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TEACHING NOTES: BESUCA CASE STUDY – TRADITION MEETS INNOVATION: TRANSITIONS WITHIN A FAMILY BUSINESS

Claus Schreier[1], Roman Meinhold[2], Rasipassorn Racheltara Pimthong[3], and Pattanun Chutisavang[4]

Synopsis

The Besuca case study examines the entrepreneurial journey of Thanakorn Rattanavoranun, a visionary entrepreneur who transitioned from a teaching career to starting a family business. Driven by his passion for traditional fabrics and his desire to preserve and modernize Thai textile craftsmanship, Thanakorn built Besuca from scratch, blending business intuition, social relationship-building, and a commitment to community support. His entrepreneurial spirit, along with his strong ties to local artisans and suppliers, transformed Besuca into a business, shaped by cultural identity and evolving consumer interest in heritage-based products.

As the business grows, Thanakorn's son, Napat, emerges as a next-generation entrepreneurial figure, bringing fresh perspectives shaped by his university education in International Business. His strategic mindset contrasts with his father's intuitive, relationship-driven approach, sparking debates about the company's strategic direction. While Napat advocates for enhanced professionalized strategic planning, digital marketing, ready-to-wear collections, and international expansion, Thanakorn emphasizes adaptability – seizing and shaping opportunities as they arise.

The Besuca case study examines the differences in strategic decision-making approaches across generations within a small family business. It explores how and why a family-led firm transitions from an entrepreneurial, effectuation-driven approach to a strategy-driven, causation-oriented approach as it grows and adapts to new challenges. The case study highlights the generational dynamics that shape this transition, emphasizing the influence of formal education, business experience, and both personal and cultural values, on decision-making styles.

This teaching & learning case study centers on the strategic evolution of a family business as it transitions from intuitive, relationship-driven leadership to a more structured, professionalized approach to governance and strategic management. It examines the tensions, dilemmas, and opportunities that arise during this shift, offering insights into how family

[1] Assoc. Prof. Dr. Claus Schreier is currently a full-time lecturer in International Business in the Business Administration Division at Mahidol University International College (MUIC), Mahidol University, Salaya, Thailand. He obtained his Ph.D. in International Management from the European Business School, Germany. (ORCID ID https://orcid.org/0000-0002-9567-7510) Email: claus.sch@mahidol.ac.th

[2] Assoc. Prof. Dr. Roman Meinhold (Corresponding Author) teaches Business Ethics & Sustainability, as well as other ethics- and sustainability-related courses, at Mahidol University International College (MUIC), Mahidol University, Salaya, Thailand. His publications address topics in the fields of Business Ethics, Sustainability, Environmental Thought, Well-Being, Cultural Critique, and Aesthetics. Prior to his university career Roman worked in the fashion industry. (ORCID ID https://orcid.org/0000-0002-8034-6620) Email: roman.mei@mahidol.ac.th

[3] Rasipassorn Racheltara Pimthong is the Marketing Director and co-owner of Besuca PLC, where she is responsible for the company's overall marketing strategy. She obtained a bachelor's degree in Business Administration, majoring in International Business, from Mahidol University International College (MUIC), Mahidol University, Salaya, Thailand.

[4] Pattanun Chutisavang is currently a member of the management board and a co-owner of Besuca PLC.

businesses navigate changing leadership and strategic priorities while preserving their unique identity and values.

Research Objectives for Business Administration and Strategic Decision-Making Studies

The Besuca Case Study serves as a valuable tool for researchers in Business Administration, particularly those exploring family business and entrepreneurship dynamics through qualitative research designs. While the narrative of the case does not provide direct empirical data, its application – particularly in discussions among family business owners – creates a unique opportunity to observe strategic decision-making in practice. By analyzing how different generations engage with the case's dilemmas, researchers can gain deeper insights into entrepreneurial decision-making, governance evolution, and the intersection of cultural values with business strategy, contributing to the broader field of Business Administration research.

RO1: Generational Differences in Strategic Decision-Making Approaches within an Asian Family Business Context

While generational differences and succession dynamics in family businesses have been widely studied, this case study explores a unique context by examining the contrasting strategic decision-making approaches of two generations. The first generation employs an intuition-driven, effectuation-based approach, which emphasizes adaptability, leveraging existing resources, and focusing on affordable losses. This style is commonly associated with SMEs (Small and Medium-sized Enterprises) and small family businesses, where resource constraints and managerial limitations are prevalent. In contrast, the second generation adopts a causational, strategy-driven approach, characterized by predictive planning, structured processes, and goal-oriented strategies – traits typically associated with larger corporations and formalized enterprises (Sarasvathy, 2001, 2008; Valentino et al., 2022; Schreier et al., 2024).

