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Strong Family Businesses Think Short Term and Long Term at the Same Time

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In a crisis, family firms cannot afford to focus only on immediate survival or future legacy. The most resilient ones do both, drawing on past lessons, trusted relationships, and long-standing networks.

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Family firms are often known for thinking long term, but crises push them to focus on immediate decisions, which can create acute tensions. Frequent crises create short-term pressures. Yet core to many family firms are longstanding family, stakeholder, and community relationships, and a desire to protect their legacy.

Our research sought to understand how family businesses cope with major crises, especially when they are forced to balance short-term survival with long-term goals. We chose this problem because we wanted to uncover what really helps family firms stay strong in difficult times. The period after the Covid-19 epidemic gave us the chance to explore how different families responded and grew more resilient.

We expected that family businesses would rely heavily on their long-term mindset to guide them through a crisis — to stick to their traditional way of thinking about the future. However, we also suspected that relationships within the family might play an important role in helping them adapt, because family businesses are built on strong, long-standing ties, shared history, and trust across generations. These often shape how decisions are made—especially in times of uncertainty. More broadly, we expected that their past experiences and family values would shape how they respond. What we did not fully anticipate was how they would balance short-term and long-term thinking at the same time. So, our initial idea was that long-term orientation would dominate, but we remained open to discovering more dynamic patterns.

What We Studied

We studied four family businesses in Ireland, all run by multiple generations, and explored how they dealt with the Covid-19 crisis. After the pandemic was over we collected rich qualitative data, including 32 in-depth interviews with family owners, managers, and some non-family executives. We also gathered observations, company documents, and historical records to get a full picture of how these firms operate. The interviews included open-ended questions about past crises, decision-making, family relationships, and how they handled uncertainty. In total, this gave us hundreds of pages of data to analyze. By combining different sources, we could cross-check information and better understand real behaviors**.**

What We Found

We found that family businesses don't just think long term or short term but do both at the same time. We call this "ambitemporality," meaning they manage immediate problems while still protecting the future.

They do this through three key behaviors: learning from past generations, relying on strong sibling relationships, and using networks with other businesses and their community. These behaviors are shaped by what makes family firms unique. Because they often have a strong sense of legacy and continuity, they are more likely to draw on the experiences and decisions of previous generations when facing uncertainty. Close family ties, especially among siblings, create high levels of trust, which allows for faster, more aligned decision-making under pressure.

In addition, family firms tend to build long-standing relationships with partners, suppliers, and their local community, making it easier to mobilize support when needed. Together, these behaviors act as a foundation that enables these resilience behaviors to emerge in times of crisis.

Another important finding is that during crisis periods these firms actively reflected on what works, and invested in it. This built stronger resilience. What surprised us most was how relational and human these responses were: Success was not just about strategy, but also about trust, history, and relationships. In practice, firms drew heavily on the actions and experiences of previous generations to guide decisions, relied on strong trust between siblings to act quickly and cohesively, and activated long-standing relationships with partners and their community to access support and resources. These responses were not formal or purely strategic but embedded in shared history, mutual understanding, and a sense of collective responsibility. We also didn’t expect competitors to sometimes collaborate to survive. Overall, resilience was much more dynamic and social than we initially thought.

Takeaways

Family business owners can learn that resilience is not just about reacting quickly but also combining short-term action with long-term thinking. They should actively draw on their family history and values, as these can guide decisions in uncertain times. At the same time, investing in strong relationships (especially trust among siblings and connections with other firms and the community) is critical. A key takeaway is that resilience can be developed deliberately, not just something you “have.” So, firms should reflect on what helped them in past crises and build those capabilities for the future. Perhaps the most surprising insight is that collaboration (even with competitors) can be a powerful survival strategy. In short, successful family firms don’t just endure crises: They use them to become stronger and better prepared.

Our research also suggests that family businesses should not wait for a crisis before thinking about resilience. They should actively strengthen the things that help them cope under pressure, such as trust between family leaders, clear governance, strong relationships with suppliers and community partners, and ways of passing down the lessons of previous generations. One of the main lessons is that resilience is not only about having financial resources, but also about having strong relationships and shared trust that can be activated quickly in difficult times. What many family firms may find most surprising is that the most useful response in a crisis is not simply to focus on the short term or the long term, but to do both at once. Another surprising result is that resilience can be developed deliberately, not just tested in difficult moments. In other words, family firms can actively prepare themselves to handle future crises better.

In practice, this means investing in the foundations of resilience before a crisis hits. This means building trust and alignment among family members (especially siblings), creating spaces to reflect on past challenges and what was learned, and strengthening long-term relationships with partners, suppliers, and the local community. Finally, family firms should take time, even during a crisis, to reflect on what is working and deliberately reinforce those behaviors, turning short-term responses into long-term capabilities.

Explore the Research

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