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The Role of IPO in Internationalization Process of Family Business. The Italian Case of the Burani Family. Is it a Black Swan?

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Andrea Calabrò, Emiliano Di Carlo[1]

Abstract

Considering the growth of global economy and the high competitiveness, the internationalization process seems to be more important for the family businesses. The internationalization theories are often related to the most appropriate tool for their feasibility. Also internationalization strategies need high financial resources that small family businesses often do not possess. The aim of this paper is to show a grey area in the intersection between the studies on family businesses' IPO and the internationalization. We try to contribute to the literature on the family business discussing some propositions and highlighting which are the main advantages but also the more significant costs and risks associated to the IPO as a tool for the internationalization. We argue these propositions through the use of a systematic research on the literature and through the case study on the Burani family.

JEL Classifications

L60, L25, L11, L15, M16

Keywords

Internationalization; family business; IPO.

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Editorial notes

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1. Foreword

The growth of the global economy, and the corresponding opening up of business activities to the internationalization, is often a good opportunity for the much needed strategic revitalization of the family business. If we compare the internationalization of family and non-family business, it is easy to see that family businesses have lower exports and fewer investments in countries outside their country of origin (Gallo, Arino, Mànez and Cappuyns, 2004). It is also true that a good number of small and medium-sized family businesses operate for lengthy periods of time in market niches with local products, which are often mature markets and products.

In recent years the importance of the internationalization processes seems to be a critical step for small family businesses. New perspectives in the family business studies try to demonstrate a changing way of thinking about the internationalization process (Zahra, 2003). What emerges is that recent markets globalization processes have pushed firms of every dimension and ownership typology to expand internationalization operations. It is important to investigate the main factors that could influence this process considering that IPO are often judged risky for family firms, leading to a reduced use of it. Moreover, in the past, the absence of an Italian financial market with specific facilitations for small firms has limited the finding of financial resources through the IPO.

This paper focuses on the internationalization processes of the family business highlighting the potentiality of the IPO as an important tool for their feasibility. The analysis has been carried out following these five main directions:

1. the small dimension and the family nature of firms are two of the main characteristics of the Italian business context;
2. in recent years there is a more necessity of competitiveness both in national and international markets, thus small family businesses need to start an internationalization process;
3. in the internationalization processes financial resources seem to be critical;

4. the IPO process could be really used by small family businesses for starting the internationalization processes at the condition that the financial resources arising from it are used for implementing the internationalization and not elsewhere.

The aim of this paper is to improve the knowledge of the internationalization processes of the family businesses through empirical evidence based on an Italian family business which has realized an internationalization process through the use of IPO. It is clearly showed that the IPO may be an interesting tool to be considered for the family business, however certain conditions are necessary, especially when we refer to family businesses belonging to a business group. Indeed, in these cases the small family businesses that want to go international and use thus the IPO may be influenced by the overall logic of the business group. Thus, understanding the relationships between these firms and their listed controlling holding may be helpful to see if the financial gains from the IPO are really used for the internationalization strategy.

Through the use of a qualitative methodology we try to put emphasis on the so called "black swan" case and we underline "disconfirming evidence" to the wide-spread literature foundation of the lower propensity of family firms to the internationalization processes.

The case study is conducted on an Italian business group owned by the Burani family, interesting above all for its recent IPO and new entry in international markets.

This paper also shows the importance in family firms of board of directors' composition and competences. In the analysed case study these elements are strategic for a right implementation of the internationalization processes. The role of board of directors seems to be crucial in this sense. The paper is organized as follows: in section one we introduce issues on the internationalization processes of the family businesses and the strategic role that IPO may have in realizing it. Section two shows a deepened literature review through which we want to argue the favourable and not favourable contributes to the internationalization processes of the family businesses. In section three we justify our methodology illustrating the contribution that

could emerge from a single case study which produces evidence (disconfirming evidence) and results which are different from the consolidated literature on the family businesses internationalization.
In section four we illustrate the case study analysis on the Italian Burani family, justifying our choice and highlighting the importance of some aspects as the use of IPO as a strategic tool for implementing this emerging strategy for family firms.

Section five is dedicated to the overview of the main results and the discussion of the two formulated propositions. Section six shows the main findings and then we have a conclusion section through which we try to understand the future directions to adopt on future investigations in this issue.

2. The need of more theoretical investigation on the family business internationalization process

In the family business studies the debate on the factors that could facilitate or not facilitate the international development of small and medium firms is very important and researches in this sense are increasing (Depperu, 1993; Zucchella and Maccarini, 1999; Lu and Beamish, 2001). Therefore the field of family business internationalization has not yet been closely studied. Among the small number of current publications with a clear connection to the family business internationalization, we propose the following literature review (see table 1) which aims at giving a worth overview on this research field.

Some authors discuss the importance of the internationalization for family businesses focusing on firm's culture, strategy and organization as factors that may hinder the internationalization process. They also discuss the main characteristics in different stages of firm's life cycle and the correlation with the quality of the owning family in the internationalization process (Gallo and Sveen, 1991). Other authors working with a small sample of businesses, found that family businesses tended to internationalize later and much more slowly than non-family businesses (Gallo and Estapé, 1992). In a sample of 57 firms, some authors affirm that a focus on products aimed principally at the local market and an inadequate level of technology appear to be the main causes of the rigidity of family businesses with respect to internationalization. At the same time, they observe that multigenerational family businesses achieve higher levels of internationalization (Gallo and Garcìa Pont, 1996). Another author surveys global business attitudes and activities of family businesses with a 1997 sample of 187 firms from northwest Ohio (USA), of which 86% are family businesses. Internationalization is measured by exports and being a family business by the respondent's self-assessment. The survey results suggest that family businesses are not well integrated into international operations and that they are mostly unaware of the available public internationalization support. Relatively few family businesses have ties with their foreign counterparts, but many would like to have them. If a family business is not internationalized under the leadership of the first or the second generation, it is unlikely to do so later (Okoroafo, 1999).

Using information from a survey conducted in 1997 some authors demonstrate the hypothesis that the level of internationalization of first-generation family businesses run by their founder is directly proportional to the age and education of the founder and to the degree to which he or she invests in technology and uses the Internet (Davis and Harveston, 2000).

Zahra (2003) studies the interaction of family involvement and internationalization with sample of 409 manufacturing firms in five U.S. states (Georgia, Tennessee, South and North-Carolina, as well as Virginia), 43% of which are family businesses. The measures of internationalization are share of sales in foreign markets and the number of countries in which the firm sells its product. Family businesses are de-fined as those with an identifiable share of family ownership and having multiple generations in the firm's leadership positions. The results suggest that being a closely held family business is associated with a lower level of internationalization in terms of both measures; this is not the case for other family businesses (that are not closely held).
After controlling for being a family business, more intense family involvement is associated with a higher share of foreign sales. The author suggest that the results may relate to the owner-managers interest to keep family members involved via internationalization, family businesses may approach internatio-

nalization more cautiously, and that family businesses may be more motivate by the long-term performance enhanced through internationalization (Zahra, 2003).

Sharma (2004) has reviewed the family business literature highlighting the importance to better investigate the issue of in-ternationalization also through the lens of other research fields which could probably give more innovations and suggestions for future re-search directions (Sharma, 2004).

