

How does a business family manage its wealth? A family office perspective

Business
family

Elena Rivo-López, Mónica Villanueva-Villar,
Guillermo Suárez-Blázquez and Francisco Reyes-Santías
Universidade de Vigo, Vigo, Spain

Received 19 March 2020

Revised 5 May 2020

21 May 2020

Accepted 23 May 2020

Abstract

Purpose – The purpose of this paper is to find throughout history examples of wealth management of a family or business families that can be assimilated into the current concept of family offices (FOs). In such examples, the study identifies characteristics associated with the different dimensions of the concept of socioemotional wealth (SEW).

Design/methodology/approach – Drawing on the socioemotional perspective, this paper relates significant examples of FOs based on historical stages (ancient history, the middle ages, modern history, the contemporary period and the actual world). Each case is discussed with an effort to identify the dimensions of the SEW that fit and help in understanding the organization studied.

Findings – Mainly, FOs allow the management of the family legacy, philanthropy, promotion of entrepreneurship and family wealth preservation for future generations. Autonomy in decision-making, privacy and confidentiality and the achievement of more intangible goals make the FO preferable to other institutions. Through the study of historical cases, the FO constitutes a structure with objectives and activities that have remained consistent from Rome to the present, regardless of historical, political or social context. The results also identify four out of five FIBER dimensions of SEW.

Originality/value – In addition to contributing to the scarce literature on FOs, this paper uses various examples of historical periods to better understand its origin, evolution and current state. A selection of examples at different times allows us to verify that FOs undergo a series of changes throughout history but maintain their characteristics regardless of the historical context. This paper is the first to explore the origin and development of the FO as organization. Building on the findings, the authors present a conceptual SEW framework to deepen in the knowledge of FO. This framework could help researchers and practitioners in future researches providing a conceptual link that demonstrates the components of the SEW perspective best fit the objectives pursued by business families when establishing a family office.

Keywords Philanthropy, Wealth management, Business family, Family office, Socioemotional wealth perspective

Paper type Research paper

1. Introduction

The family office (FO) “is usually analyzed as a family governance mechanism. The traditional concept of an FO is that of a business managed by and for a family. Its main function is to centralize management of the family assets, and its financial resources come from the entrepreneurial family’s capital, which has often been built up over generations” (Rivo-López *et al.*, 2017, p. 262).

Any phenomenon that we find today exists because at some point, it arose in the past. No fact of the present can be explained or understood without outlining its origins and evolution. In the scarce literature on FOs (mostly in the framework of family business governance), there are disputes regarding their origins and subsequent development. Some authors trace them back to the *major domus* of ancient Rome (Amit *et al.*, 2008), and others to the creation of European private banks (Decker and Lange, 2013) or the years following the Industrial Revolution in the USA (Rosplock, 2014; Welsh *et al.*, 2013). Another report establishes FOs’ roots in the 6th century and the modern concept of them in the 19th century with the House of Morgan (Bierl and Kammerlander, 2019). For this reason, we believe that the origin and



subsequent evolution of FOs should be studied to understand and apprehend these organizations today (Foster *et al.*, 2017).

Moreover, in the literature on FOs, there is no explicit reference to a specific theory (Decker and Lange, 2013; Fernández-Moya and Castro-Balaguer, 2011; Gilding, 2005), although some authors use the agency theory (Wessel *et al.*, 2014) or stewardship theory perspective (Welsh *et al.*, 2013). None, however, use the socioemotional wealth (SEW) perspective as a theoretical framework to explain the establishment of an FO by a business family. By setting up an FO, family members intend to stay together, continue their family legacy, preserve their family identity and reengage entrepreneurial endeavors (Lumpkin *et al.*, 2010; Suess-Reyes, 2017; Zellweger *et al.*, 2012). Motivations are linked to the preservation of the family's SEW (Bierl and Kammerlander, 2019), which refers to "non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty" (Gómez-Mejía *et al.*, 2007, p. 106). Accordingly, we consider the SEW perspective as the theoretical framework that best fits an analysis of the concept and development of FOs.

Most researchers define persons with a minimum of US\$30m as ultra-high-net-worth individuals (UHNWIs). Many UHNWIs obtain their fortune from the sale of a family business or from the legacy and/or development of the same. In cases where there is such a family link, the wealth could be managed by establishing an FO. In recent years, a trend has been seen among UHNWIs of resorting to the services of an FO. There will be 360,390 UHNWIs by 2022, which constitutes an increase of 105,000 over 2018, and with the forecast for more UHNWIs, growth in the number of FOs worldwide is to be expected. Bearing in mind the issues mentioned above – ignorance of the origin and historical past of FOs, the development of the SEW perspective as a theoretical framework to improve knowledge of FOs and the great prospects for growth of FOs as organizations (enabling preservation of the tangible and intangible legacy of business families) – we consider it interesting to analyze a series of examples of FOs at different historical stages.

This paper contributes to the literature in at least three ways. First, by focusing on FOs as relevant organizations concerning wealth management, it adds another original perspective to the emerging literature on FOs. Second, the paper looks for the relevance to business families of a current organization over time at different historical moments. As ours is not a historical study, we do not seek to document the FO at all times in history. Rather, we have chosen significant examples from each of the periods that historians consider relevant to the western culture: ancient history, the middle ages, modern history, the contemporary period and the actual world. Confirming examples at different historical moments so distant in time and space contributes to demonstrating the FO's importance for business families as a management structure and a means to transmit their tangible and intangible legacies throughout generations. FOs have remained the same as organizations, despite adapting to the historical context of the moment. Third, the paper frames discussion about the advantages of FOs on the SEW perspective. Bierl and Kammerlander (2019) have linked SEW with the entrepreneurial activity of FOs, but ours is the first study to make a first approximation of FO from the SEW perspective. Each case is discussed with an effort to identify the dimensions of the SEW that fit and help in understanding the organization studied. With these objectives, we pose the following research questions: Is it possible to find throughout history examples of wealth management of a family or business families that can be assimilated into the current concept of FOs? In such examples, is it possible to identify characteristics associated with the different dimensions of the concept of SEW?

The remainder of the paper is structured as follows. First, we analyze the FO from the SEW perspective. In the following section, we study significant examples of FOs based on the historical stages (ancient history, the middle ages, modern history, the contemporary period and the actual world). In the concluding section, we discuss the FO in light of the illustrative cases and suggest avenues for future research.

2. Family office: a socioemotional wealth perspective

“FOs are companies created by business families, whose primary purpose is to transfer wealth to the next generation; wealth understood in a broad sense, including not only its fortune but also its culture, values and so on” (Rivo-López and Villanueva-Villar, 2019, p. 400). Table 1 presents a summary of the different definitions of an FO.