The Besuca case illustrates how generational differences and formal education influence strategic priorities and decision-making within the specific cultural context of a family business in Thailand. Thailand's rather collectivist culture places a strong emphasis on relationships, tradition, and community ties, which adds complexity to the interaction between modern business strategies and deep-rooted cultural values (Hofstede et al., 2010; Schreier et al., 2019; Schreier et al., 2024). Unlike the well-documented dynamics of generational differences in Western family businesses, non-Western settings present underexplored heuristic challenges and research opportunities (Karami et al., 2020).

A particularly novel aspect of this case is the role of formal higher education in shaping strategic perspectives. Napat, the second-generation leader, brings a causational, structured decision-making approach informed by his international business education. He advocates for applying strategy management and governance, expanding internationally, and leveraging digital marketing. His views differ significantly from those of his father, Thanakorn, who relies on effectuation – guided by experience, intuition, and relationship-building, which have been the foundation of Besuca's success so far.

The case raises questions about how these contrasting approaches interact within a family business setting and what this might mean for sustainability, succession, and growth. While effectuation provides strengths in navigating uncertainty and managing resource constraints, the case invites reflection on whether integrating causational strategies can help address challenges such as scaling operations, formalizing governance, and competing in international markets (Schreier et al., 2019; Baron et al., 2015).

This case could serve as a basis for further research on how generational transitions and education influence decision-making in family businesses, particularly in non-Western contexts. Case discussions may highlight the challenges of balancing tradition and modernity within strategic frameworks, contributing to both family business and strategic management literature. Examining these dynamics in culturally diverse settings provides both practical insights and theoretical guidance for family businesses navigating similar transitions.

RO2: Strategy-Management and Governance Gap: Tailored Systems for Family Businesses vs. Multinational Corporations

The Besuca case invites reflection on a notable research gap: the need to evaluate governance systems tailored specifically for particular family businesses, which differ significantly from those used in multinational corporations (MNCs). Governance in MNCs typically emphasizes formal structures, standardized processes, and external accountability. In contrast, family businesses often prioritize trust, flexibility, and shared values, making traditional governance frameworks less applicable (Ediriweera et al., 2015).

This case subtly raises questions about how family businesses navigate the transition from intuitive, founder-driven decision-making – exemplified by Thanakorn's effectuation-based approach – to the more structured, causational strategies advocated by successors. The challenge lies in preserving familial and cultural identity while addressing the growing complexities of scaling, professionalizing, and internationalizing the enterprise (Galkina & Chetty, 2015).

By encouraging reflection on these dynamics, the case and its application create an opportunity for further exploration of governance models tailored to family businesses. Such models must account for emotional bonds, generational transitions, and cultural dimensions unique to these enterprises, while also ensuring they remain sustainable and adaptable in an increasingly competitive and globalized environment (Sharma, 2008).

Learning Objectives (LO)

LO1: Understand entrepreneurial decision-making in family businesses; analyze how intuition, relationship-building, and opportunity creation shape decision-making in a small, family-owned business.

LO2: Evaluate and compare prominent strategic decision-making approaches in a small family business, while considering the influence of generational perspectives, personal experiences, and formal education on these approaches.

LO3: Discuss the strengths and limitations of intuitive-effectuational and structured-causational decision-making approaches within the specific context of a family business.

LO4: Discuss the value of a governance system in small and growing family businesses and how it enhances strategic decision-making and long-term sustainability.

Suggested Target Audience: MBA and Executive MBA students

The Besuca Case Study provides valuable insights and opportunities for discussion, particularly for MBA (Master of Business Administration) and Executive MBA students, as well as professionals in executive education and professional development, including family business owners, managers, and entrepreneurs. It addresses practical challenges such as managing generational transitions, integrating structured governance, and balancing traditional values with modern business strategies.

For family business decision makers, the case highlights the tension between intuition-driven decision-making and structured strategic management approaches, encouraging reflection on how to adapt strategy management and governance practices while preserving trust and shared values.

Case Study Questions

Question 1: What characterizes Thanakorn's entrepreneurial activities and decision-making approach? To what extent do you think his approach to strategic decision-making reflects the characteristics of family businesses in general?