Other studies focus on whether family businesses and non-family businesses differ with regard to their propensities and intensities of internationalization with a sample of 360 Australian firms, 60% of which are family businesses. Internationalization is measured by export intensity (has exports) and having above/below median export intensity (exports to sales). If a firm is majority family owned and at least one family member is in the management team, it is considered a family business. The results suggest that family businesses are less likely to export than non-family businesses. Conditional on exporting, there is no statistically significant evidence that family businesses would have lower export intensity than non-family businesses (Graves and Thomas, 2004). The same authors extend the above discussed pa-per with further statistical analysis and case studies. The findings suggest that family businesses are more likely to focus on the domestic market than non-family businesses. Individual family members are important in family businesses' internationalization. Family businesses' internationalization may be hindered by their managers' relative non-autonomy (Thomas and Graves, 2005).

More recent studies focus on family businesses' internationalization strategies with a panel of 1,500 Spanish SMEs (10 to 200 employees), 56% of which are family businesses. Internationalization measures are export propensity and export intensity (exports to sales). The firms with one or more members of the owning family among the managers are considered family businesses. The other variables supplement the analysis of family businesses: a subsequent generation family business (simply indicates that the family business is over 30 years old), another firm has invested in the family business, and the family business has wholesale or retail sales agreement(s). The results suggest that, compared to non-family businesses, family businesses have lower export propensities and intensities. Among family businesses the ones that have ascended beyond the first generation, have another firm as an owner, and/or have sales agreements tend to be more internationalized (Fernández and Nieto, 2005).

Also important are studies concerning the influence of family in-volvement on internationalization with a sample of 222 Andalusian firms. Internationalization measures are export intensity (exports to sales) and a summary of the firm's international involvement in the last five years. The familialiness of the firm falls into one of four categories based on the family's ownership, involvement in the top management, and having the second (or further) generation(s) to work in the firm. The results suggest that family involvement is associated with a higher perceived risk of internationalization. No direct relation is observed between the firm's familialiness and its level of internationalization; the authors suggest that the impact of familialiness on internationalization is mostly indirect, that is, influencing internationalization, for example, through smaller average firm size. These inte-ractions are not, however, formally analyzed (Casillas and Acedo, 2005).

Interesting is also the study of family business versus non-family business differences in internationalization strategies with a sample of 1,506 Spanish firms, of which 37% are family businesses. A firm is considered internationalized, if it exports, has made foreign direct in-vestment(s), and/or is engaged in foreign alliance(s). Family businesses are defined to be those with family owners in managerial positions. The results suggest that being a family business per se does not seem to be related to internationalization; second generation family businesses have, however, a higher probability of being internationalized (Menendez-Requejo, 2005).

For what concern the managerial capabilities some authors (Graves and Thomas, 2006) compare the managerial capabilities of family businesses and non-family businesses with respect to internationalization with a sample of 890 Australia firms, some 70% of which are family businesses. Measures of internationalization are defined as in their previous studies (Graves & Thomas, 2004). Firms that are majority family owned are defined as family businesses. Managerial capabilities measures include the number of full-time managers, having non-family managers, providing employee training, and having a formal strategic or business plan. The results suggest that the managerial capabilities of non-family businesses expand with internationalization whereas this was not evident in the case of family businesses. Thus, the managerial capabilities of family businesses seem to lag behind non-family businesses as they expand internationally; despite this family businesses seem to be able to achieve high levels of internationalization, which may be due to relative efficiency in managing re-sources (Graves and Thomas, 2006).

Interesting evidence comes from an investigation on family busi-ness and non-family business differences in their perceived foreign market performance with an UK sample of 96 SMEs (less than 250 employees), 23% of which are family businesses. The performance is measured by the perceived competitiveness of the firm in terms of ex-port volume, growth, profitability, and market share. Family businesses meet a fourfold criterion: the firm is a family business in the senior executive's subjective opinion, there is family ownership and family leadership, and the family is involved in the management. The results suggest that there are neither statistically significant family businesses nor non-family businesses differences in their perceived overseas performance nor strong evidence for differences in the bundles of re-sources enabling them to be successful. The authors suggest that their non-findings may relate to the fact that their sample is limited to firms that have a priori been recognized as being successful in their interna-tionalization (Crick, Bradshaw and Chaudhry, 2006).

Important recent evidences comes from the study of the influence of ownership type on internationalization with in essence the same sample as above (Fernández & Nieto, 2005); firms with another firm holding a long-term block equity position represent almost 18% of the sample; 3% of the sample are family businesses and have another firm as a block equity holder. Internationalization measures and the definition of a family business are as above. The results suggest a weak negative association with family ownership and internationalization. Having a corporate ownership is positively associated with internationalization among both family businesses and non-family businesses (Fernández and Nieto, 2006).

From this literature review emerges that internationalization pro-pensities and intensities of family businesses are considered lower than those of non-family businesses. These differences become, however, less clear when other distinguishing features are accounted for. Upon internationalizing family businesses maintain their distinguishing features: they remain cautious, emphasize long-term performance, and, despite expanding geographically, do not necessarily broaden the top management accordingly. What also seems to be important is that individual family members and their characteristics may play a considerable role in internationalization.

What seems not deepen enough in these reviewed papers is that for implementing the internationalization strategy there is often the need of financial resources and of new competences, difficult to find always in the family. Some authors established that access to financial resources is not easy for small family-owned businesses (Coleman & Carsky, 1999; De Visscher, Aronoff, & Ward 1995; Harvey & Evans 1995). But some other authors demonstrate that listed family-owned businesses do not seem to suffer from lack of capital (Mahérault, 2000). It is also important to know that firm's management, especially in family businesses, should consider self-financing as the best financial resource, debt as the best external resource (Churchill & Lewis, 1985, 1986), and increase in capital as a last resort. Accordingly, controlled firms would issue new shares only if there was no other way to finance growth. Often controlled companies prefer to stop growing rather than to dilute the equity structure. Consequently, the lack of capital that small family businesses suffer may be partly their own doing. In many cases financial markets are considered responsible for the lack of capital available to small family firms. Because few investors seek to invest in small firms, these companies face difficulties financing their growth. To help SMEs finance their growth, two markets especially for those firms have been created in Italy in recent years, the Expandi market and the MaC (Calabrò, 2007). Thus the IPO should be a critical but a feasible step to take into account also for family businesses. In fact, through the use of IPO, family businesses could start an internationalization process. This paper aim to demonstrate that small family-owned businesses have the need to start the internationalization processes and that going public might be the best means to overcome lack of capital and financing constraints. However, issues regarding the right use of the internationalization gains needs to be considered, especially when we refer to family businesses belonging to wider business groups. In such cases, there is a high possibility by the controlling owners to use the major financial resources, derived from the IPO of their firms, to other purposes not directly related to the growth and the internationalization of the new listed firm.

An important issue in family business studies, with specific focus on IPO process, is that family firms are characterized in a different way in comparison with non family firms for what concerns entrepreneurship and risk propensity. Although some researches describe family firms as organizations with a high entrepreneurship, in which the ownership and the management are inclined to risk assumption (Aldrich e Cliff, 2003; Zahra, 2005), also many studies prevail in literature contrast with these assertion describing the family business as firms with a not so much risk propensity and more oriented to the maintenance of the status quo (Kets de Vries, 1993; Sharma et al., 1997). This higher risk aversion should be a possible explanation of the fact that many family firms focus more on the national market. Therefore, firms' internationalization is nowadays a very critical step. In this sense we justify our choice of focusing on the internationalization process through the tool of IPO because this is an important chance for family firms' competitiveness and in literature it is not considered as an emerging tool for the family businesses internationalization. After this literature review we argue the following propositions:

PROPOSITION 1 – It is not always true that being a family business negatively influences its propensity to the internationalization;

PROPOSITION 2 – Family businesses IPO may be useful for a successful internationalization process if the financial resources derived from the IPO are used to implement this strategy directly in the new listed firm.

