategy. At that time, in 1992, the vineyard area consisted of 55 hectares of Castelão (known locally as Periquita) and 5 hectares of Fernão Pires, the typical grape varieties of the region. After five years, she believed that the conditions were in place to start bottling a selected part of the harvest, and launched 8,000 bottles of the Terras do Pó brand onto the market, on a trial basis, in 1997. In 1999, confident in the commercial results achieved, the company launched the Dona Ermelinda and Quinta da Mimosa brands, which consolidated and reinforced the investment in the production of bottled wines. In 2001, the top-of-the-range Leo d’Honor was launched, produced from the old Castelão vineyards, which proved a great success with critics and in the market.

In 2009 Leonor Freitas was awarded the title of Comendador da Ordem do Mérito Empresarial by the Portuguese President. In 2021, Casa Ermelinda Freitas won, among others, a total of 16 medals at Germany’s largest wine competition, Mundus Vini 2021, where it was the Best Producer from Portugal in the competition.

Knowledge and Talent. When the company first started, wines were produced in relatively small quantities and sold wholesale and unbranded to larger firms who would bottle them and sell them under their brands. Leonor Freitas continued this tradition in the early years but took on an enologist, Jaime Quendera, she decided to create her brand named after her mother Ermelinda Freitas and to work with Quendera to produce a red wine to be put on the bag-in-a-box market under their name. This first wine, Terras do Pó became very successful and from 1997 the firm diversified its product to include bottled wines.

In 2002 the firm was faced with a crisis when their major client informed Ms. Freitas that he had a stock surplus and would not be ordering her product. She decided to stake everything on the success of the company’s brand, invest heavily in new technology and extend the number of varieties to include Trincadeira, Touriga Nacional, Aragon s, Syrah, and Alicante Bouschet which permitted a wider range of products.

The wines began to attract attention at national and international wine-tasting competitions and in 2008 Casa Ermelinda Freitas received a significant boost when its Syrah wine won first prize among 3800 competitors at the prestigious French competition *Vinalies Internacionais*. The Portuguese national press picked up on this award and there were several articles about “the best red wine in the world” which considerably enhanced the firm’s reputation at the national level. Most of the profits have been reinvested in the company to allow the construction of a considerably larger new winery with state-of-the-art equipment that includes 1,500 oak barrels.

Casa Ermelinda Freitas currently cultivates 29 varieties of grape and owns 440 hectares of vineyard, 60% of them planted with Castel o (known in the area of Palmela as “Periquita”), 30% red varieties such as Touriga Nacional, Trincadeira, Syrah, Aragon s, Alicante Bouschet, Touriga Franca, Merlot, and Petit Verdot, and 10% of white varieties such as Fern o Pires, Chardonnay, Arinto, Verdelho, Sauvignon Blanc, and Moscatel de Setúbal.

Mexican Case Study

Leadership. Rafael León is visionary and with a great propensity toward innovation. In the early 1990s, he began visiting companies in China to learn about their production practices and implement them in his plant. He is also an inclusive leader, as production managers and supervisors have accompanied him on many of his trips. With them he has visited China, Korea, Vietnam, the United States, and Germany, the objective is that they know the best technology. The founder has promoted the constant renewal of the machinery, equipment, and materials used in the production of footwear. On the other hand, it has promoted a business model based on both vertical and horizontal integration.

The company holds planning meetings to determine large projects, in which the directors and managers participate, at the beginning of each year the annual strategic plan is presented. This contemplates the lines of action, responsible, and deadlines. Accountability meetings are held throughout the year to analyze progress and results. The three partners (Rafael, Javier, and Rogelio) have attended business succession courses at IPADE, a renowned business school in Mexico City, focused on top management executives.

Knowledge and Talent. When they hire new personnel, the most important factor they consider is the attitude, for the firm this is fundamental, they look for people who want to learn. The financing that the company has obtained has always been from banks, it has not sought government support, since it considers that the procedures are very long.

An important source of information for the company has been the visits it has made to different companies, and leaders in various fields, such as Nestlé, Zara, Carolina Herrera, and Purificación García, to name a few. The visits have been obtained through its Asian suppliers, the Guanajuato Footwear Chamber, or BBVA Bancomer. Learning the best practices of these companies has been beneficial for Pirma. They have also leaned on Endeavor to improve their internal efficiency.

Table 3. Institutional Arrangements – Portuguese Case Study.

