

Chapter 27

Matching Sustainability Strategy and Results: A Successful Family Firm Case Study

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ABSTRACT

The aim of the research is to analyze the strategy and the value creation system from a sustainable point of view adopted in an Italian family firm, with a particular focus strategic intensions and strategic projects under implementation. This work has been conducted through the qualitative method of case study, where theory and empirical research are intertwined. In particular, semi-structured interviews and internal document analysis have been conducted. The research shows how the company has implemented the strategy, focusing on sustainability critical success factors and key projects in order to lay the foundation for innovation and growth. The chapter has some theoretical and practical implications as it contributes to integrate the existing literature on family firms, strategic planning, and sustainability, and allows managers better understand how a sustainability strategy can be translated into operational terms.

INTRODUCTION

Over the last years, increasing attention was given to the topic of family business and to management systems.

The importance of family business for the worldwide economy has been largely demonstrated in literature and it derives from the significant presence of family firms in many countries, as continental Europe, Asia, and Latin America, (Claessens *et al.*; 2000; Faccio & Lang, 2002; IFERA 2003; La Porta *et al.*, 1999; Neubauer and Lank 1998).

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At the same time, literature has widely recognized the importance of managerial tools for companies' management and performances, as they allow to drive the organization towards the established goals (Brusa, 2007; Kaplan & Norton, 1996, 2001, 2004, 2006, 2008; Shank, 1989, 1996). Among the management accounting systems, an important role is played by the tools that allow to facilitate the strategy implementation by explicating a wide range of strategic variables on a long-time horizon and integrating economic and financial dimensions with the non-financial ones through cause-and-effect links. Indeed, a strategy, whatever it is, cannot be effective if it is not supported by managerial system able to translate the conceptual roles of the strategy's tangible and intangible elements into operational terms (Culasso et al., 2016). In addition, it should also be noticed that a part of the literature focused on sustainability within management accounting systems in order to create an organizational sustainability-oriented culture (Epstein & Buhovac, 2014; Epstein & Roy, 2001; Schaltegger et al., 2012). Figge et al. (2002) argued that the business performance model can help to account for all relevant aspects of sustainability issues in a balanced way.

Despite the relevance of such tools, researches on management accounting systems in family firms are fragmented (Salvato & Moores, 2010; Songini et al. 2013; Prencipe et al., 2014) and require a greater attention by scholars (Songini et al., 2013)

Consequently, this study tries to fill this gap understanding the features of strategic planning systems, as a means that aid managers in strategic decision-making process and address the behavior of managers and employees towards company's goals (Horngren et al. 2010), with a particular focus on the sustainability strategy and on implementation projects. In particular, Hansen and Schaltegger (2016) suggest to study performance management systems with regard to their design, implementation, use and evolution (de Geuser et al. 2009; Searcy 2012). This research tries to follow this recommendation, analysing the design and implementation of sustainability strategic goals in an Italian family firm operating in the beverage sector that was able to integrate the profit needs with a sustainability orientation. In particular, the research aims at investigating in the selected case how the economic, social and environmental goals are related to each other in order to guarantee high quality products, respectful of the environment and the local community's needs.

This research is also justified also by the scarce number of research about economic and financial features of firms that operate in beverage sector (Capasso et al., 2015).

The next section of this paper focuses on the literature review on management accounting systems in family firms, sustainability strategy and management accounting tools. Then, the research goals, the method chosen and the findings are provided. Finally, the last section focuses on discussion, conclusions and future developments.

BACKGROUND

Management Accounting Systems in Family Firms

Over recent decades, interest in the study of family businesses has significantly increased in the business and management literature (Bird et al., 2002; Gedajlovic et al., 2012).

It is not easy to find a definition for the expression "family firm" and ambiguities persist in the literature. When researchers try to give a precise definition, it emerges that the phenomenon is very complex (Hoy & Verser, 1994). The doubt exists because different criteria have been used to classify FFs.

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