3. Methods

Given the scarcity of research on the internationalization of family businesses in general and their involvement in the use of IPO as a tool for it feasibility in particular, this research is exploratory in nature. The method chosen was the analysis of qualitative data collected by a case study analysis. In the paper we also build up a systematic research on literature on the family business' IPO and the internationalization studies.

The choice of the main articles used in the literature review follows these steps:

1. research on Blackwell-Synergy, Science Direct database;
2. research in the abstract and in title of the journal articles through the use of keywords;
3. first articles selection by reading the title;
4. second articles selection by reading the abstract;
5. exclusion of repetitions;
6. analysis of the previous selected paper.

The time reference is from 1990 to 2008. We have chosen the following key-words: family business, internationalization, IPO, board of directors. Following these criteria the selected papers from the two databases are 47. We have chosen to fully analyze 15 papers relevant for the discussion of our propositions. Therefore, in the systematic research on literature we have used other sources as handbooks and monographs concerning the main themes of our paper. The results of this systematic research on literature has been showed in table 1 presented in the theoretical framework section. For what concern the case study we analyze the characteristics of all the firms which are owned by Burani family trying to show the main elements of the IPO process for the internationalization. The paper builds on a descriptive case study (Eisenhardt 1989; Yin 1994, 2003) to explain why it is necessary to overcome to the use of IPO for a right improvement of an internationalization process of the family business. We do this by analysing a single case study in which we show the case of an Italian family business. There are two main reasons why this case was studied. First, the case does reflect the general environment of the Italian family businesses which operate in many sectors. Second, the case is characterised by evidences which suggest a lack of the IPO consideration as an internationalization tool for family businesses internationalization. The case study is characterised by five IPO processes realized in none more than seven years. However, it is important to highlight that the aim of this paper is to look for cases in which the IPO is really used. We do not look for the use of the financial resources derived from the IPO and at the relationships between firms that belong to a wider business group.

The paper can be structured in two parts. In the first, we analyse in a critical way the main findings in literature arguing that there is a need of more research approaches and deepness in investigating family firms internationalization processes. Than we suggest some propo-sitions in considering the importance of IPO process in family firms research as a tool for internationalization processes. We demonstrate the two propositions through the use of a single case study. We think that qualitative case oriented research (Yin 1994, 2003) would help to modify and expand the theory and give more contribution to the internationalization processes of family businesses. One basic case study design seems to be particularly appropriate for this purpose and we try to demonstrate that for what concerns the reliability of results we use the explication of the "black swan" – one single evidence which is different for each other's and for this reason could be use as disconfirming evidence (Flyvbjerg, 2006). The case study is ideal for generalizing using the type of test called "falsification" (Popper, 1959), which in social science forms part of critical reflexivity. Falsification is one of the most rigorous tests to which a scientific proposition can be subjected: if just one observation does not fit with the proposition, it is considered not valid generally and must therefore be either revised or rejected. Popper himself used the now famous example "all swans are white" and proposed that just one observation of a single black swan would falsify this proposition and in this way have general signific-ance and stimulate further investigations and theory building. The case study is well suited for identifying "black swans" because of its in-depth approach: What appears to be "white" often turns out on closer examination to be "black." One can often generalize on the basis of a single case, and the case study may be central to scientific development via generalization as supplement or alternative to other methods. But formal generalization is overvalued as a source of scientific development, whereas "the force of example" is underestimated (Flyvbjerg, 2006). These are the main explications that lead us to conduct a single case study on the Burani family with all the firms owned by it.

4. The Italian case of the Burani family

The case study is conducted on the Burani family with all the firms owned by it. All these firms operating in the made in Italy constitute many business groups. Referring to the Italian context, we have cho-sen this case because in recent year it seems to be one of the most im-portant and active family business which have realized internationalization processes. During these years the Burani family used all the opportunity given by the Italian financial market (Borsa Italiana S.p.A.) for the IPO of SMEs (Calabrò, 2007, 2008). The use of this tool is only one of the aspects that we take into account. Indeed, especially in complex business groups it is possible to use this tool on many firms. However, the use of IPO does not mean that the financial resources derived from it are effectively used for growth and internationalization goals.

The main reasons that lead us to the choice of this case study are:

1. previous studies regarding the IPO of Italian SMEs;
2. heterogeneity and representativeness of the case study.

The case study is presented as follows:

– brief overview of the family activities and presentation of the business group structure;
– focus on the IPO of the Burani family;
– main strategic internationalization directions and the role of board of directors.

Brief overview of the family activities and presentation of the business group structure

In this section we synthesize the case history of the Burani family highlighting the main events connected to two important business group owned by the family: Mariella Burani Fashion Group (MBFG) and Burani Designer Holding (BDH). The core temporal events could be summarize in three stages:

1. growth and development of MBFG;
2. diversification activities of MBFG through the creation of two divisions (Leather Goods and Fashion Jewellery);
3. diversification strategy through BDH.

The first stage started in 1960, with the creation of Selene by the first founder Walter Burani. Selene was a firm with its core business in the production and distribution of dressing for children.
In 1970 the founder developed the production of women pret-à-porter dressing. The first 40 years have been characterized by an organic growth in the Fashion Apparel sector.

In the 1980s Walter Burani started to operate with new brands: Ma-riella Burani, Più Donna, and he also made important strategic al-liances with other important mode house. The beginning of the 2000s has been characterized by the first IPO process which has interested MBFG. This was the first step for other important investment activi-ties. Starting from this year, important acquisitions were realized by MBFG. Indeed, this first IPO process contributed to change rapidly the structure and the group composition. The result was a more inter-national reality with prestigious brands into its portfolio. This IPO leaded MBFG to acquire new financial resources for realizing acquisi-tions of other important smaller player.

Effectively, in 2002 MBFG acquired the Compagnia della Seta S.r.l (today Compagnia della Seta S.p.A) operating in the textile sector. Then MBFG acquired Revedi S.p.A. and Revedi S.A. which managed 19 commercial activities (4 in Switzerland and 15 in Italy). During the same period, MBFG abandoned some brands in license, as Renè Le-zard. In 2004, MBFG also expanded its business through the acquisi-tion of Don Gil Textilhandel GmbH operating in Austria. In 2005, MBFG also acquired Bernie's A.G. operating in Switzerland. In table 2 we present the main acquisitions realized by MBFG starting from the fist IPO process realized in 2000.

The second stage was characterized by the intense diversification activity and internationalization process of MBFG, started in 2000 with its entry in the leather goods sector. From 2000 to 2006, MBFG has invested in firms operating in the leather market of accessible luxury of the made in Italy, with the subsequent creation of another business group: Antichi Pellettieri. In table 3 we propose a synthesis of the main acquisition of MBFG in the leather sector, aiming at representing its diversification strategy and the rationalization of the activities in this sector through the creation of a specific business group (Antichi Pellettieri).

MBFG grouped the acquired firms in a unique division stimulating a growth process, through the use and development of synergies. The division Leather Goods with Antichi Pellettieri S.p.A. as leader (Anti-chi Pellettieri is the holding of this business group) become one of the most important player in the Italian market of luxury leather. In June 2006, Antichi Pellettieri S.p.A. has been listed in the Expandi (one segment of the Italian financial market specifically dedicated to SMEs). MBFG owns the 53% of the equity of this holding.