FOs develop a wide range of activities. They can be classified into three large groups, each of them performing different sub-activities (Amit, 2018, p. 2): “(1) investment-related activities (asset allocation, manager selection and monitoring, investing, investment performance, measurement, and risk management); (2) family-related activities (education of family members, philanthropy, insurance concierge services and security, estate planning and banking); [and] (3) administration-related activities (financial administration, information aggregating and client reporting, legal services, technology solutions and support, trust accounting, pooled and partnership accounting and family real estate management).”

Different structures offer professional services for families with different governance (Zellweger and Kammerlander, 2015). When the ownership is held by a single family, we may talk about a single-FO (SFO). If the FO serves more than one family (each of whom knows who the others are), we may talk about a multi-FO (MFO). When an institution (financial or not) offers a diversity of services to families, we may call it an affiliated MFO (AMFO) (Rosplock, 2014).

Regardless of the type, the FO is a governance mechanism that allows efficient management of the wealth of a business family (Kammerlander *et al.*, 2015; Zellweger and Kammerlander, 2015). Some studies suggest that families choose an FO because of its personalized service, privacy and confidentiality, control and flexibility, alignment of interests and potential higher returns (Allen, 2007; Amit and Liechtenstein, 2012; Avery, 2004; Gray, 2004). According to Decker and Günther (2017, p. 201), families turn to FOs as “specialized governance mechanisms to mitigate the risks of intergenerational conflicts or misaligned interests.”

As an organization created by a business family, an FO puts a focus precisely on the family and not on the family business. The family, based on the objectives pursued, will determine the activities to be carried out by the FO. Objectives can be tangible or intangible. Whereas the objective in a family business is to maximize its financial performance, in an FO, the family can give priority to cohesion, family harmony and transmission of the family legacy to the next generation, against more financial objectives. This prioritization of the most intangible values linked to the family leads us to consider the SEW perspective as the best theoretical alternative to analyze and understand the FO as an organization at the service of the business family.

The SEW approach seeks to preserve the accumulated endowment in the firm (Cennamo *et al.*, 2012). Berrone *et al.* (2012) argue that “SEW is the most important differentiator of the family firm as unique entity and, as such, helps explain why family firms behave distinctively.” Therefore, decisions made in the field of the family business will be oriented to the maintenance of the socioemotional legacy, even when they may negatively affect performance (Chen *et al.*, 2014).

Past empirical research related to SEW was undertaken through the use of remote proxies. Fortunately, Berrone *et al.* (2012) developed a multidimensional scale that bridged the gap between conceptualization and operationalization of the SEW construct (Razzak and Jassem, 2019), referred to as FIBER: family control and influence (F), identification of family members with the firm (I), binding social ties (B), emotional attachment of family members (E) and renewal of family bonds to the firm through dynastic succession (R).

The first dimension (F) is the family’s desire for control and influence over the policies, strategies and operations of the family firm. Identification of family members with the firm (I) is a possible result of the close linkage between family and firm. Family ownership of a firm

Author	Definition
File <i>et al.</i> (1994)	Investment management firms that families own and create to manage their assets
Lansberg (1999)	An independent operational entity that manages the relationship between family and business, by means of investment of the family wealth as a whole, which has advantages that include increased market power and reduced financial management costs because of the centralized viewpoint for decision-making
Curtis (2001)	A structure that has as its main goal the management of the assets belonging to a family with great resources
Wolosky (2002)	An organization to support a specific family's financial needs (from strategic asset allocation to record keeping and reporting)
Avery (2004)	A center of influence and stability to help exceptionally wealthy families ensure the preservation and growth of their financial assets and family heritage
Bowen (2004)	An organization dedicated to serving wealthy individuals and/or families in a diverse range of financial, estate, tax, accounting and personal family needs
Jaffe and Lane (2004)	An administrative structure that provides services to family members and monitors family investments
Amit (2006)	A professional center dedicated to serving the financial and personal needs of an affluent family
Amit <i>et al.</i> (2008)	A unique family business that is created to provide tailored wealth management solutions in an integrated fashion while promoting and preserving the identity and values of the family
Benevides <i>et al.</i> (2009)	Family office as "a unique family business that is created to provide tailored wealth management solutions in an integrated fashion while promoting and preserving the identity and values of the family"
Fernández-Moya and Castro Balaguer (2011)	A private office for managing and preserving the wealth of the proprietary family
Decker and Lange (2013)	An administrative body that exercises control over complex financial and personal issues, and which provides advice to its clients
Welsh <i>et al.</i> (2013)	The SFO represents an organizational unit at the family level, which is founded in addition to the original family firm or after the divestment of the original family firm
Rosplock (2014)	Family offices are organizations affected by family influence and involvement, and these organizations are also involved in entrepreneurial practices to elevate the family's wealth The purpose of the FO is to manage and oversee the wealth management affairs of highly affluent individuals and their families in regard to such issues as tax, wealth transfer, investment management, governance, estate planning, risk management, compliance, education, communication, financial education and so on
Wessel <i>et al.</i> (2014)	An organization dedicated to the management of entrepreneurial families' private wealth
Bierl and Kammerlander (2019)	Family office is set up not only to preserve wealth but also to advise the family to grow their wealth by entrepreneurial means to satisfy the increasing demands of the family

Table 1. Concept of family office **Source(s):** Rivo-López *et al.* (2017); Bierl and Kammerlander (2019)

provides a sense of identity to the family and its members. Perceptions of identity are driven not only by the family context but also by a broader social one. Binding social ties (B) refers to the firms' social relationships with different stakeholders. Furthermore, family firms are often deeply embedded in their (local) communities, support associations and community activities. Renewal of family bonds to the firm through dynastic succession (R) relates to the

long-term vision of keeping the firm under the family's control in future generations. This transgenerational vision and this sense of dynasty are considered key concerns of family firms.

For FO owners, the guiding compass for strategic and operational decisions is likely based on the preservation of SEW. Therefore, we propose the SEW framework to analyze the advantages of creating an FO.

Regarding the control and influence of family members (F), the owner family directly or indirectly controls the FO. Effecting identification with the family's mission and values, educating new generations and promoting entrepreneurship can be objectives a family endeavors to achieve through the creation of an FO (I). Moreover, in cases where a family business has been sold, an FO can help with the identification of family members by, for example, managing the philanthropic activities of the family. Regarding binding social ties (B), we consider FOs to constitute a very important instrument for the development of families' philanthropic activities, either directly or through the management of foundations. Achieving family cohesion and harmony as the family grows (E) can be the main objective (even greater than an economic one) for an FO. In addition, the transgenerational vision and aim of transmitting the family's legacy result in the need to keep the firm under the family's control throughout future generations (R). FOs try to preserve family wealth for following generations (not just assets, but also family values).