Question 2: Contrast the strategic decision-making approaches of Thanakorn and Napat in guiding Besuca's growth and profitability. What principles guide their respective approaches, and how do they differ? Consider how generational differences and Napat's formal education in International Business might influence their perspectives on strategy and decision-making.

Question 3: Discuss the strengths and limitations of each decision-making approach in the context of Besuca's goals and market dynamics. Considering the challenges of internationalization, which approach – or combination – do you believe is best suited to ensure the company's sustainable growth and success? Explain why.

Question 4: Discuss the necessity for Besuca to establish a family business governance system. What strategic dilemmas do Thanakorn, Napat, and Rachel potentially face in introducing such a system, given its background as a family-owned business?

Case Study Analyses and Key Theoretical Concepts

Guidelines to answer Question 1:

In mainstream MBA teaching and strategic management literature, entrepreneurial decision-making is often framed as a structured process involving the identification of opportunities through management tools and the development of formalized strategic plans by trained managers. These plans typically include market analysis, strategic goal-setting, and concrete action steps for implementation and adaptation (Valentino et al., 2022; Schreier et al., 2024). This traditional approach, commonly described as causation, assumes that opportunities exist as distinct, pre-existing entities, employing strategy management processes built on forecasting, planning, and competitive analyses, ultimately formalized in a business or strategy plan (Göbl & Froschmeyer, 2019).

However, the effectuation school challenges this perspective, arguing that entrepreneurial decision-making in uncertain and unpredictable environments does not rely solely on traditional, rational practices. Effectuation emphasizes a more dynamic and emergent process, often intuitively employed by entrepreneurial decision-makers (Sarasvathy, 2001; Dew et al., 2009; Valentino et al., 2022). Research on small and medium-sized enterprises (SMEs) and family-owned businesses has shown that decision-making in these ventures tends to exhibit less causation and more adaptive, effectuation-oriented behavior (Sarasvathy, 2001, 2008; Schreier et al., 2024). Entrepreneurs operating in such contexts often describe their processes as chaotic and fluid, relying heavily on intuition, trusted networks, and serendipity rather than strict rationality or a predefined plan (Sarasvathy et al., 2014; Schreier et al., 2019).

The causation approach assumes that opportunities exist independently and that entrepreneurs recognize them as distinct, pre-existing objects ready to be seized. In contrast, effectuation views opportunities as emergent constructs, created by entrepreneurs through their actions and interactions (Sarasvathy, 2001, 2008; Gartner, Carter & Hills, 2003). Chabaud and Ngijol (2006) have further highlighted that venture opportunities are a product of social construction, shaped by the entrepreneur's network, culture, and environment.

Sarasvathy's (2008) dynamic model of effectuation emphasizes the entrepreneur's ability to shape and co-create the future by leveraging available resources, responding to emergent opportunities, and adapting to change. This approach enables decision-makers to expand their means, enter new markets, and generate further opportunities in unpredictable environments.

Table 1: Effectuational Principles

Principles of Effectuation	Description
Available means	Thanakorn Rattanavoranun starts his entrepreneurial journey with what is available – who he is, what he knows, and whom he knows – and creates possible effects with those means.
Affordable loss	Thanakorn evaluates opportunities based on whether the downside risk is acceptable, rather than maximizing potential returns.
Network of partners	Thanakorn invests in building partnerships with individuals and organizations who can contribute to co-creating opportunities.
Leverage contingencies	Thanakorn embraces unexpected events, including crises, as opportunities for better outcomes.
Create the future	Similar to an "pilot in the plane", Thanakorn actively shapes his own future, demonstrating that the future is created through entrepreneurial leadership.

Source: Authors own, based on Sarasvathy (2001), Sarasvathy et al. (2014), and Valentino et al. (2022, 2023).

In the case of Besuca, Thanakorn's entrepreneurial activities align closely with the principles of effectuation (Table 1). His reliance on intuition, adaptability, and trusted relationships exemplify the dynamic and emergent decision-making approach described by Sarasvathy (2001, 2008). Rather than following a structured plan, Thanakorn's decisions develop organically as he navigates the complexities of the family business he founded. His focus on cultural preservation and community engagement further illustrates how opportunities in family businesses are often socially co-created within a specific cultural and relational context, as described by Chabaud & Ngijol (2006). While his approach may lack the formalized planning associated with causation, it demonstrates the strengths of effectuation in fostering resilience and innovation in uncertain and fast-changing environments.