The last stage is characterized by a high connection between the family history and the business history. In this stage we find an in-creasing opening to the entry of new partners in the board of directors and also of new alliances with strategic partners. In this stage the fam-ily creates BDH in which transfers all the control stock of the main important family members. In June 2007, the family realized a new IPO. BDH was listed in the AIM (Alternative Investment Market) of the London Stock Exchange. After the presentation of these stages, in the case study we try to give a graphic representation (see figure 1) of the firms owned by the Burani family. It is important to underline that we find five business groups which are controlled by the Burani's.

The asterisks in figure 1 give more information on the shares' pos-session in the business groups. (*) indicates that Burani Private Hold-ing S.p.A. is a holding which has directly a quota of 52,7% of shares of Mariella Burani Fashion Group S.p.A.. (**) indicate that the main family members are Walter Burani (the founder), Giovanni Burani and Andrea Burani. (***) indicate that Itochu, Romano Minozzi and the Gualandi family are strategic shareholders that have the 15,4% of shares of Burani Designer Holding. (****) indicate that the Burani family's shares are divided among: Walter Burani (the 50%), Giovanni Burani (the 10%), Andrea Burani (the 10%) and Mariella Arduini (wife of Walter Burani) (the 10%).

The business groups owned by the Burani operate in many countries, representing the made in Italy at an international level. The main business groups which are owned by the Burani family are five and they are directly controlled by the family through the following holdings: Burani Designer Holding; Mariella Burani Fashion Group; Antichi Pellettieri; Greenvision Ambiente; Bioera.

In table 4 we show the main activities of these business groups and the geographic areas in which they operate.

All these holdings are listed in the financial market. Totally, the Burani realized five IPO process. The next section analyses these IPO process highlighting the short timing of their feasibility.

The IPO processes

This section gives an overview of the five IPO realized by the Bu-rani family. In table 5 we propose the five IPO processes with specific reference to the year in which each of them was realized.

The case study shows that the IPO processes of the Burani family have used to find financial resources in the financial market with more opportunity and advantages. What is really surprising is the short tim-ing in which these IPOs have been realized. Five IPO processes in just seven years: from 2000 to 2007.

From the analysis of the holdings' balance sheet of these business groups, it emerges that the IPO processes has been realized through a common strategic view. In particular, this strategy could be divided in many steps. First, the acquisition of a high number of SMEs which operates in strategic sectors; second, the creation of a unique business group in which include all these SMEs; third, the definition of a hold-ing and the consequent listing it in the financial market. This strategy allows the Burani to acquire new financial resources used in the re-structuring and reorganizing process of the neo-constitute business group. Here below in table 6, we present some information about the five IPO processes.

Strategic directions of the internationalization

An analysis of the main strategic directions followed by the business groups owned by the Burani family seems to demonstrate that in the internationalization process an important role is played by the human resources. In this direction the competences and the specialization of the board of directors' members seems to have a critical role. Focusing the attention on the Burani family and on TMTs in the BDH holding it emerges that directors have a high experience in sectors involved in the acquisition and integration of SMEs with the aim to create value through the use of business group synergies.

The experience of the family in the IPO processes has given more competences to the managers. The core competences of the Burani family business model may be synthesized as follows:

– selective and systematic strategic acquisitions aimed at realizing internationalization processes of SMEs;

– high flexibility in the acquisition processes;

– high involvement of the founders and directors of the acquired firms. The top managers of the new acquired business are selected among their founders and managers;

– exploitation of business synergies into each business line through MBFG's operative and financial platforms.

The Burani family and the managers of BDH have developed a business network with some commercial partners in strategic markets of accessible luxury, for example in Russia and in Eastern Asia. The aim of BDH is to invest in these markets favoring the internationaliza-tion process of the acquired SMEs. In this direction goes the BDH re-cent strategy of new shareholders entry which are selected basing on their know-how and on their future possibility to support investment strategies. In figure 2 we propose the main internationalization areas of the Burani family business.

We think that the board composition is strategic for the internationalization process of the business groups owned by the Burani family. In table 7 we propose an overview of the composition of the board's holdings in the main business groups. We argue that these indications are important in the analysis of the internationalization process of the family business. Through this overview we find also one prerequisite of the family business (also highlighted in the discussion section): the presence of family members in the board of directors. The first prere-quisite, that is the majority family ownership, has been proved by the overview of figure 1, in which we reconstruct the control chain exer-cised by the family on the business groups. Each ring of these control chain shows a majority ownership of the Burani family.

From table 7 we argue that the boards of directors could appro-priately be considered as family councils because in all these boards the Executive Chairman and Chief Executive Officer are almost fami-ly members. This family business is at its second generation stage. The founder was Walter Burani (now 75 years old). The other family members are: Andrea Burani and Giovanni Burani. Despite the high familiar composition of each board of directors, we find also important non family members directors who have strategic roles and also high managerial competences.

5. Discussion and findings

In this section we discuss the two propositions argued after the lite-rature review on the family business internationalization processes.

For what concern the first proposition we argued that:

PROPOSITION 1 – It is not always true that being a family busi-ness negatively influences its propensity to the internationalization.

As the literature review has showed there are many theoretical and empirical studies which focus on the determinants of the internationalization processes the of family business. Therefore, it seems that there are contrasting results which lead to a non-shared opinion on the issue. Indeed, some authors argued that the Spanish family businesses are less oriented to the internationalization processes (Gallo and Estapè, 1992). This result has also founded confirmation in other studies on U.S. firms (Okoroafo, 1999). Another study showed that the main reasons for the family businesses rigidity to internationalization processes were a high orientation to the product and the technological backwardness (Gallo e Garcia-Pont, 1993). Other studies suggested that family members feared internationalization processes because of the risk to lose the private benefit of control deriving from a more shared control with others shareholders (Donckels and Fröhlich, 1991). In general these studies give to the family business a lower propensity to internationalization, which could be justified with some characteristics of family business which influence the way of running this special business (Corbetta and Montemerlo, 1999). What emerges is that one characteristic of a family business is the aversion to risk taking which could lead to the loosing of business opportunity and of strategic chooses for internationalization processes. Despite these and other studies show the negative correlation between family businesses and propensity to internationalization, for what concern the analysis of the relations between family ownership and propensity to internationalization there are also some other contributes in the international literature (Zahra, 2003; Fernandez and Nieto, 2005, 2006; Graves and Thomas, 2006). In particular Zahra referring to the stewardship theory (Davis, Schoorman and Donaldson, 1997) argues that the family ownership is positively correlated with the degree of internationalization and with the involvement of directors in decision-making processes, considering also altruism as an important variable.

As showed there are many contrasting results in this sense, but our case study shows that the in the analysed family business many of its firms used the IPO during recent years. Referring to the use of this tool it may be possible argue that belonging to a business group and by sharing competences and skills acquired in previous IPO processes it might be possible also for other family firms of the business group to implement more easily an IPO process. If this lead to a major internationalization is not directly observable. Therefore, even if from the case study analysis it emerges that the firms belonging to the Burani family that have realized an IPO are also operating in many foreign countries, further investigation might focus on the effective investigation on the use of the financial resources derived from each IPO.