Institutions	Formal	Portugal in last year launched policy actions to encourage entrepreneurship
	Informal	The cultural context around the wine productions is evident and linked with national culture
	Cultural	The country has a long tradition in wine production and the landscape, culture, people are part of this mark. The region where the company of this case is situated (Peninsula de Setúbal) is a wine “ecosystem” with several wineries and wine routes that link producers’ with other stakeholders

Outputs and Outcomes

Portuguese Case Study. Supported by the contribution of [Stam and van de Ven \(2021\)](#) it was possible to identify formal and informal institutions (culture) and networks, i.e., institutional arrangements presented in [Table 3](#) and physical infrastructure, Finance, Leadership, Knowledge, and Demand, presented in [Table 4](#), both for the Portuguese case study, and [Table 6](#) and [Table 7](#) for the Mexican Case Study.

It’s important to note that this case study allows us to identify systemic and framework conditions that allow a well succeed FB since 1920 and their strategy to aggregate value along the time. The model adopted particularly by the actual leader allows taking advantage of institutional arrangements in a country where wine is a strategic and endogenous product with a more modern and innovative approach that has allowed the business to grow and conquer international markets.

Productive Entrepreneurship. Currently, more than 6 million bottles are produced and there is the capacity for the fermentation of 10 million liters in temperature-controlled stainless-steel vats. More than 35% of production is exported to Brazil, Angola, Mozambique, China, Japan, Germany, Austria, Switzerland, France, Luxembourg, Sweden, Denmark, Finland, and Norway, with a strong focus on the United Kingdom and the United States of America. The main commercial brands are:

SETÚBAL PENINSULA REGION:	Dom Campos, Terras do Pó, Casa Ermelinda Freitas.
PALMELA:	Dona Ermelinda, Quinta da Mimosa, Leo d’Honor, Casa Ermelinda Freitas Espumante
SETÚBAL:	Casa Ermelinda Freitas Moscatel de Setúbal

Table 4. Resource Endowments – Portuguese Case Study.

Resources	Physical infrastructure	This FB has an evolution in the propriety of hectares of the land and the number of vineyards since its foundation in 1920. However, in the third generation, the female entrepreneur reveals a huge investment in land and more recent technology. The first innovation introduced was to stop selling wine in bulk and start bottling it. Since the introduction of this machinery has not stopped growing.
	Leadership	This FB is marked by the presence of women throughout several generations of the business. A curious fact is given that this business for centuries was eminently run by men.
	Finance	The financial result indicators show the company's evolution during this generation's leadership
	Knowledge and Talent	The current leader stands out for being the first to have a higher education degree, although not in the business area. She graduated as a social worker. However, her more cosmopolitan and informed vision and the fact that she is surrounded by a competent team, always highlight the relevant role of her winemaker throughout her career in the company.
	Demand	The demand has naturally accompanied the company's growth rhythm, with emphasis on the growing importance of exports and the conquest of new international markets

The main indicators can be seen in [Table 5](#).

Table 5. Main Indicators (2020), Portuguese Case Study.

Foundation year	1920
Sector	Agriculture
Turnover 2020	34 million euros
Estimated turnover 2021	40 million euros
Exported Share	35%
Total Number of Markets	40
Total number of employees	70
Vineyard area	550 hectares
Number of grape varieties planted	More than 30

Table 6. Institutional Arrangements – Mexican Case Study.

Institutions	Formal	The footwear industry is very important for the State of Guanajuato, it is considered a cluster. Many institutions support it.
	Informal	The cultural context around shoe production is evident. It is an industry with a long history.
	Cultural	The first shoemaker is registered in 1645, but it is not until 1897 that the industry begins to have economic importance.

Table 7. Resource Endowments – Mexican Case Study.

Resources	Physical infrastructure	Pirma is a company with a strong industrial and technological infrastructure. It has state-of-the-art technological machinery. The company has a renewal plan in this regard.
	Leadership	The owner of the company has shown strong leadership that has allowed him to lead the company toward exponential growth.
	Finance	Not available.
	Knowledge and Talent	The owner of the company has taken various courses at IPADE and the Tec de Monterrey. Leading institutions in the training of entrepreneurs and businessmen.
	Demand	The company has innovated in the distribution of footwear through wholesale stores, both nationally and internationally; as well as stores that serve their consumers.

Mexican Case study

Productive Entrepreneurship. Table 8 shows the main indicators of the Mexican Case Study. When they start producing sports shoes, they invest the money they get in buying soles from a Spanish company, they knew that part of the differentiation is given by them. All manufacturers of sports shoes used the same type of sole. At first, they bought the first items, and then they began to manufacture their own.

In the beginning, the sports shoes were called Brazil, since it was like the one made by Adidas and was called Samba; however, due to country-brand issues, they could not export them to the United States, this happened when Rafael León was at the Pirmasens Fair, and it occurred to him to name it Pirma, and thus he

Table 8. Main Indicators, Mexican Case Study.

