

The World is Changing Faster Than Your Strategy

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When it comes to strategy, most organizations spend more time on strategy planning than strategy implementation. Family enterprises are no exception. They develop thoughtful visions, bold goals, and detailed roadmaps, only to discover that market shifts or leadership changes derail the carefully deliberated plan. The world moves faster than the strategy.

Family enterprises face an extra layer of complexity: the family itself. Emotional ties, legacy, and non-financial goals intertwine with the business's operational needs. While this complexity can feel like a burden, it can also be a powerful advantage, if managed intentionally. Families that learn to use their cohesion, trust, and long-term orientation as strengths can implement strategies more effectively than their non-family peers, especially in times of uncertainty.

This article distills the key insights from our recent Organizational Dynamics paper into practical lessons for family business leaders and advisors.

Static vs. Adaptive Strategy: When to Plan – and When to Pivot

Traditional or static strategic planning assumes that the future is predictable: define clear goals, map the steps, execute, and measure progress. This approach works

well in stable environments where outcomes are relatively certain — which is essentially not the world we find ourselves in today. Industry disruptions, shifting trade policies, and unpredictable regulatory changes have created a context of growing uncertainty and complexity. In such environments, the old way of doing things falls short.

In such environments, adaptive strategy, which is one focused on direction rather than fixed endpoints, tends to work better. Adaptive strategy recognizes that plans must evolve. It relies on experimentation, feedback, and iteration, rather than rigid milestones. A good way to describe adaptive strategy is guided flexibility. It gives enterprising families a shared compass (“Where are we headed?”) rather than a fixed map (“What’s the route?”). In unpredictable markets, that orientation allows them to move forward cohesively, and pivot when the path changes.

Why Family Enterprises Are Uniquely Suited to Adaptive Strategy

Family enterprises possess natural advantages when implementing adaptive strategies:

- **Long-term orientation:** Enterprising families think in generations, not quarters, which allows them to stay the course through temporary setbacks.
- **Patient capital:** With fewer – and hopefully, strongly aligned – shareholders to satisfy, families can invest in innovation and sustainability that may take years to pay off.
- **Shared purpose and values:** A strong family identity provides direction even when specific

plans must shift.

- **Trust and cohesion:** Families with strong relationships can make faster, decentralized decisions because they trust one another's judgment.

However, not all families are equally prepared. The same characteristics that make a family firm strong -- namely legacy, emotional bonds, and commitment -- can also slow down adaptation if the family is prone to rigidity or conflict.

Family Strengths—and Weak Spots—in Strategy Implementation

Consider these examples of enterprising families that thrive, aligning around a shared purpose and trust-based governance to enable agility without losing identity.

Cohesion and legacy as fuel for agility

A shared vision across generations enables quick, unified decisions. For instance, the Haniel family in Germany (now in its 13th generation) reoriented its entire investment portfolio (spanning hundreds of companies) around the idea of being “[enkelfähig](https://enkelfaehig.de/)” (“grandchild-worthy”). This North Star guided Haniel's pivot from traditional industries toward sustainability and circular economy ventures, demonstrating that purpose can drive both profit and adaptability.

Non-financial goals as compass and constraint

Commitments to community or sustainability can unify a family, but also create tension when short-term profits are at stake. Families that manage to articulate clear priorities and trade-offs are better able to act decisively. LEGO (Denmark) took a long-term bet on sustainability, committing to replace all plastic bricks with sustainable materials by 2030. The family's governance system supports experimentation and continuity; proof that values can drive innovation.

Patient capital as a strategic advantage

Merck KGaA in Germany has remained family-controlled for more than 350 years. Over 100 years ago, its scientists accidentally discovered “liquid crystals” without knowing what to do with them. Rather than abandoning the idea, the family continued investing in research for decades, until LCD technology emerged.

This patient, purpose-driven approach exemplifies adaptive strategy: stay true to the direction, keep experimenting, and adjust as the world evolves.

Practical Recommendations for Family Leaders

Here are six ways to strengthen your family enterprise's ability to implement strategy adaptively – and successfully:

Agree on a shared orientation, not fixed goals.

Replace rigid multi-year plans with a clear sense of direction. Set a clear “direction of travel” – a “North Star” plus three to five non-negotiable principles – instead of rigid end-goals. Translate your principles into decision guardrails and revisit and adjust them regularly as conditions evolve.

Use the family as an “early sensor network.”

Involve both active and non-active owners and managers in discussions. Invite them to regularly share local insights, customer whispers, or partner feedback. Younger family members often spot emerging trends earlier, while older ones provide valuable historical perspective.

Foster a culture of agile decision-making.

Make agility real by pushing for less hierarchical processes. Empower teams and next-generation leaders to make local decisions within clear boundaries. Formulate a clear decision-rights map that incorporates the main “direction of travel.” Trust accelerates adaptation; micromanagement kills it.

Tell resilience stories.

Families that regularly revisit their own history of overcoming crises reinforce collective confidence and purpose. These narratives help them maintain perspective when times get tough. When disruption hits, revisit these narratives to frame the moment, and at the same time, keep the library alive: Record new resilience moments after each crisis or transition to reinforce identity across generations.

Turn patient capital into a platform for innovation.

Use your long-term horizon to invest in sustainability, new technologies, or partnerships that strengthen resilience rather than chasing short-term returns. As it might take years to see the fruits of your work, remember that patience and discipline are required. Set up specific reserves for long-term projects and think

about a reporting system that keeps family alignment tight across generations.

Keep some slack.

Eliminating slack may sound attractive to boost short term efficiency, but it endangers long-term projects and stability during disruptive conditions. Flexibility requires reserves – financial, human, and emotional. The most adaptive families maintain buffers that allow them to pivot without panic.

A Final Word

No plan survives first contact with reality, but families that act with shared intent, mutual trust, and patient commitment can thrive even when the path changes. Family enterprises are not automatically good at implementing strategy, but they can be exceptionally good when they leverage their unique mix of purpose, cohesion, and adaptability. Rather than trying to remove complexity, the most resilient family firms learn to work with it, to move forward together, as the future remains uncertain.

Explore the Research

Strategy implementation in family firms: Why it matters and how it differs.

(<https://www.sciencedirect.com/science/article/pii/S0090261625000713?via%3Dihub>) *Organizational Dynamics*, October 2025.