Only under this conditions it is possible argue that this family business is a disconfirming evidence to those who argues that the family ownership does not allow the internationalization processes, influencing them in a negative way. The results from the case study analysis seems to partially suggest that part of the literature arguing on the positive relationships between the role of family management and the internationalization process is useful to a better understanding of the internationalization dynamics in family businesses. Indeed, the case study, shows that the presence of external managers in addition to family members ensure adequate support to the implementation of projects with long-term perspectives, for example, the development initiatives in foreign markets such as those followed by BDH, MBFG and Antichi Pellettieri.

Moreover, the results show that the internationalization process is considered crucial by the Burani family even if the perceived risks are high. The involvement of the management reduces the risk of opportunistic behaviour, fosters identification with the company and allows a full and greater appreciation of the benefits and risks associated with in-ternationalization strategies (Zahra, 2003).

PROPOSITION 2 – Family businesses IPO could be useful for a successful internationalization process.

In the literature on IPO and referring to its relation with family businesses some authors highlighted a traditional aversion to risk in respect of the capital market, especially in family SMEs. This trend in IPO processes is partly justified by the lack of willingness and favor-ing the entry of new members in their business (both for financial and psychological reasons and the fear of private benefits expropriation). Another element is the mistrust towards a new instrument, the IPO that only in recent years is beginning to assert itself and reveal its po-tential strategic chances. The IPO process can also be instrumental to implement virtuous internationalization patterns of SMEs. In addition, considerable progress in terms of incentives and facilities to SMEs IPO seems to bridge the gap of mistrust towards the use of IPO also by the family business. All these aspects are analysed in the case study. The Burani family used the IPO instrument to list many of its subsidiaries. Moreover, by focusing on the export intensity and propensity of those new listed firms in the whole business groups it is possible to find a positive and implemented level of internationalization. However, one important question is related to the direction of the relationship between IPO and internationalization of this new listed firms. Indeed, it is also possible that those firms are more international especially because of the role of knowledge and competence that characterizes the board of directors rather than the effective use of the major financial resources derived from the IPO directly in the new listed firms. Of course, in order to get an answer on this aspect it is necessary to implement studies that specifically focus on the way these financial resources, derived from the IPO, are effectively used.

However, in general the paper contributes to the present literature on family business through a single case study (disconfirming evidence) suggesting that the IPO process could be used by family firms for implementing internationalization strategies even if under certain conditions of financial equilibrium. The case on the Burani family is very singular for the use of the IPO and the international behaviour of many of its firms. This case is interesting especially for the role of the family and of board members' competences and skills in the implementation of the internationalization strategy.

Therefore, it seems advisable that more effort should be devoted to studying forms of international expansion for family firms and how to improve them (Fernàndez and Nieto, 2005). The case study goes in this direction. An important evidence from the case study is that, when it comes to internationalization, the firms' product financial resources and organizational capacity are key factors. The most interesting result of this study is that, contradicting previous literature in the family business field, it shows that family firms' intrinsic characteristics are not the real difficulty to the internationalization. Rather, the most powerful determinant for internationalization of the Burani family appears to be the owner-manager's personal commitment to the long-term survival of the family business (Gallo, Arino, Mànez and Cappuyns 2004).

Moreover, the case study gives empirical evidence to the second proposition formulated in this paper. The aim is to justify the use of IPO as an important tool for the internationalization processes the of family businesses. Indeed, being a listed firm guarantees investors a minimum liquidity level and makes it possible to imagine an easier exit strategy. That might be why financial constraints disappear with quotation and these could reduce the risk aversion to going public of family members. Going public allows family firms to use external financial sources. Investors are less hesitant: the risk is lower than before quotation because investments in equity are no longer trapped. However, a particular attention on the effective use of these financial resources in the firms that use the IPO is necessary. Only through a clear analysis on the use of these new financial resources it is possible to really understand if they are effectively used for financing growth and internationalization in the subsidiaries of the overall Burani group. In this direction, particularly important seems the analysis of the related party transactions. The literature considers this type of transaction as an instrument to allow the controlling shareholder to extract private benefits thus damaging the minority shareholders.

In the end, these conclusions rely on the assumption that family businesses continue to grow after being listed. If this is not the case, financial constraints would disappear only when resources are no longer needed. The most important consequence of going public must be a change in the financial environment. Even if firms do not really use opportunities to issue new shares, going public may be the most commonly accepted reasons for family business stagnation. Indeed there are: limited capital to fund both family needs and business growth needs; the inflexibility and resistance to change of entrepreneurial leadership; disparate family goals, values, and needs; and conflicts among sibling successors (Ward, 1998). the only means to cope with the problem of lack of capital. Nevertheless, going public cannot be considered as an external explanatory variable but more the result of a management decision, and this is clearly demonstrate through the case study. Management decision-making, or family decision-making, must be studied more precisely and this is the most important evidence.

There are many variables which could influence the internationalization processes, in this sense the eclectic theory (Dunning, 1988) and the resource based view (Hitt, Hoskisson, and Kim, 1997; Peng, 2001) stress the importance of strategic capabilities and resources for inter-nationalization. Considering family SMEs we know that they are usually at a disadvantage when accessing resources and capabilities. Their financial difficulties are well known (Chittenden, Hall, and Hut-chinson, 1996; Friedman and Friedman, 1994; James, 1999). They tend to have a conservative attitude and be risk adverse (Ward, 1998). Therefore, risky investments aimed at accumulating intangibles could be restrained. Moreover, international expansion is seen as an uncertain decision due to the lack of information about foreign markets and the international process. In addition, family firms lack the managerial capabilities required to manage a growth process (Gallo and García-Pont, 1996; Kets de Vries, 1993). All these aspects which argues a negative propensity of family businesses to the internationalization processes are disconfirmed by the analysed case study, which could be considered as a disconfirming evidence (a black swan) to the major part of the existing theory on family businesses internationalization (Flyvbjerg, 2006). From the case study emerges also that obviously, the attitudes and behaviours of family businesses can vary throughout the generations (Swinth & Vinton, 1993; Welch, 1992). Different generations of owners exhibit different interests, management styles, and objectives (Okorafo, 1999). Each generation of leadership brings new strategic ideas that build on underlying, long-held competencies developed for earlier strategies (Ward, 1998). The later generations can also be expected to be more qualified, and we must remember that the owner's background (training, language, international experience) has an influence on the decision to internationalize. In short, the second generation (firm with more than 30 years old (Fernandez and Nieto, 2005) has more information and is better prepared, and this encourages the internationalization process. This is also the case of the Burani family which is to the second generation. This younger generation occupies managerial positions providing new resources to the firm. This generation has acquired abilities and knowledge that the founders do not have, and they are impatient to demonstrate their capabilities by looking for strategic chances. This has also been empirically demonstrated: second and subsequent generation family SMEs show higher export propensity and intensity than do first-generation ones (Fernandez and Nieto, 2005).

The primary purpose of this paper was to verify that family business do not often choose to internationalize, as indicated by previous studies, and, based on this fact, to propose some alternatives to in-crease their involvement in international markets. In this direction the case of the Burani family might be interesting especially for its use of the financial market opportunities. However, the attention on certain financial equilibrium conditions must be paid, in order to avoid irrational use of the financial market opportunities without effectively use the major gains deriving from the IPO of subsidiaries for their growth and internationalization.

This study has also implications for owners and managers of family business. The findings suggest that there is higher probability of international expansion through internationalization when succeeding generations are in managerial positions. Succession is one of the family businesses' greatest challenges. A successful succession can give a new push to the firm, providing it with more ambitious strategies and new resources to support them.

