Spotlight
by CeFEO

Why is synchronization the hidden superpower of successful family firms?

How can family businesses unlock their innovation potential—without spending more or taking bigger risks?

CHRISTINA MATZ CARNES · MICHAEL A. HITT · DAVID G. SIRMON · FRANCESCO CHIRICO · DONG WOOK HUH

Published on October 27, 2021 *https://doi.org/10.68623/spotlight.2025.9b8*

Innovation is no longer a luxury. In today's fast-changing environment—defined by digitization, shifting consumer demands, and global competition—it's a necessity. For family businesses, however, innovation presents a unique paradox. On one hand, they often have fewer resources and a stronger attachment to legacy practices. On the other, they boast long-term orientation, deep commitment, and unmatched loyalty—all powerful assets for innovation when used effectively.

This article explores one crucial but under-appreciated lever that can help family firms innovate more consistently and successfully: *synchronization*. More than just coordination, synchronization refers to how well a company aligns its internal actions—such as staffing, resource allocation, and process management—with its external strategy. The study reveals that innovation isn't just about choosing the right path—it's about walking it in unison.

WHAT WE STUDIED

The study, published in the *Journal of Product Innovation Management*, blends two important theories:

- **Resource Orchestration Theory (RO)**: Focuses on how managers acquire, combine, and deploy resources to create value.
- **Behavioral Theory of the Firm (BTOF)**: Highlights how firms make strategic choices based on their performance relative to competitors.

To test these theories, the researchers used a sophisticated **policy capturing methodology**, gathering insights from 120 senior managers through 3,600 decision-making scenarios. Each scenario described different combinations of internal resource management, strategy choices, and firm performance levels. Managers were then asked to assess each firm's innovation potential.

What sets this study apart is its **focus on context**—particularly the firm's relative performance—and how that shapes the effectiveness of different innovation strategies and internal synchronization levels.

KEY INSIGHTS

1. Innovation is Not Just About Resources—It's About Coordination

Firms often assume that more resources will automatically lead to better innovation outcomes. But the study reveals something more powerful: **it's not what you have, but how well you align it**. Synchronization—defined as the integration of internal actions to support strategic goals—consistently amplified the effectiveness of all three innovation strategies tested.

2. Three Innovation Strategies, One Big Decision

The study examines three types of leveraging strategies:

- **Resource Advantage Strategy**: Using current capabilities in current markets (e.g., refining existing products).
- **Market Opportunity Strategy**: Applying current capabilities to new markets (e.g., geographical expansion).
- **Entrepreneurial Strategy**: Building new capabilities for new markets (e.g., launching

disruptive innovations).

Each strategy has unique innovation potential—but only when matched to the firm's performance context.

3. Performance Context is Crucial

The magic happens when firms match their innovation strategy to their performance level:

- **High-performing firms** see the most innovation gains when using *resource advantage* or *market opportunity* strategies—*but only if their internal activities are synchronized*.
- **Low-performing firms** benefit most from an *entrepreneurial strategy*—again, only when synchronization is in place to create the internal slack and coordination needed for bold change.

This highlights a crucial point for family businesses: even with fewer resources, you can innovate effectively by choosing the right strategy for your current situation and ensuring your organization is aligned behind it.

4. Synchronization Builds Slack—Even Without Big Budgets

Slack—extra resources that give firms room to experiment—is often viewed as a luxury. But synchronization can *create* slack by identifying inefficiencies and reallocating existing resources. For family businesses with lean operations, this insight is gold: **you don't need more, you just need better alignment**.

5. Too Much Coordination Can Hurt

While synchronization is generally beneficial, the study warns of diminishing returns. When synchronization becomes excessive—overly rigid structures, micromanagement, or stifling standardization—innovation suffers. The key is **flexible synchronization**: alignment without losing agility.

TAKEAWAYS

For High-Performing Family Firms

- **Use what you've built**: Focus on enhancing or expanding existing capabilities.
- **Lean into efficiency**: Synchronize to scale innovation across known markets.
- **Avoid unnecessary risks**: You're already ahead—stay there with smart, incremental improvements.

For Low-Performing Family Firms

- **Be bold**: Adopt entrepreneurial strategies that involve new products or markets.
- **Synchronize to stretch**: Align departments and processes to free up hidden resources.
- **Use innovation as a turnaround lever**: Synchronization can help you rebuild from within.

For All Family Firms

- **Don't wait for the perfect moment**: Innovation doesn't require perfect conditions, just smart management.
- **Invest in managerial alignment**: Communication, cross-functional teamwork, and goal clarity are key.
- **Review regularly**: Synchronization is not a one-time fix—it needs periodic recalibration.

IMPACT

For family-owned businesses—often resource-constrained but deeply committed—these findings offer a major insight: **you already have much of what you need to innovate.** The missing link might be the *intentional synchronization* of your internal efforts with your external goals. Whether you're trying to preserve a legacy or reinvent your business for the next generation, understanding and applying these dynamics can be transformational.

Moreover, the study underscores the need for family business leaders to make **performance-aware strategic choices**. Choosing the wrong innovation strategy for your performance level—no matter how well-executed—can waste valuable time and resources.

RECOMMENDATIONS

1. **Assess Your Performance Level**
   - Are you leading or lagging compared to your peers? Be honest.
2. **Choose the Right Innovation Strategy**
   - Don't go entrepreneurial if you're on top; don't play it safe if you're struggling.
3. **Audit Your Internal Synchronization**
   - Are your departments aligned with your strategy? Where are the disconnects?
4. **Invest in Managerial Capability**
   - Synchronization is a leadership function—train your people to think and act in sync.
5. **Use Synchronization as a Diagnostic Tool**
   - If innovation is lagging, it may not be a resource issue—it may be a coordination one.

Spotlight by CeFEO, Why is synchronization the hidden superpower of successful family firms? How can family businesses unlock their innovation potential—without spending more or taking bigger risks? Downloaded on 13 November 2026 from https://doi.org/10.68623/spotlight.2025.9b8

CEFEO AUTHORS



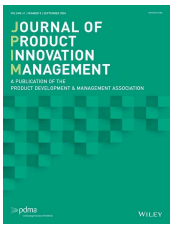
Francesco Chirico

Professor

Jönköping International Business School

francesco.chirico@ju.se

PUBLISHED IN



Carnes, C. M., Hitt, M. A., Sirmon, D. G., Chirico, F., & Huh, D. W. (2022). Leveraging resources for innovation: The role of synchronization. Journal of Product Innovation Management, 39, 160–176.

https://doi.org/10.1111/jpim.12606

Spotlight is an online magazine that translates research from the Centre for Family Entrepreneurship and Ownership (CeFEO) at Jönköping International Business School, Jönköping University, into accessible insights for family business owners, practitioners, and policymakers.

Spotlight is supported by the WIFU Foundation. This partnership advances dialogue and education in responsible family entrepreneurship and ownership.

JÖNKÖPING UNIVERSITY
Jönköping International Business School

CeFEO
Centre for Family Entrepreneurship and Ownership

WIFU FOUNDATION