3. Family offices: milestones from Rome to the 21st century

In this section, we learn more about the creation and evolution of FO organizations, reporting cases of relevant FOs whose creation marked various milestones from the time of the Roman Empire to the present. For this purpose, we select significant cases from different historical periods: ancient history, the middle ages, modern history, the contemporary period and the actual world.

3.1 Ancient history

The first historical reference places the origin of FOs in the figure of the *major domus* in Rome (Amit *et al.*, 2008). For us, however, this statement might not be correct. We consider FOs' roots could be linked to the Roman business family, composed of and managed by sons, daughters, slaves and freed slaves. We then provide a brief historical review of the creation of companies in Rome to understand wealth management by Roman business families.

3.1.1 Family offices in the Roman Empire. Throughout the 3rd century BC, the population of Rome increased, as did its economic and political strength. It became a new center of power and a robust consumer market. As a result, Rome evolved into a new power in the Mediterranean region, seeking to control foreign trade and international markets, which had previously been dominated by the maritime power of the Carthaginians. This ambition led to the Three Punic Wars (264–241 BC; 218–201 BC; 149–146 BC), the last of which Rome won, thus establishing itself as a new imperial economic force on land and at sea. Kingsbury and Straumann (2003) maintain that, as a result of this new international order, "the imperial structures emerged." Rome controlled the seas, protected international sailing rights and used its navy to guarantee free circulation by sea of people, capital, and goods (Casola, 2016).

This new international war economy brought immeasurable wealth to Rome. The city captured properties and slaves from its Carthaginian enemies and filled its coffers with jewels and valuables. From the Second Punic War on, money flowed among the Roman elites and caused markets to flourish. The various conquests of legions connected the markets of the east with the Roman metropolis and accentuated this phenomenon.

Based on information we glean from classical jurisprudence, there clearly was intense mercantile and industrial traffic in the Roman Empire. We can, therefore, assume that entrepreneurs were well aware of how such traffic worked, both legally and commercially. Either individually or in groups, they set up private industrial and commercial firms and

business groups (parent companies and subsidiaries) with their sons and slaves (the first family businesses) to operate not only in the Italian peninsula but also in the provinces and outside of the empire. Through such businesses, the entrepreneurs brought in profits amounting to millions of sestertii (Digesto), and the managers, who were sometimes slaves or freed slaves, purchased real estate (*domus, insulae, villas*, country estates and business premises), thus increasing their families' wealth. The Roman companies had their base in the Roman potestative family – that is to say, with freedmen and slaves included (Harris, 2011). Sons, daughters, slaves, and freed slaves together comprised business families whose wealth management may have been the origin of FOs.

The most powerful families in the Roman Empire were assured an elite education as well as a high and privileged social and economic status. These entitlements in turn brought great opportunities in the world of politics and advantageous connections for the empire's powerful families, who also carried out various types of philanthropy and patronage activities (B). According to Harris (2016, p. 68), the Roman Republic was ruled by a patriarchal land- and slave-owning aristocracy. In each of its last three years (51–49 BC), one of the republic's consulships was held by Claudius Marcellus, a member of a family that had held 12 previous consulships and innumerable other offices since 331 BC. In mid-republican times and perhaps up to the 140s BC, political, religious, military, social and economic power remained within the same social stratum, and even when there were fortunes outside it, they were closely linked to the old ruling families.

Therefore, one can say there was already a strong control and influence of family members (F) in Rome. Family ownership also lent a sense of identity to the family and its members (I). In Rome, perceptions of identity were driven not only by the family context, but also by a broader social one (political, military, etc.). One can also observe that relations and family influences extended over several Roman generations (R). Consequently, we consider that the wealth management of Roman families – with strong control and influence of families in not only business but all Roman social and political life, as well as family patronage activities in the development of Roman cities – may indicate the creation of a nascent FO in the Roman world.

3.2 Transition from the middle ages to the modern age

Some authors believe that the management of family wealth through an FO in Europe may have originated in Italy during the middle ages (Decker and Lange, 2013) – i.e. during the 14th and 15th centuries, when the wealth of Florence grew thanks to the wool trade and credit market. In the middle ages, merchants traded primarily for their personal relationships with others and gathered merchandise more than money. These contracts were strongly influenced by medieval customs, with both political and religious restrictions, and were the origin of the figure of new financiers.

The most significant case would be that of the Medici family, whose relevance is verified from the beginning of the 14th to the end of the 15th century. We actually cover two historical periods: the end of the medieval age and the beginning of the modern era. Consequently, we say this section concerns the transition between the middle and the modern ages.

3.2.1 Family offices: origin linked to the creation of European private banks?. The Medici family was one of the families that represented the middle ages best. The family's origins were humble, as its members did not belong to the feudal nobility but gradually built up their wealth through their trading skills. Vieri di Cambio founded a bank in Rome to start doing business with the curia (Goldthwaite, 1987, p. 11). In 1397, Giovanni di Bicci de' Medici (1360–1429) established the Great Medici Bank, opening correspondent offices in Bruges and London, complementing the branches of Venice, Genoa, Naples and Gaeta (Hibbert, 1999). The Medici Bank was passed on over various generations to Cosimo di Giovanni de' Medici (known as Cosimo the Elder, 1389–1464), Piero di Cosimo de' Medici (1416–1469), Lorenzo de'

Medici (the Magnificent, 1449–1492) and, finally, Piero di Lorenzo de' Medici (1472–1503). The last inheritor wasted the family fortune, and the Medici Bank eventually collapsed in 1494 as a result of not only poor management but also loans granted to nobles and monarchs that were not paid back (Parks, 2005). The family business consisted in this case of the management of a financial institution. The profits from this bank generated an important fortune for the Medici family, who dedicated it not only to the acquisition of real estate but also to the realization of important patronage activities.

Decker and Lange (2013) regarded this family management as the first FO in history. From the SEW perspective, you can easily see the family control and influence of the Medici family on the management of their family heritage (F), as well as an identification of the family and its members with the FO (I). The Medici family was deeply embedded in the Florentine social community, with strong patronage activities (B). The process of jointly managing family wealth and philanthropic activities was perpetuated across generations (R).