Although there are factors that favour internationalization, the inherent nature of family businesses may deter some firms from seeking international involvement. For example, a new shareholder in a family business could be considered intrusive, as these firms are usually un-willing to involve external shareholders, for example through an IPO process. However, the family firm should take into account the advantages that could be obtained in return for this involvement. An interesting aspect in the analysis of family businesses is that internationalization is demonstrably influenced by management (Kutschker, Baurle, and Schmid, 1997). Some authors also investigate the impact of internationalization on top management team networks (Athanassiou and Nigh, 1999). All family members who are in management should be involved in their firm's internationalization activities. The case study shows that the Burani family management commitment is critical to the internationalization process.

From the analysis of the main listed holdings of the five business groups controlled by the Burani family overlapping ownership, gover-nance and management family roles are very high. This is a classic example of Italian shareholder who is more willing to keep shares with no management or day-to-day-position if they can control their investments by sitting on the board.

Starting from this point and linking all these evidence from the case study analysis emerges that ownership and governance structures, top management teams, decision-making processes, strategic goals, and succession perspectives are all important variables which occur take into account in the analysis of family businesses internationalization. Despite Italian family firms are accustomed to having only formal boards, often avoiding appointing outsiders (Corbetta & Tomaselli, 1996), the case study shows that the appointment of outsiders might be necessary in where there is an increase in firm complexity or where equity has been opened up to nonfamily partners.

From the case study it emerges that evaluating this qualitative date we find such elements as innovativeness, risk taking, competitive ag-gressiveness that are evident in the family business internationalized. While this case study shows a family business which participate in in-ternational activity, the stereotypical family business is not always de-picted as entrepreneurial but rather as conservative and risk averse. Therefore, this case suggests that globalization, including interna-tionalization, is placing pressure on organizations to reflect conti-nuously on and change the way they do the business (Hall, Melin, and Nordqvist, 2001) and increase the need of more solutions for them. Because family businesses are often characterized as having a culture that is inward-looking, constrained by history and tradition, and resistant to change (Dyer & Handler, 1994; Kets de Vries, 1993), there is a need to create a culture that is supportive of a spirit of entrepreneur-ship, where entrepreneurship is defined as the radical, strategic change in family firms (Hall, Melin, and Nordqvist, 2001). Some authors call for more research to identify cultures associated with superior performance, how to recognize when the firm's current culture is inappropriate, and how to move to a more appropriate culture (Sharma, Chrisman, and Chua 1997). In this direction, inclusive and more qualitative data could be drawn from this case study of a SMEs family business. Indeed several family business cases could be used to explore how entrepreneurial activity may have been initiated within the family business (Lumpkin and Dess', 1996) or what elements of an entrepreneurial orientation may be more or less relevant when internationalising the family business. The case studies also highlight the importance of developing a participative culture, one where managers are free to make suggestions and act upon then, without being hamstrung by a controlling paternalistic family member.

Researches also suggest that the firm’s ownership and governance systems influence its degree of international expansion (Sanders and Carpenter, 1998). These systems influence organizational culture (Za-hra, 1996) which affects the way family firms define, address and coordinate business and family related objectives (Corbetta and Mon-temerlo, 1999). Family members are also involved in managing and operating the business, which can promote the firm’s propensity to-wards risk taking. Involvement creates a sense of psychological own-ership (Pierce et al., 2001) and promotes an appreciation of the chal-lenges facing the firm as well as the company’s strengths and weaknesses, resources and capabilities. This understanding shapes the firm’s internationalization decisions.

Finally this paper suggests that family businesses are arenas where divergent groups pursue competing financial and nonfinancial goals. These goals relate to business and family objectives. But financial goals may conflict with nonfinancial goals. Family objectives may conflict with business objectives. These divergent goals create con-flicts about the need to internationalize operations. Given that both financial and nonfinancial issues influence the internationalization decision, altruism suggests that family members' ownership stake and involvement is likely to influence the internationalization of firm operations (Zahra, 2003). Altruism indicates that internationalization helps owner managers and their families to achieve their goals while ensuring the survival of the firm. Altruism means that the owner will place the firm's objectives ahead of his/her own. Building upon the stewardship perspective (Davis et al., 1997), owner-managers are expected to pursue internationalization expansion to maximize their family's wealth. The stewardship theory applies to situations in which managers are not motivated by individual goals, but rather are stewards whose motives are aligned with the objectives of their principals.

6. Conclusion

Without any claim of completeness, this paper seeks to focus atten-tion on the relationship between the family business and the internationalization processes, stressing the growing potential and interest for the IPO tool. The major evidence emerging from the case study is that the role of board members' competences and skills and the presence of non-family board members may influence the degree of internationalization of the family businesses. The results from the case study on the Burani family and on its business group has shown that the attention on the internationalization processes and the diversification of activities was achieved in a pretty low timeframe (2000-2007) and has characterized the recent development of this family business. In particular, it seems to exist a certain relationship between the internationalization processes of the family business and the use of IPO. However, it is important to highlight that the direction of this relationship is not completely and exhaustively investigated. Further analyses need to be developed in order to understand which is the effective use of the financial resources deriving from the IPO of some subsidiaries within a wider family business group. Of course the role of board members' competences and skills is important and its investigation is promising in relation to the internationalization of the family business. However, the use of the financial market opportunities must be monitored especially when we refer to large business groups. Indeed, through an excessive use of the IPO tool without any effective investment of the new financial resources in the internationalization of these listed subsidiaries, it may be possible to cause financial disequilibria that may generate many problems in the overall business group.

Taking into account these aspects on the overall finacial equilibrium of the business group it is possible to highlight that the main findings in this paper are in contrast with the "myth" of family business risk aversion to IPO process.

Further research is required to understand more clearly how entre-preneurship within the family firm as a whole might encourage more consistent and timely international expansion. Future investiga-tions could investigate if the family's involvement in the business may also reduce owner–managers' perceptions of the risks associated with complex investment decisions (James, 1999) that accompany interna-tionalization.

Finally, because family firms are characterized as risk averse, future research could investigate whether differences in the internationa-lization process of the family and non-family firms, such as their propen-sity to internationalize or their foreign market entry strategy, is influ-enced by their propensity for risk taking. Because internationalization process is the greatest challenge to internationalising the family firm, additional research is required to identify what factors trigger domestically oriented family businesses to venture offshore to pursue growth opportunities in the international marketplace and in this direction other case study analysis should be useful. Finally, the interactions my take place between the various board members, between the board members and the TMT, or between the board members and actors who are outside the firm. These interactions take place in various arenas and at various times (Huse, 2007) and actors have different kinds of power. The power relations are to a large extent influenced by the context, but also by the individual characteristics of the actors and their relational dynamics. Afterwards it is important to introduce and to consider these human elements in the analysis of board of directors and how the dynamic of conflicts influence board decision making process.