Guidelines to answer Question 2:

Causation and effectuation represent two contrasting logics in strategic decision-making, providing a valuable framework for analyzing the approaches of Thanakorn and Napat in the Besuca case. Causation planning logic is a traditional, goal-oriented method of business strategy rooted in forecasting, competitive analysis, and structured planning. This approach emphasizes the utilization of resources to achieve predefined objectives, aiming to minimize surprises and maximize efficiency (Sarasvathy, 2001 and 2008; Lemos & Andreassi, 2015; Chetty et al., 2015). Entrepreneurs using causation logic operate on the assumption that opportunities exist independently and must be discovered, analyzed, and acted upon through systematic processes (Kalinic et al., 2014; Villani et al., 2018). The models start with a clear goal, followed by identifying the necessary means to achieve it. This predictive approach reflects the practices typically seen in structured, formalized organizations.

In contrast, effectuation logic highlights the emergent and unpredictable nature of entrepreneurial contexts. Entrepreneurs following this approach focus on leveraging available resources and networks to shape the future rather than trying to predict it (Sarasvathy, 2001 and 2008). Effectuation emphasizes adaptability, creativity, and an iterative process where goals evolve in response to contextual changes. Sarasvathy and Dew (2008) have argued that effectual entrepreneurs view surprises as opportunities rather than threats, using them to reshape strategies dynamically. This logic is reflected in principles such as "affordable loss," where decision-makers focus on minimizing downside risks, and the "pilot-in-the-plane" principle, which suggests that entrepreneurs actively create opportunities through their actions and interactions with their environment (Sarasvathy, 2008; see also Table 2 for an overview of these principles). This perspective aligns closely with the chaotic, opportunity-creation process described in studies of SMEs and family-owned businesses (Schreier et al., 2024; Valentino et al., 2022).

Table 2: Five Principles of Effectuation vs. the Causation Entrepreneurial Approach

Principles	Effectuation	Causation
Bird-in-hand vs. Goal-driven	**"Bird-in-hand"**: Entrepreneurs start with the means available to them (resources) and explore the possibilities that can emerge from those means.	**"Goal-driven"**: Entrepreneurs start by defining concrete goals and then determine the necessary resources and steps to achieve them.
Affordable loss vs. Prediction of future gains	**"Affordable loss"**: Entrepreneurs set an acceptable level of risk and base decisions on what they can afford to lose.	**"Prediction of future gains"**: Entrepreneurs forecast potential future gains and evaluate opportunities with an all-or-nothing mindset.
Crazy quilt vs. Competitor and market analysis	**"Crazy quilt"**: Entrepreneurs build partnerships with a diverse network to co-create opportunities and gain early commitments, reducing uncertainty.	**"Competitor and market analysis"**: Entrepreneurs conduct structured market research and analyze competitors to minimize uncertainty.
Lemonade vs. Avoidance of unexpected circumstances	**"Lemonade"**: Entrepreneurs embrace surprises as opportunities to innovate.	**"Avoidance of unexpected circumstances"**: Entrepreneurs aim to avoid surprises by sticking to a pre-planned strategy and preparing for potential risks through scenario analysis.
Pilot-in-the-plane vs. Prediction of trends to adapt to the environment	**"Pilot-in-the-plane"**: Entrepreneurs focus on actions that they believe will directly influence outcomes and take control to shape their environment.	**"Prediction of trends to adapt to the environment"**: Entrepreneurs rely on trend forecasting and market adaptation to navigate future uncertainties.

Source: Adapted from Sarasvathy (2001, 2008); Sarasvathy & Dew (2008); Wiltbank et al. (2009).

Thanakorn's decision-making reflects the effectuation approach. His entrepreneurial journey is shaped by adaptability and an intuitive reliance on existing resources and relationships. Rather than following a rigid business plan, he allows his strategies to evolve organically, responding to opportunities as they arise. His dedication to preserving Thai cultural heritage and supporting local artisans further demonstrates how his values and cultural context influence his approach. Thanakorn's entrepreneurial actions align with the "crazy quilt" principle, which emphasizes collaboration and co-creation with trusted partners when building a business (Sarasvathy et al., 2014).

Napat's decision-making approach aligns more closely with causation logic, shaped by his formal education in International Business. He prioritizes structured planning, market analysis, and goal-driven strategies. Napat advocates for expanding Besuca's product lines, formalizing governance systems, and pursuing international growth, all of which reflect the predictive and structured nature of causation. His approach is influenced by a global perspective, where trusted networks cannot be assumed as a given, and a focus on scaling the business efficiently; this eventually clashes with Thanakorn's more relational and adaptive style.