Cosimo de Medici was an admirer of Platonic philosophy, a collector of ancient manuscripts, and an art lover, and his fortune allowed him to exercise continuous patronage. He founded the Platonic Academy and made Florence the capital of humanism. Upon his death, he received the title of Pater Patriae. The moral authority of the Medicis was so great that Cosimo's son, Pedro el Gotoso (Piero il Gottoso), was able to run Florence without leaving his home. Patronage of the arts by the Medicis converted Florence into a center of Renaissance culture, still to be enjoyed today in its many artworks and monuments (Goldthwaite, 1987).

In this case, the Medici family, whose wealth came from the creation and management of a bank, preferred to generate a different structure to manage the family fortune. Autonomy in decision-making and a search for more intangible objectives (patronage) over tangible ones (real estate management) may have motivated this decision.

The fall of the bank, driven by external economic reasons, was accompanied by a rupture of family ties in the bank's management and the loss of links between different family branches. Cohesion and harmony were broken, as well as the family control (F) and identification of the family with the company (I); these failures prevented the preservation of the family's fortune (R).

On the other hand, according to Hibbert (1999), Giovanni had endeavored throughout his life to act in the same way, never giving cause for jealousy and always avoiding compromise. When he was about to die, he advised his two sons to follow his example, saying, "Be inoffensive to the rich and strong, while being consistently charitable to the poor and weak" (B). Later, Cosimo would give his children the same advice, but despite his apparent modesty and reserved ways, he was more ambitious than his father and willing to use his money for other purposes. The transmission of values, cohesion and harmony throughout generations (E) was broken. After the bankruptcy of the bank, the political influence of the Medici family continued until the 18th century, ending after the death of Anna Maria in 1743, considered the last of the Medicis. Anna Maria Luisa de' Medici was the only daughter of Cosimo III de' Medici, Grand Duke of Tuscany. It was up to her as the last member of the Medici family to save the cultural patrimony of the city, which was in mortal danger of dispersal (Hibbert, 1999).

3.3 Contemporary period

Moving to a different part of the world, Rosplock (2014) places the first FOs in the USA after the Industrial Revolution. In the 19th century, the Rockefellers and Morgans were paradigmatic examples of families that managed their wealth through an FO, which organized not only their business network but also their investments. For these reasons, we choose these two cases (Rockefeller and Morgan) as milestones of FOs in the modern age.

3.3.1 Rockefeller family. John D. Rockefeller (1839–1937) founded and consolidated through a monopoly the Standard Oil Company and Trust Company, which was the origin of the Rockefeller family's great wealth at the end of the 19th century (Van Bueren, 2016).

In 1882, Rockefeller created what, according to [Rosplock \(2014\)](#), can be considered the first modern SFO in the USA, which managed his enormous wealth and also carried out generational planning, working to preserve his wealth for his descendants ([Rivo-López and Villanueva-Villar, 2019](#)).

According to *Forbes* magazine, Rockefeller's fortune in 1916 would have amounted to US\$30bn if converted to dollars of today. Because of his religious beliefs, however, Rockefeller dedicated a large proportion of his fortune to social projects when he retired. He founded the University of Chicago (1891), the Rockefeller Institute for Medical Research in New York (1901), the General Education Board (1902–1965) and the Rockefeller Foundation (1913) to “promote the well-being of mankind throughout the world” ([The Rockefeller Archive Center, 1997a](#)). His only son, John D. Rockefeller Jr (1874–1960), took over the family business and also carried out philanthropic activities, giving more than US\$537m ([The Rockefeller Archive Center, 1997b](#)).

John D. Rockefeller III (1906–1978) continued the family's activities with 33 family foundations. His philanthropic endeavors, including the creation of the Lincoln Center for the Performing Arts in New York, the International Center of India in New Delhi, the International House of Japan and the Asia Society, ended up characterizing the Rockefeller family through an image of benefactors of the arts and scholarship. It is estimated that the fortune of the Rockefeller family amounts to around US\$11bn, placing 23rd in the ranking of US billionaires (2018).

According to the SEW perspective, the Rockefeller FO fits the FIBER scale. Ownership and control have remained in the hands of the Rockefeller family (F), and there is a strong link between the family and the FO. This perception of identity (I) is driven by a broader social context. The philanthropic activity initiated by the founder has increased in the following generations, entailing support for universities and museums as well as patronage of the art world, fundamentally linked to the city of New York (B).

In our opinion, the choice of an FO may be motivated by an interest in preserving family wealth for the next generations (R) in a broader sense of values and properties. This structure allows for producing more cohesion and harmony in the next generations (E). In addition, it allows the Rockefeller family to carry out intense philanthropic activity in its closest social environment (New York), reflecting the binding ties with its community.

3.3.2 Morgan family. A North American family and banking dynasty, the Morgan family became prominent in the USA and throughout the world in the late 19th and early 20th centuries. Members of the family amassed an immense fortune over several generations.

John Pierpont Morgan (1837–1913), the first member of the Morgan dynasty, was a banker who made his fortune by financing the US government and helping out railway companies with financial difficulties. The Morgans were notable for dominating the banking industry in their time. J.P. Morgan was the *de facto* leader of this dynasty, having been the most prominent businessman in America at the turn of the century. He revolutionized numerous industries, including those of electricity, railroads and steel. Through his business methods, he was highly successful in asserting his power as one of the most influential businessmen in America and in the last of the great 18th- and 19th-century merchant banks ([Morris, 2005](#)).

The family set up the “House of Morgan” to manage its estate and advocated a style of banking based on trust and personal networks. The Morgans also offered the possibility of managing the estates of other families, such as the Astors, Guggenheims, Duponts and Vanderbilts ([Fernández-Moya and Castro-Balaguer, 2011](#)). For this reason, some authors consider the Morgans to have created the first AMFO in the USA ([Gray, 2004](#)).

Not only a great art collector, J.P. Morgan also spent much of his fortune on charity and culture. For example, he founded the Morgan Library and donated artworks to the Metropolitan Museum of Art in New York and the Victoria and Albert Museum in London ([Gennari-Santori, 2015](#)). Morgan bequeathed US\$3m to his daughters and a much greater,

though unknown, amount to his only son, Jack. After the Great Depression, his fortune shrank, but he continued to dedicate part of it to philanthropy. Today, his wealth is distributed among 200 descendants.

The Morgan dynasty presents another case in which a banking family preferred to create a different structure to manage its fortune and carry out philanthropic deeds (B). The Morgan family is considered a banking dynasty that has maintained family control and influence over the House of Morgan (F) across generations (R). This forms a clear identification of family with FO (I) that, from our point of view, has allowed the family members to satisfy their affective needs for belonging, cohesion and security (E).