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Tables and figures

Table 1: The results of our literature review

NO.	YEAR	AUTHORS	TITLE	JOURNAL
1	1991	Gallo and Sveen	Internationalizing the family business: facilitating and restraining factors	Family Business Review, 4(2)
	RQ/PROPOSITION	*METHODS*	*TYPOLOGY OF SAMPLE*	*FINDINGS*
	Investigate the main characteristics in different stages of firm's life cycle and internationalization processes	Quantitative method (statistical analysis)	-	Correlation with the quality of the owning family in the internationalization process
NO.	YEAR	AUTHORS	TITLE	JOURNAL
2	1992	Gallo and Estapé	Internationalization of the family business	Research paper, no. 230, IESE Business School
	RQ/PROPOSITION	*METHODS*	*TYPOLOGY OF SAMPLE*	*FINDINGS*
	Investigate FBs and non-FBs in internationalization processes	Quantitative method (statistical analysis)	-	Family businesses tended to internationalize later and much more slowly than non-family businesses
NO.	YEAR	AUTHORS	TITLE	JOURNAL
3	1996	Gallo and Garcìa Pont	Important Factors in Family Business Internationalization	Family Business Review, 9(1), 45-59
	RQ/PROPOSITION	*METHODS*	*TYPOLOGY OF SAMPLE*	*FINDINGS*
	Identify and examine the factors affecting FBs' internationalization	Quantitative method (statistical analysis)	57 Spanish FBs	Less internationalized FBs are more locally orientated and multigenerational FBs tend to be more internationalized
NO.	YEAR	AUTHORS	TITLE	JOURNAL
4	1999	Okoroafo	Internationalization of Family Businesses: Evidence from Northwest Ohio, U.S.A.	Family Business Review, 12(2), 147-158
	METHODS	*TYPOLOGY OF SAMPLE*	*FINDINGS*	*RQ/PROPOSITION*
	Surveys global business attitudes and activities of FBs	Quantitative and qualitative method (survey and statistical analysis)	187 northwest Ohio (USA) firms	FBs are not well integrated into international operations

No.	Year	Authors	Title	Journal
5	2000	Davis and Harveston	Internationalization and organizational growth: the impact of internet usage and technology involvement among entrepreneur-led family businesses	Family business Review, 13(2), ….
	RQ/Proposition	Methods	Typology of sample	Findings
	Examine the effects of an entrepreneur-founder's age and education, as well as the firm's Internet usage, and size on the firm's internationalization	Quantitative method (statistical analysis)	982 U.S. I°generation FBs	FBs with a more educated founder tend to be more internationalized. More intense Internet usage is associated with a higher level of internationalization among FBs.
No.	Year	Authors	Title	Journal
6	2003	Zahra	International Expansion of U.S. Manufacturing Family Businesses: The Effect of Ownership and Involvement	Journal of Business Venturing, 18(4), 495-512
	RQ/Proposition	Methods	Typology of sample	Findings
	Study the interaction of family involvement and internationalization	Quantitative method (statistical analysis)	409 manufacturing U.S. firms	More intense family involvement is associated with a higher share of foreign sales but a lower number of countries the firm has sales to. The results may relate to the owner-managers interest to keep family members involved via internationalization
No.	Year	Authors	Title	Journal
7	2004	Sharma	An Overview of the Field of Family Business Studies: Current Status and Directions for the Future	Family Business Review, 17(1), 1-36
	RQ/Proposition	Methods	Typology of sample	Findings
	Main factors and directions for future family businesses studies.	Literature review	-	The previous dominance of descriptive studies is also giving way to theory building.

No.	*Year*	*Authors*	*Title*	*Journal*
8	2004	Graves and Thomas	Internationalisation of the Family Business: A Longitudinal Perspective	Journal of International Globalisation and Small Business, 1(1), 7-27
	RQ/Proposition	*Methods*	*Typology of sample*	*Findings*
	Analyse differences between FBs and non-FBs with regard to their propensities and intensities to internationalization	Quantitative method (statistical analysis)	360 Australian firms	FBs are less likely to export than non-FBs. There is no statistically significant evidence that FBs would have a lower export intensity
No.	*Year*	*Authors*	*Title*	*Journal*
9	2005	Thomas and Graves	Internationalization of the Family Firm: The Contribution of an Entrepreneurial Orientation	Journal of Business and Entrepreneurship, 17(2), 91-113
	RQ/Proposition	*Methods*	*Typology of sample*	*Findings*
	Analyse differences between FBs and non-FBs with regard to their propensities and intensities to internationalization	Quantitative and qualitative method (statistical analysis and case studies)	360 Australian firms	FBs are more likely to focus on the domestic market than non-FBs. Individual family members are important in FBs' internationalization
No.	*Year*	*Authors*	*Title*	*Journal*
10	2005	Fernández and Nieto	Internationalization Strategy of Small and Medium-Sized Family Businesses: Some Influential Factors	Family Business Review, 18(1), 77-89
	RQ/Proposition	*Methods*	*Typology of sample*	*Findings*
	Investigate FBs' internationalization strategies	Quantitative method (statistical analysis)	Panel of 1,500 Spanish SMEs	Compared to non-FBs, FBs have lower export propensities and intensities
No.	*Year*	*Authors*	*Title*	*Journal*
11	2005	Casillas and Acedo	Internationalisation of Spanish Family SMEs: An Analysis of Family Involvement.	International Journal of Globalisation and Small Business, 1(2), 134-151
	RQ/Proposition	*Methods*	*Typology of sample*	*Findings*
	Influence of family involvement on internationalization	Quantitative method (statistical analysis)	222 Andalusian firms	Family involvement is associated with a higher perceived risk of internationalization

No.	Year	Authors	Title	Journal
12	2005	Menendez-Requejo	Growth and Internationalisation of Family Businesses	International Journal of Globalisation and Small Business, 1(2), 122-133
	RQ/Proposition	Methods	Typology of sample	Findings
	Analyse FB/non-FB differences in internationalization strategies	Quantitative method (statistical analysis)	1,506 Spanish firms	Being an FB per se does not seem to be related to internationalization; second generation FBs have a higher probability of being internationalized
No.	Year	Authors	Title	Journal
13	2006	Graves and Thomas	Internationalization of Australian Family Businesses: A Managerial Capabilities Perspective	Family Business Review, 19(3), 207-224
	RQ/Proposition	Methods	Typology of sample	Findings
	Compare the managerial capabilities of FBs and non-FBs with respect to internationalization	Quantitative method (statistical analysis)	890 Australia firms	The managerial capabilities of non-FBs expand with internationalization whereas this was not evident in the case of FBs. Despite this FBs seem to be able to achieve high levels of internationalization
No.	Year	Authors	Title	Journal
14	2006	Crick, Bradshaw and Chaudhry	Successful Internationalising UK family and Non-family-owned firms: A Comparative Study	Journal of Small Business and Enterprise Development, 13(4), 498-512.
	RQ/Proposition	Methods	Typology of sample	Findings
	Investigate the FB/non-FB differences in their perceived foreign market performance	Quantitative method (statistical analysis)	96 U.K. SMEs	There are neither statistically significant FB/non-FB differences in their perceived overseas performance nor strong evidence for differences in the uses of resources enabling them to be successful

NO.	YEAR	AUTHORS	TITLE	JOURNAL
15	2006	Fernández and Nieto	Impact of Ownership on the International Involvement of SMEs	Journal of International Business Studies, 37(3), 340-351
	RQ/PROPOSITION	METHODS	TYPOLOGY OF SAMPLE	FINDINGS
	Investigate the influence of ownership type on internationalization	Quantitative method (statistical analysis)	Panel of 1,500 Spanish SMEs	Weak negative association with family ownership and internationalization

Table 2: The MBFG acquisitions starting from 2000

ACQUISITIONS	ACQUISITION YEAR	% OF ACQUIRED EQUITY
GABRIELLA FRATTINI S.R.L.	2000	60%
	2005	40%
COMPAGNIA DELLA SETA S.R.L.	2002	25%
	2006	75%
REVEDI S.P.A.	2002	100%
ITM S.P.A.	2002	100%
RENÉ LEZARD MODE GMBH	2002	50%
ALIZ S.R.L.	2003	75%
	2006	25%
LE TRICOT PERUGIA S.P.A.	2004	100%
DON GIL TEXTILHANDEL GMBH	2004	100%
BERNIE'S A.G.	2005	100%

