

Using Family History for Competitive Advantage

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Family businesses often have dense histories interweaving both the family and the business and involving more than just the past. **Our recent study** (<https://journals.sagepub.com/doi/10.1177/10422587211046547>) (Ge, De Massis & Kotlar, 2022), shows that family businesses, even new ones where past generations are not involved, can use the family's past to create competitive advantages in the present. The key is a *strategic narration* of the family history to forge connections with external stakeholders – customers, the community and others.

Our study looked at the famous family culinary business in the UK, Sweet Mandarin, through an interesting data set: their published cookbooks and family autobiography. Established in 2004, Sweet Mandarin gained its fame through many different channels. It won the “Best Local Chinese Restaurant” on Gordon Ramsay’s The F-Word TV show in 2009; served then-UK Prime Minister David Cameron and the then-Premier of China; sold sauce to the Queen; and impressed expert chefs like Ken Hom. It’s clear that Sweet Mandarin is not an ordinary neighborhood Chinese restaurant emphasizing takeout, but a business that has a strong family lineage dating back to 1959, even though the business itself did not open until 2004.

We were drawn to Sweet Mandarin’s sibling ownership -- twins Lisa and Helen Tse -- and how they’ve strategically and purposefully narrated their family past during their entrepreneurial journey. We found that Sweet Mandarin’s publications are highly insightful for family businesses. Helen’s book, “Sweet Mandarin: The Courageous True Story of Three Generations of Chinese Women and Their Journey from East to West,” played an important role in the business’s success.

In 2004, Lisa and Helen experienced initial difficulties after founding the restaurant, before Helen published

the book, which became a London Times bestseller. The book combines Helen’s narrated historical accounts of her grandmother and mother, and a short autobiography of her own generation. Shortly after the book’s publication, the business started to gain a reputation. These stories, and Sweet Mandarin’s status as a family business, attracted Jean Baptiste (one of Ramsay’s judges for the F-Word), who said: “I think this is really what will bring this place altogether, the fact it is a family-run business, the fact we can see the passion behind and all the drive, to provide such a good experience for the customers.”^[1]

(denied:applewebdata://050CA643-F70F-4168-97EE-F376EBF76F09#_ftn1). Sweet Mandarin’s participation in the F-Word in 2009, in which they won the title of “the best local Chinese restaurant,” started the family business’s nationwide reputation.

From numerous visits to Sweet Mandarin, it was clear to us that, in addition to the quality of the food and services, the business put much emphasis on telling the entrepreneurial family’s history. Several artifacts narrate the generational efforts (and challenges) and stories of the family business across three generations, starting with their grandmother Lily’s arrival in London from Hong Kong in 1956. For example, items on the menu are presented along with historical narrations featuring past generation family members. (See figure 1, a snapshot from the Sweet Mandarin menu^[2]

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31. Mabel's Chicken Pot

£12.95

Our mother, Mabel, remarked that she lost her childhood innocence when she arrived in England in 1959. Her mother, Lily had left her and her brother, Arthur in Hong Kong for three years whilst Lily carved out her business in the UK. When Lily brought Mabel, aged 9, and Arthur, aged 12, to England, Mabel hated the country immediately, and she hated Lily for bringing her there. Mabel missed the sunshine, her friends, the food, and most of all her grandmother who had become like a surrogate mother. Mabel arrived on a dark winter afternoon and remembers shivering in the street while Lily unloaded the bags. It was through this dish that the animosity between mother and daughter melted away. As the chicken was stir-fried and the rice wine added, my mother was instantly transported back to Hong Kong and she picked up her chopsticks with relish. This was her comfort food. We cooked this dish for Gordon Ramsay on the F Word and it won us the title of Best Local Chinese Restaurant in the UK. We dedicated the award to our mother. This chicken dish is delicately flavoured with Chinese mushrooms, Chinese sausage, Chinese cabbage, slow braised chicken and infused with ginger, spring onion and home cooked stock.

What we've learned

In order to gain a competitive advantage, family businesses can produce a Scripted History, a strategic narration of the entrepreneurial family's history, persuasive in nature and targeted at external stakeholders. Here are three strategies (and tactics) that family businesses can consider to construct a well-received Scripted History:

1. *Embedding family history.* Family businesses can relate the family history to the broader history of the times; in so doing, the family businesses can forge a link between the history of the family and that of society. This embeds family businesses in the communities of past generations, showing how historical events shaped the family's fate. For Sweet Mandarin, this creates affinity with communities who experienced or witnessed the same events – immigrants, Chinese, British-born Chinese, and local British. The family created a social background for their business that builds affinity with various communities, attracting customers beyond the conventional Chinese restaurant industry. It opens up the business to customers and families who used to dine at the twins' grandmother Lily's restaurant.
2. *Elaborating family history.* Family business strategists can narrate past events in the family linking to the current entrepreneurs; in so doing, they forge links between past and present. This infuses longevity in the business, highlighting a longer heritage and the contribution of past generations. This longevity is a distinct competitive advantage in an industry characterized by short business life cycles. In Sweet Mandarin's case, by presenting the previous generations' achievements, Helen and Lisa portray working in the culinary business as both their fate and a talent in their bloodline.

They backdate their business and acumen from 2005 to 1959, creating longevity that transcends their own experience.

3. *Building family history.* The book's narration includes the current generations of the entrepreneurial family, the achievements of Helen and Lisa and their expertise, devotion, and personal stances on the dishes and the restaurant. In so doing, these stories signal continuity while inspiring innovation. Building the family history allowed Lisa and Helen to establish their own legitimacy as leaders of the family business. They were able to highlight their expertise and devotion to the business, opening new chapters while creating strong links to the past. The current generation's experiences distinguish them from previous generations, while ties to the past distinguish them from competitors, building their credibility for current and future endeavours.

Takeaways

- Script your story: *History scripting strategies* can add to the quality of products and services to enable superior growth and performance compared to competitors.
- Tell your story: Family businesses should be aware of the role history can play in creating competitive advantages. How they present that history can give them sustainable advantages.
- Shape your story: Owners are often torn between tradition and innovation, between the vision of previous generations and a new direction for the future. Our research shows that the use of history provides a practical way to balance both sides.
- These *history scripting strategies* have strong community embeddedness which can be particularly important for new businesses, which often face the challenge of legitimacy, and the need to develop ties with customers. These strategies, especially that of elaborating family history, attract customers who are intrigued by businesses with a past. Established businesses often use this family history to build customer trust.
- Female family business successors are also given a valuable opportunity to be part of the history, through being part of the story. The

storytelling and history-scripting enable the voices of different family members, especially those previously unheard-of.

Explore the Research

Ge B., De Massis A., Kotlar J. (2022). Mining the past: History scripting strategies and competitive advantage in a family business. *Entrepreneurship Theory & Practice*, 46(1), 223-251.

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