On the other hand, the importance of reputation to the world of private banking is so evident that Jack Morgan stated in 1925 that the family institution's reputation was its "most valuable possession. . . If that [reputation] is gone, our business is gone" (Pak, 2013, p. 709). In addition, the exclusivity of the Morgans' social and familial ties in the USA gave their firm an advantage over their competitors in that their status was difficult for others to replicate at the firm level. Social ties were so important to a firm's reputation that when they were absent, this could create conflict and damage economic exchange and cooperation (Pak, 2013, pp. 721). The Morgans were always very clear that they sought cohesion of the family and company, which would allow them to maintain social ties and their reputation over time.

3.4 Actual world

To the offices created in the past, new FOs in the 21st century have been added, linked to globally successful companies whose founders hold some of the world's greatest fortunes: for example, Cascade Investments, owned by Bill Gates; Pontegadea, the SFO of Amancio Ortega, which is the main shareholder in the Inditex group; and Iconiq Capital, an MFO linked to entrepreneurs such as Mark Zuckerberg in the new technologies sector.

We analyze the development of FOs in the 21st century by describing these three cases, all of which involve entrepreneurs at the top of the UHNWI population who have self-made fortunes and great philanthropic activity.

3.4.1 Cascade Investments. Founded in 1995, Cascade Investments is an asset management firm controlled by Bill Gates, one of the best-known entrepreneurs in the world. Cascade invests in the public-equity, fixed-income and alternative markets of the USA, making venture capital investments as well.

Following the trend established by other rich entrepreneurs, the Gates Foundation, created in 1994, was, at the time, the largest private donation foundation in the world. Renamed the Bill and Melinda Gates Foundation in 1999, it is presently managed together by Bill Gates, Melinda Gates and Warren Buffett.

After a donation by the Gates couple of US\$38bn to the foundation, *Forbes* magazine declared them the most generous donors in the world. Bill Gates has credited David Rockefeller's generosity and broad philanthropy as an important influence, and he and his family are interested in addressing the global problems that governments and other organizations seem to ignore.

The Gates Foundation has focused its activity on three main axes: education, hunger and poverty and health programs. According to McCoy *et al.* (2009, p. 1,645), "although there is a long history of private philanthropic funding in global health (notably by the Rockefeller Foundation and the Ford Foundation), the influence of the Gates Foundation is of a different order" (amounting to around US\$1.65bn in 2007, whereas the total grant spending of the Rockefeller Foundation was US\$0.17bn in the same year). In 2010, Bill Gates and Warren Buffett organized a campaign entitled "the Giving Pledge" to encourage the richest people in the USA to donate at least 50% of their fortunes before or after their death.

From the SEW perspective, Cascade is an FO controlled by the married Gates couple (F) and created to manage their fortune (R) and foundation. Through the Gates Foundation, Bill

and Melinda have developed charitable activities worldwide. The Gates' fortune originated from global activity, extending their philanthropic programs around the world (B). The Gates Foundation is a major contributor to global health, with enormous financial power and policy leverage, and its decisions can have a substantial influence on other organizations (McCoy *et al.*, 2009). A highlight in this case is that the Gates believe preserving 50% of their wealth is sufficient for the next generation (R) and allocate the rest of their fortune to donations (B). The Gates marriage is deeply identified with the activity developed by the FO (I).

3.4.2 Pontegadea. Pontegadea is the SFO of Amancio Ortega, owner of the Inditex group. According to *Forbes*, Amancio was the sixth-richest person in the world in 2019 after Jeff Bezos, Bill Gates, Warren Buffett, Family Arnault and Carlos Sim.

In 2001, Pontegadea emerged after the initial public offering (IPO) of Inditex. Until then, Amancio had no stock or capital outside the company. The IPO brought in €1.3bn that had to be administered. Amancio owns 97.16% of Pontegadea, and his daughter, Marta Ortega, owns 2.83%. Through the company Pontegadea, which he chairs, Amancio has a majority stake in Inditex. In 2016, the SFO managed €11.429bn with a staff of 14, bringing in a profit of €929m.

Through the FO, the Ortega family retains 50.01% of the Inditex business, thus guaranteeing that it will retain control on succession. On the other hand, Pontegadea has made strong investments in real estate. Behind these investments are dividends from Inditex, which in 2016, decided to raise its shareholder remuneration by 15.4% after having raised it by 7.5% just one year before. Such increases brought in €1.108bn and €960.9m, respectively, for Amancio Ortega, and these amounts were used to expand the wealth of Spain's largest real estate owner.

The Amancio Ortega Foundation was created, thanks to Amancio's personal initiative, channeling his and his family's concern for the promotion of the welfare of others (€37.2m in 2017 for educational and health care projects). Amancio chairs the board of directors of the foundation, which is managed by the SFO.

From the SEW perspective, Pontegadea is controlled by the Ortega family (F). Its activities accord with the values of Amancio Ortega and influence his identity (I). As other FOs do, Pontegadea has developed important philanthropic activity, being deeply embedded in its regional community and currently supporting educational and health-related projects in several Spanish communities (B). Pontegadea must also preserve the Ortega family's wealth for generations to come (R).

Both Bill Gates and Amancio Ortega have preferred the creation of an FO to manage their fortunes over resorting to private banking or other institutions. As for their reasons, they could desire to continue controlling the activities they carry out, in both the management of their wealth and their philanthropy, according to their identity and values (F, I, B, R).

3.4.3 Iconiq Capital. Mark Elliot Zuckerberg, founder of Facebook, is one of the best-known entrepreneurs and philanthropists worldwide. He was the youngest person to figure into the *Forbes* world's billionaires list, being classified in 2018 as the third-richest person in the world. Zuckerberg does not have his own SFO, but he does support an MFO called Iconiq Capital.

Created in 2011, Iconiq Capital manages funds for several Silicon Valley companies. Its clients include families from the software, energy, real estate and consumer sectors and from Hong Kong, Singapore, Germany, Australia and Brazil; some of its notable clients are Jack Dorsey of Twitter, Reid Hoffman of LinkedIn and Drew Houston of Dropbox. Iconiq offers traditional wealth management and FO services to its clients, but also invests in growth-stage private companies such as Jessica Alba's Honest, Uber Technologies and the Indian e-commerce company Flipkart.