Table 3: The other MBFG acquisitions starting from 2000

ACQUISITIONS	ACQUISITION YEAR	% OF ACQUIRED EQUITY
BRACCIALINI S.R.L.	2000	60%
	2005	20%
BALDININI S.R.L.	2001	50%
	2002	10%
ENRICO MANDELLI S.P.A.	2001	51%
	2006	49%
CALZATURIFICIO MA.FRA S.R.L.	2001	50%
	2005	50%
GFM INDUSTRIA S.P.A.	2002	51%
	2005	29%
CALZATURIFICIO MARIO CERUTTI S.R.L.	2001	72%
FRANCESCO BIASIA S.P.A.	2003	60%
	2006	26%
COCCINELLE S.P.A.	2006	51%

Table 4: The Burani's galaxy

BUSINESS GROUP	ACTIVITY	GEOGRAPHIC AREAS
BURANI DESIGNER HOLDING	Underwear, Beachwear	East Europe, Russia, Italy, UK, Germany, Japan
MARIELLA BURANI FASHION GROUP	Accessible luxury clothing and Jewellery	Italy, Russia, US
ANTICHI PELLETTIERI	Leather goods	Italy, Russia e Baltic States, Middle East, Eastern Asia, Japan, East Europe
GREENVISION AMBIENTE	Renewable energy, Environmentally friendly products	East Europe, North Europe, Eastern Asia, US
BIOERA	Biological and natural products, Natural cosmetics	Italy, Spain, Portugal, Eastern Asia, US

Table 5: The IPO processes in the business groups controlled by the Burani family

BUSINESS GROUP	MARIELLA BURANI FASHION GROUP	GREENVISION AMBIENTE	BIOERA	ANTICHI PELLETTIERI	BURANI DESIGNER HOLDING
IPO YEAR	2000	2004	2005	2006	2007

Table 6: The five IPO processes of the Burani family

THE IPO OF MBFG
In the 2000, MBFG has been listed. This allowed the availability of new financial resources necessary to the development of the growth and the internationalization process of the entire group. The first listing destination was the Mercato Azionario Telematico of Milan. Today MBFG is listed in the Star segment (a segment with high disclosure requirements) of the Italian financial market.
THE IPO OF GREENVISION AMBIENTE
In the 2004, Greenvision Ambiente has been listed in the Expandi of the Italian financial market. The IPO was the first step of a project of development realizing a strategic pole in the environmental sector.
THE IPO OF BIOERA
In the 2005, Bioera has been listed in the Expandi of the Italian financial market. The activities after the IPO aim at realizing a big centre which may become an important player in the food sector. Bioera together with Greenvision are controlled by the Burani family through *Greenholding S.r.l* which is a sub-holding which has the majority share of the 52,23% and the 58,13% respectively.
THE IPO OF ANTICHI PELLETTIERI
In the 2006, *Antichi Pellettieri* has been listed in the Expandi of the Italian financial market. After the IPO date *it* has done some important operations with the aim to rationalizing the control chain.
THE IPO OF BURANI DESIGNER HOLDING
Burani Designer Holding is the only firm controlled by the Burani family listed in an international financial market, the AIM (Alternative Investment Market) of the London Stock Exchange. The IPO was in 2007. The returns of the IPO have been used for the external expansion of the group. The aim of BDH is to entry in new sectors, as for example design.

Table 7: An overview of the holdings' board of directors

BUSINESS GROUP'S HOLDING	DIRECTORS	POSITION
BURANI DESIGNER HOLDING	<u>*Giovanni Burani*</u> Kevin C. Tempestini Giuseppe Gullo Simon Prior-Palmer Davide Enderlin Jr. Dick Haarsma Dirk Peter Stolp	Executive Chairman Executive Director, Chief Executive Officer Executive Vice Chairman and Chief Financial Officer Senior Independent Non-executive Director Independent Non-executive Independent Non-executive Non-executive Director
ANTICHI PELLETTIERI S.P.A.	<u>*Giovanni Burani*</u> <u>*Giovanni Stella*</u> <u>*Walter Burani*</u> <u>*Andrea Burani*</u> Riccardo Braccialini Giuseppe Gullo Roberto Pilotto	Chairman of the Board, Chief Executive Officer Co-Chief Executive Officer, Director Director Director Director Director Independent Director
MARIELLA BURANI FASHION GROUP	<u>*Walter Burani*</u> <u>*Andrea Buran*</u>i <u>*Giovanni Burani*</u> Daniele Monarca Reno Zoboli	Chairman of the Board, Chief Executive Officer Co-Chief Executive Officer, Director Co-Chief Executive Officer, Director Independent Director Independent Director
BIOERA S.P.A.	<u>*Walter Burani*</u> <u>*Giovanni Burani*</u> <u>*Andrea Burani*</u> Mario Massai	Chairman of the Board, Chief Executive Officer Executive Director, Chief Executive Officer Director Independent Director
GREENVISION AMBIENTE S.P.A.	<u>*Walter Burani*</u> <u>*Giovanni Burani*</u> Andrea Siniscalco <u>*Andrea Burani*</u> Stefano Setti	Presidente Executive Director, Chief Executive Officer Executive Director, Chief Executive Officer Director Independent Director

Figure 1: Structure of the business groups owned the Burani family at 2008

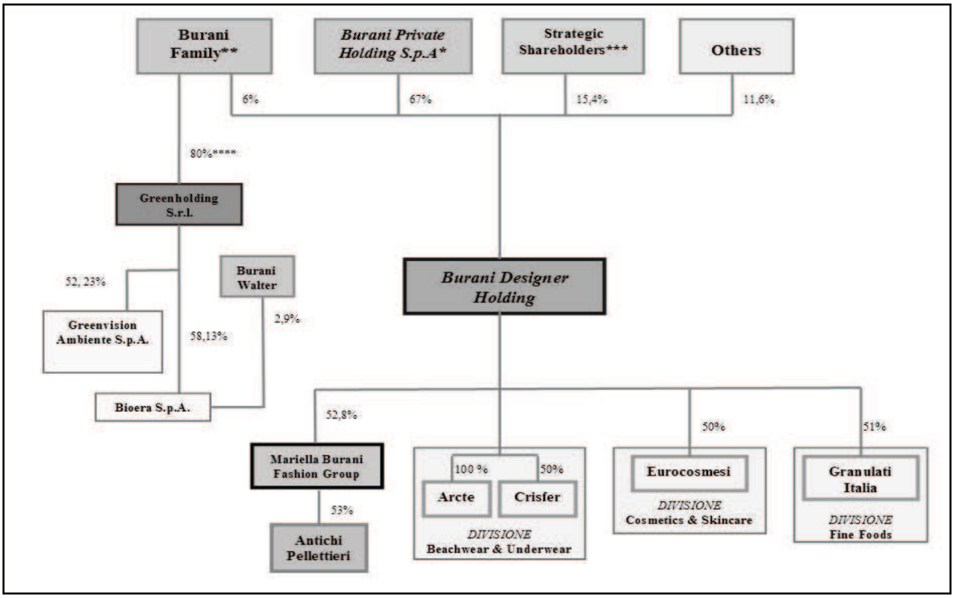

Figure 2: The main areas of internationalization of the Burani family business groups

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