Foundation year	1986
Sector	Footwear
Products	Sports shoes, sportswear, and accessories
Production	5 million pairs per year
Export destination	United States, Canada, Brazil, Argentina, Uruguay, Guatemala, Panamá, El Salvador, Colombia and Costa Rica
Total Number of Employees	3,500
Physical infrastructure	15 wholesale warehouses. 200 stores. Bonding factory. Sole factory: Eva, polyurethane, TPU, vulcanized rubber, molded Eva, and injected Eva. Shoe factory, Clothing, and accessories design area
Sole plant dimension	14,000 m ²
Shoe factory dimension	12,000 m ²
Cutting plant dimension	12,000 m ²

Source: author's elaboration based on fieldwork research.

was able to export it. However, in Mexico, customers preferred the name of Brazil, so it makes a combination of both and that is how the Pirma-Brasil brand was born.

It is a well-known fact the high death rate of small businesses in several, if not the vast majority, countries throughout continents and diverse regions. Most of these are FB. Moreover, it is also a very well-known fact the difficulties FB must overcome, and the family dynamics embedded in it.

The two cases presented are, unfortunately, the exception. They succeed far more because of their effort and entrepreneurial spirit and far less because of government intervention, or because of the existence of a robust, well-design ecosystem. Both countries, according to GEM data, and other indexes, do not have an appropriate business environment, nor to say entrepreneurial mechanisms, that can fit into what is called an ecosystem. They had "good luck." But millions did not have it. And the economic systems are hurt and affected in the short, medium, and long run. Nor to say the SEW costs on individuals and families.

There are elements in the family framework conditions that can increase the chances of success. If the founder/family has experiences in the economic activity they are going to be involved in (if it is generational the better), if they have, as a

family, values (FREITAS) that foster compromise, union, cohesiveness (PIRMA and FREITAS), and these can help prevent elements of ego, narcissism, among others that can originate a dark side in the family business (DSFB) dynamic that can put at risk the entrepreneurial project, if, once they grow as a company, they can evolve with it, as leaders, and implement governance mechanisms (PIRMA), that can give security and confidence to its stakeholders, family included. Which public policies, on a global, national, regional, or local level, are designed and implemented to support all of the above? Into this framework is the FB foundation, embedded in every phase of the FBEE model. Who is taking care of it?

Of course, both had business framework conditions that increased their chances of success. Both were in long traditional industries that already had established social networks, a robust national and international demand, a well-established but not modernized industrial sector (a competitive advantage for PIRMA and FREITAS), and some formal institutions, public and private, where they can rely upon some administrative procedures.

Regarding the systemic conditions, both also have strong leadership, inside and outside their businesses, and a national and regional culture that facilitated not only the interactions with both their families and stakeholders, but also the human capital involve through the business's daily operation, and industry networks establish. The data suggest both families decided to reinvest their profits in their business strategies, rather than the opposite. Or, in the case of PIRMA, seek outside financial support, instead of relying on what Mexico offered.

Both achieve high productive entrepreneurship, reflected in P1 through P5. They achieve P1, the value generated once the family framework is operating properly, P2, where they consolidated its FB and are ready to jump into the national, and export markets, P3, where both are harvesting their business efforts to achieve financial stability, and sustainable economic growth, that leads to P4 where now the family is increasing the possibility of having a healthy SEW, group cohesiveness, and family dynamics. And finally, P5 which not only is a measure of the intangible wealth that is generated (patents and other intellectual property), but also by the rewards every family member obtains, as a FB member, but also as a family.

Lastly, since both are globalizing their operations, then the geopolitical context takes a more than ever relevance for them. They must evolve in this new world order that is coming, to grasp the opportunities that will take place, in this new multipolar context. But also, to avoid the dangers that will come with it, including economic sanctions, or various manifestations of radicalism, and nationalism.

Conclusions

A call is made to address more deeply this novel view on FB, both theoretically and empirically. FB is key to the present economic systems, for any country, region, or subnational space. They deserve to be included in the present and future debates on research and public policies directed to support them, and not to see them anecdotally or just as a statistical figure. We need decisive action on

them. The FBEE model can provide guidelines that policymakers may take into consideration to support and promote entrepreneurship through FB.

In the future, while there is no single well-established methodology for a study of this kind, the fact that SEW theory has been proposed by various authors as a fruitful paradigm for the study of family firms (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Martínez Romero & Rojo Ramírez, 2016) it might lead to a second theory-focused research question: What are the strengths and limitations of a SEW-based analysis in a case study that sets out to examine the factors that contribute to the success of entrepreneurs in these entrepreneurs in Portugal and Mexico, or other regions?

How should policymakers intervene to enable rather than regulate the entrepreneurial dynamics concerning the origins, growth, and stability of new ventures, FB, and FB dynamics across today's established entrepreneurial ecosystems EE? Is it feasible to explore a third level ecosystem (an individual entrepreneurial ecosystem, IEE)?

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