Together with Bill Gates, Warren Buffett, Michael Bloomberg, David Rockefeller and others, Mark Zuckerberg has signed the Giving Pledge. In 2015, he founded with his wife the

Chan Zuckerberg Initiative (CZI), a philanthropic organization. In December of that year, the billionaire promised to donate 99% of his Facebook shares gradually from that moment until his death, which is about US\$45bn. The objective of the CZI (philanthropic organization) is to promote human potential and equality in such important areas as health, education, scientific research and energy.

The creation of the CZI marked a movement of Zuckerberg toward the world of philanthropy, implying a change from the logical culture of Silicon Valley to humanitarianism. With this strategic movement, the Zuckerberg family has achieved a greater reputation for both its staff and Facebook, reinforcing binding social ties (B). This behavior is in accordance with the trends of corporate social responsibility and the individualized philanthropic efforts of leaders such as Bill Gates and the late Steve Jobs (Moran, 2020).

4. Conclusions and avenues for future research

In this article, we have tried to describe the different stages of the history of entities that can be assimilated into what we now know as FOs and that have characteristics relating them to the SEW framework, which is considered very illustrative for addressing this description.

To answer this question, according to Salvato *et al.* (2019), we have incorporated socioemotional motivations into corporate governance literature, turning to the SEW framework and to analysis of some interesting cases from different historical periods. Throughout history, family businesses have, on many occasions, allowed the owner families to accumulate significant wealth. The business families, accustomed to management, want to continue holding the reins of their fortunes. FOs allow control over and management of families' legacies (F), patronage activity (B) in various areas (educational programs, healthcare projects, establishment and support of universities, etc.), support of young entrepreneurs and family wealth preservation for future generations (R). There is also a close linkage between the family and the FO. Ownership of an FO provides a sense of identity to the family and its members (I). As a result, an FO organization is an important tool for ultra-wealthy business families to manage their fortunes, which we can see reflected in four dimensions of the SEW perspective (family control, F; identification, I; binding social ties, B; renewal bonds, R).

After conducting our study, we can say that FOs are entities by which people seek to maintain the influence of a family or families in different aspects of society through optimal use of their wealth. This structure is increasingly preferred other options for many reasons, such as confidentiality, control, flexibility and education of the next generation about the family's values. Additionally, the lack of conflicting interests makes FOs a better option than private banking. Autonomy in decision-making and the search for more intangible goals (philanthropy, achievement of cohesion and harmony among family members, preservation of family wealth for next generations in a broader sense of family values and properties) over tangible goals make an FO preferable to private banking for many business families (including some bank owners similar to the Medici and Morgan families). Thus, we can conclude that the creation of FOs is not a passing trend but a growing phenomenon.

4.1 Contributions to research

Our article contributes to the literature in several ways. This paper is the first to explore the origin and development of the FO as an organization, adding new research to the scarce literature on FOs (Bierl and Kammerlander, 2019; Decker and Lange, 2013; Rivo-López *et al.*, 2017; Welsh *et al.*, 2013; Wessel *et al.*, 2014). Moreover, building on the findings, the SEW framework and its different dimensions have been shown to constitute an adequate conceptual framework for understanding the motivations of business families when they constitute FOs. This framework could help researchers and practitioners in future research by providing a

conceptual link. Moreover, this paper presents the components of the SEW perspective that best fit the objectives pursued by business families when they are establishing FOs.

We have highlighted a few milestones from ancient Rome to the 21st century, focusing on some interesting case studies based on previous FO literature. FOs' roots can be traced back to the Roman Empire at least; since then, they have developed gradually. Their leitmotiv over the years has been managing the fortunes of business families and performing philanthropic activities. In Rome, asset management was carried out by both slaves and *liberti*, in which case such men became the managers of companies owned by Roman families in early FO structures. In Europe, development took place at the end of middle ages, specifically in Italy with the Medici family, and in the USA, FOs were linked to the Rockefeller and Morgan families in the 19th century. In both cases, the structures were based on the financial management of family wealth and philanthropy in the community. The early 21st century has seen the creation of FOs linked to successful families from the worlds of textiles (Amancio Ortega, owner of the Inditex group) and new technologies (e.g. Bill Gates, Microsoft's founder, and Mark Zuckerberg, Facebook's founder); at this time, FOs incorporate more complex financial management and philanthropy, with activities across the world (adding to art patronage, support of health and social projects). In conclusion, through our study of cases in different historical periods, we can say that the FO constitutes a structure with objectives and activities that have remained consistent from Rome to the present, regardless of historical, political or social context. The transmission of the tangible and intangible legacy of the family to following generations, as well as the strong involvement and influence of business families in political and social life at different points in history, is a characteristic repeated throughout time.

4.2 Contributions to the practice

On the other hand, a global map of the ultra-wealthy shows that wealth is distributed differently depending on geographic location: specifically, 35% of UHNWIs are in North America, 28% are in Europe and 27% are in Asia. Considering these figures, future research could investigate contemporary/actual cases in Asia. In this way, organizational and management differences could be collected depending on issues related to the cultures and characteristics of different areas.

The UHNWI population is likely to increase sharply in the coming years. Despite heightened geopolitical instability, the global ultra-wealthy population is forecasted to rise to 360,390 people by 2022, an increase of 105,000. The level of wealth held by UHNWIs is projected to increase to US\$44.3tn over the next five years ([World Ultra Wealth Report, 2018](#)). Among this population are members of business families who will choose to create FOs to manage their wealth.

Moreover, philanthropy is becoming increasingly important for the ultra-wealthy population, with philanthropic donations growing constantly since the 2008 global financial crisis. The motivations for such investments are personal fulfilment and a growing sense of social engagement ([World Ultra Wealth Report, 2018](#)), and so, the FO constitutes an ideal organization for the development of these activities by business families.

Therefore, this paper shows the advantages the FO offers as an instrument of wealth management for business families, encompassing not only the management of assets but also other types of activities, including philanthropy – referred to at the beginning of its history as patronage. On the other hand, this work also allows one to observe how an interest in preserving the different elements of the SEW perspective can contribute to improving the corporate governance of FOs and family firms.

We believe this research can provide interesting information for professionals working in FOs and for business families wishing to find the best way to manage their wealth. Additionally, empowerment in the different dimensions of SEW may guide the management

of FOs, and family and non-family managers of such institutions should, therefore, know this conceptual framework.

4.3 Limitations and future research

This study is not free from limitations. First, we conducted a study of significant cases in different historical periods, but we analyzed no stage in depth, nor did we analyze all the examples. Future researchers could focus on a single historical period and try to analyze a broader range of cases.

Second, we analyzed family cases from the SEW perspective, but did not measure them based on the FIBER scale, given the characteristics of this study. We believe a very interesting research avenue would be to study SEW components and their relationships in greater depth in current cases, which would allow a real assessment of these dimensions and their influence on the creation, development and results of FOs and associated family businesses.

4.4 Conclusion

Drawing on the SEW perspective, this study has proposed a conceptual link between SEW dimensions and FOs. From our analysis of several cases from different historical periods, the FO constitutes a structure with objectives and activities that have remained the same from ancient Rome to the present, regardless of historical, political or social context. Building on our findings, we have presented a conceptual SEW framework to deepen the knowledge of FOs. This framework could help researchers and practitioners in future research, providing a conceptual link that demonstrates the components of the SEW perspective best fit the objectives pursued by business families when they are establishing an FO.

References

- Allen, C. (2007), "The changing face of the family office", *Global Investor*, Vol. 200, pp. 21-22.
- Amit, R. and Liechtenstein, H. (2012), *Report Highlights for Benchmarking the Single Family Office: Identifying the Performance Drivers*, (Technical Report), Wharton School, University of Pennsylvania, Philadelphia, PA.
- Amit, R., Liechtenstein, H., Prats, M.J., Millay, T. and Pendleton, L.P. (2008), *Single Family Offices: Private Wealth Management in the Family Context*, (Technical Report), Wharton School, University of Pennsylvania, Philadelphia, PA.
- Amit, R. (2006), "Family offices in the US", working document.
- Amit, R. (2018), "Wharton global family alliance 2018 family office benchmarking report", available at: https://wgfa.wharton.upenn.edu/wp-content/uploads/2018/03/WGFA-2018-Benchmarking_EXEC-SUMMARY.pdf.
- Avery, H. (2004), "Keeping it in the family", *Euromoney*, Vol. 35, pp. 236-246.
- Benevides, J., Hamilton, S., Flanagan, J., Mihailidis, M., Fride, B. and Schneeberger, M. (2009), *Family Office Primer: Purposeful Management of Family Wealth*, Family Office Exchange (FOX), Chicago, IL.
- Berrone, P., Cruz, C. and Gomez-Mejia, L.R. (2012), "Socioemotional wealth in family firms: theoretical dimensions, assessment approaches, and agenda for future research", *Family Business Review*, Vol. 25 No. 3, pp. 258-279, doi: [10.1177/0894486511435355](https://doi.org/10.1177/0894486511435355).
- Bierl, P. and Kammerlander, N.H. (2019), "Family equity as a transgenerational mechanism for entrepreneurial families", *Journal of Family Business Management*, Vol. ahead-of-print No. ahead-of-print, doi: [10.1108/JFBM-09-2018-0043](https://doi.org/10.1108/JFBM-09-2018-0043).
- Bowen, J. (2004), "In the family way", *Financial Planning*, Vol. 34 No. 8, pp. 31-33.
- Casola, M. (2016), "Roma Ed Il Mediterraneo: Sicurezza e Circolazione", *RGDR*, No. 26, pp. 5-12.

-
- Cennamo, C., Berrone, P., Cruz, C. and Gomez-Mejia, L.R. (2012), "Socioemotional wealth and proactive stakeholder engagement: why family-controlled firms care more about their stakeholders", *Entrepreneurship: Theory and Practice*, Vol. 36 No. 6, pp. 1153-1173, doi: [10.1111/j.1540-6520.2012.00543.x](https://doi.org/10.1111/j.1540-6520.2012.00543.x).
- Chen, Q., Hou, W., Li, W., Wilson, C. and Wu, Z. (2014), "Family control, regulatory environment, and the growth of entrepreneurial firms: international evidence", *Corporate Governance: An International Review*, Vol. 22 No. 2, pp. 132-144.
- Curtis, G. (2001), *Establishing a Family Office: A Few Basics*, Greycourt White Paper, Vol. 10.
- Decker, C. and Günther, C. (2017), "The impact of family ownership on innovation: evidence from the German machine tool industry", *Small Business Economics*, Vol. 48 No. 1, pp. 199-212.
- Decker, C. and Lange, K. (2013), "Exploring a secretive organization: what can we learn about family offices from the public sphere?", *Organizational Dynamics*, Vol. 42, pp. 298-306, Digesto (Corpus Iuris Civilis).
- Fernández-Moya, M. and Castro-Balaguer, R. (2011), "Looking for the perfect structure: the evolution of family office from a long-term perspective", *Universia Business Review*, Vol. 32, pp. 82-93.
- File, K.M., Prince, R.A. and Rankin, M.J. (1994), "Organizational buying behavior of the family firm", *Family Business Review*, Vol. 7 No. 3, pp. 263-272.
- Foster, W.M., Coraiola, D.M., Suddaby, R., Kroezen, J. and Chandler, D. (2017), "The strategic use of historical narratives: a theoretical framework", *Business History*, Vol. 59 No. 8, pp. 1176-1200.
- Gennari-Santori, F. (2015), "An art collector and his friends: John Pierpont Morgan and the globalization of medieval art", *Journal of the History of Collections*, Vol. 27 No. 3, pp. 401-411.
- Gilding, M. (2005), "Families and fortunes: accumulation, management succession and inheritance in wealthy families", *Journal of Sociology*, Vol. 41 No. 1, pp. 29-45.
- Goldthwaite, R.A. (1987), "The Medici Bank and the world of Florentine capitalism", *Past and Present*, Vol. 114, pp. 3-31.
- Gómez-Mejía, L.R., Haynes, K.T., Núñez-Nickel, M.L., Jacobson, and Moyano-Fuentes, J. (2007), "Socioemotional wealth and business risks in family controlled firms: evidence from Spanish olive oil mills", *Administrative Science Quarterly*, Vol. 52 No. 1, pp. 106-137, doi: [10.2189/asqu.52.1.106](https://doi.org/10.2189/asqu.52.1.106).
- Gray, L. (2004), "Changing face of the family office", *International Money Marketing*, April, pp. 23-32.
- Harris, W.V. (2011), *Rome's Imperial Economy: Twelve Essays*, Oxford University Press, Oxford.
- Harris, W.V. (2016), *Roman Power: A Thousand Years of Empire*, Cambridge University Press, New York.
- Hibbert, C. (1999), *The House of Medici: Its Rise and Fall*, Harper Collins, New York, NY.
- Jaffe, D.T. and Lane, S.H. (2004), "Sustaining a family dynasty: key issues facing complex multigenerational business-and investment-owning families", *Family Business Review*, Vol. 17 No. 1, pp. 81-98.
- Kammerlander, N., Sieger, P., Voordeckers, W. and Zellweger, T. (2015), "Value creation in family firms: a model of fit", *Journal of Family Business Strategy*, Vol. 6, pp. 63-72.
- Kingsbury, B. and Straumann, B. (2003), *The Roman Foundations of the Law of Nations. Alberico Gentili of the Justice of Empire*, Oxford University Press, New York, NY.
- Lansberg, I. (1999), *Succeeding Generations: Realizing the Dream of Families in Business*, Harvard Business Review Press, Boston, MA.
- Lumpkin, G.T., Brigham, K.H. and Moss, T.W. (2010), "Long-term orientation: implications for the entrepreneurial orientation and performance of family businesses", *Entrepreneurship and Regional Development*, Vol. 22 Nos 3-4, pp. 241-264.
- McCoy, D., Kembhavi, G., Patel, J. and Luintel, A. (2009), "The Bill & Melinda Gates Foundation's grant-making programme for global health", *The Lancet*, Vol. 373, No. 9675, pp. 1645-1653.

-
- Moran, R.E. (2020), "Examining switching power: Mark Zuckerberg as a novel networked media mogul", *Information, Communication and Society*, Vol. 23 No. 4, pp. 491-506.
- Morris, C.R. (2005), *The Tycoons: How Andrew Carnegie, John D. Rockefeller, Jay Gould and J.P. Morgan Invented the American Supereconomy*, Owl Books Edition, New York.
- Pak, S.J. (2013), "Reputation and social ties: J. P. Morgan & Co. And private investment banking", *Business History Review*, Vol. 87 No. 4, pp. 703-728.
- Parks, T. (2005), *Medici Money: Banking, Metaphysics, and Art in Fifteenth-Century Florence*, W. W. Norton, London.
- Razzak, M.R. and Jassem, S. (2019), "Socioemotional wealth and performance in private family firms", *Journal of Family Business Management*.
- Rivo-López, E. and Villanueva-Villar, M. (2019), "Family offices: how can they help to promote entrepreneurship and social responsibility?", *Handbook of Research on Entrepreneurial Leadership and Competitive Strategy in Family Business*, IGI Global, Hershey, PY, pp. 399-416.
- Rivo-López, E., Villanueva-Villar, M., Vaquero-García, A. and Lago-Peñas, S. (2017), "Family offices. What, why and what for", *Organizational Dynamics*, Vol. 46 No. 4, pp. 262-270.
- Rosplock, K. (2014), *The Complete Family Office Handbook: A Guide for Affluent Families and the Advisors Who Serve Them*, Wiley, NJ.
- Salvato, C., Chirico, F., Melin, L. and Seidl, D. (2019), "Coupling family business research with organization studies: interpretations, issues and insights", *Organization Studies*, Vol. 40 No. 6, pp. 775-791.
- Suess-Reyes, J. (2017), "Understanding the transgenerational orientation of family businesses: the role of family governance and business family identity", *Journal of Business Economics*, Vol. 87 No. 6, pp. 749-777.
- The Rockefeller Archive Center (1997a), "John D. Rockefeller, 1839-1937", available at: <https://rockarch.org/bio/jdrsr.php>.
- The Rockefeller Archive Center (1997b), "John D. Rockefeller, junior, 1874-1960", available at: <https://rockarch.org/bio/jdrjr.php>.
- Van Bueren, J. (2016), "Family offices a history and definition", Tharawat Magazine, available at: <http://www.tharawat-magazine.com>.
- Welsh, D.H., Memili, E., Rosplock, K., Roure, J. and Segurado, J.L. (2013), "Perceptions of entrepreneurship across generations in family offices: a stewardship theory perspective", *Journal of Family Business Strategy*, Vol. 4 No. 3, pp. 213-226.
- Wessel, S., Decker, C., Lange, K.S.G. and Hack, A. (2014), "One size does not fill all: entrepreneurial families' reliance on family offices", *European Management Journal*, Vol. 32 No. 1, pp. 37-45.
- Wolosky, H. (2002), "Family offices come downtown", *Practical Accountant*, Vol. 35 No. 3, pp. 23-27.
- World Ultra Wealth Report (2018), available at: <https://www.wealthx.com/report/world-ultra-wealth-report-2018/>.
- Zellweger, T. and Kammerlander, N. (2015), "Family, wealth, and governance: an agency account", *Entrepreneurship: Theory and Practice*, Vol. 39 No. 1, pp. 281-303.
- Zellweger, T.M., Nason, R.S. and Nordqvist, M. (2012), "From longevity of firms to transgenerational entrepreneurship of families: introducing family entrepreneurial orientation", *Family Business Review*, Vol. 25 No. 2, pp. 136-155.

About the authors

Elena Rivo-López, PhD in Business Management, is an Associate Professor at the Business Organization and Marketing Department at the University of Vigo. Her main line of research focuses on the study of family businesses from multiple perspectives: value creation, corporate governance, corporate social responsibility, gender perspective, finance, human resources, entrepreneurship, family office, etc. This activity linked to the family business is not limited exclusively to the field of publications; as the Co-

director of the Family Business Chair of the University of Vigo, she also organizes seminars, workshops, round tables and manage degree projects about family business. Elena Rivo-López is the corresponding author and can be contacted at: rivo@uvigo.es

Mónica Villanueva-Villar, PhD in Economics and Business Management, is an Associate Professor at the Department of Financial Economics and Accounting at the University of Vigo, where she develops her teaching in both undergraduate and postgraduate subjects. She has specialized in family business issues. She has participated in research and development projects financed in public calls as well as she has publications in magazines, books, attendance at congresses, organization of courses and presentations in various entities. She is the Coordinator of the degree in Business Administration and Management in Faculty of Business Administration and Tourism (University of Vigo), April 2019 to present.

Guillermo Suárez-Blázquez, PhD in Roman Law, is Full Professor at the Roman Law Department at the University of Vigo. He made studies of high specialization in Roman Law, such as the Course of Improvement in Roman Law, at the Institute of Roman Law of the “Università La Sapienza” in Rome (1997/1998). He has published monographs, articles and research papers in national scientific journals, arbitrated and indexed.

Francisco Reyes-Santías is a PhD in Economics, MBA, BSc in Economics, BSc in Political Science, Degree in Law. He is a Lecturer in Management (teaching management strategy, fundamentals of administration, business management) (Universidad de Vigo) 2010 to the present; he is a Lecturer in Applied Economics (teaching public finance and taxes) (Universidad de Santiago) from 2002–2009. His current research topics refer to the field of healthcare management and, in particular, the study of family businesses in the private health sector, as well as the public–private management of water resources and the processes of remunicipalization of services in local governments.