The generational differences between Thanakorn and Napat underscore a critical tension in family businesses: balancing intuitive, founder-driven approaches with formalized, successor-led strategies. The cultural context further complicates this dynamic, as family businesses in collectivist societies such as Thailand are deeply influenced by community values, trust, and tradition (Udomkit et al., 2019). Research shows that the cultural context plays a significant role in shaping entrepreneurial decision-making (Corbett, 2005; Morris & Schindehutte, 2005). In Besuca's case, this is evident in Thanakorn's relational, culturally embedded practices versus Napat's international, strategy-driven orientation.

Ultimately, these contrasting approaches highlight a need for balance. While Thanakorn's effectuational style was crucial in establishing Besuca's foundation, Napat's causational perspective offers tools for scalability and global competitiveness. Integrating these approaches could help Besuca navigate the complexities of growth while preserving its cultural essence and family-driven values, ensuring both profitability and sustainability. This balance presents a compelling area for further discussion.

Guidelines to answer Question 3:

Discussing the strengths and limitations of intuitive-effectuational and structured-causational decision-making approaches requires understanding their application in dynamic, uncertain, and complex environments, particularly within small family businesses. Entrepreneurs operating in such contexts often recognize that opportunities are not merely "given" or pre-existing but are instead co-created through entrepreneurial actions and interactions with their environment (Chabaud & Ngijol, 2006). Effectuation enables entrepreneurs to navigate uncertainty by leveraging available resources and networks rather than relying on predictions. However, while flexibility and adaptability are crucial in the early stages of a business, growth and sustainability often require structured planning, resource allocation, and long-term goal setting – key elements of the causational approach.

This perspective aligns with Sarasvathy's (2001) assertion that "both causation and effectuation are integral parts of human reasoning that can occur simultaneously, overlapping and intertwining over different contexts of decisions and actions" (p. 245).

The intuitive-effectuational approach emphasizes adaptability, creativity, and leveraging available resources and networks. Entrepreneurs applying effectuation focus on shaping the future through action rather than relying on predictions (Sarasvathy, 2001). This approach is particularly well-suited to SMEs and family businesses operating in uncertain environments, where the ability to adjust quickly is essential. It allows for iterative adjustments to strategy, as entrepreneurs perceive unexpected developments as opportunities rather than threats (Sarasvathy & Dew, 2008). However, while this approach fosters innovation and resilience, it may lack the structured processes necessary to scale operations or manage growing complexity – especially as a family business expands into international markets.

In contrast, the structured-causational approach is rooted in planning and prediction, emphasizing predefined goals, competitive analysis, and the systematic use of resources to achieve objectives (Lemos & Andreassi, 2015; Smolka et al., 2016). This approach is well-suited for scaling businesses and managing risks in relatively stable environments. However, its dependence on predictive logic and formalized processes can make it less adaptable to rapid changes, potentially limiting flexibility in unpredictable market conditions and restricting spontaneous creativity.

Regardless of their approach, entrepreneurs often embark on their journey driven by personal passion, values, and personality traits. Research by Tsanim et al. (2014) highlights the role of affective commitment, which has a significant impact on entrepreneurial drive and performance. This emotional connection to business goals underscores the importance of intangible factors in decision-making. However, as Welter et al. (2019) emphasize, entrepreneurship is not purely an individual pursuit – it is deeply embedded in societal and institutional contexts. External factors, such as the stability, efficiency, and overall supportiveness of these environments, can either enable or restrict entrepreneurial activity, especially during economic crises or periods of rapid change.

In family businesses, strategic approaches are often shaped by generational transitions and cultural contexts. Founders, relying on intuition and effectuation, create opportunities through personal networks and relationships, as seen with Thanakorn in the Besuca case. Successors, like Napat, may adopt a causational perspective, influenced by formal education and internalized strategic frameworks. The interplay between these approaches reflects Sarasvathy's (2001) assertion that causation and effectuation can coexist, offering complementary strengths and resulting in synergies. For example, effectuation fosters adaptability and innovation, while causation provides structure and predictability, which are essential for scalability.

By combining intuitive-effectuational and structured-causational approaches, family businesses can better navigate both challenges and opportunities. Effectuation fosters adaptability and creativity, allowing businesses to respond to uncertainty, while causation provides the strategic planning and resource allocation needed for growth. However, the effectiveness of these approaches depends on institutional and firm-specific cultural contexts, as these factors strongly shape entrepreneurial actions and preferences (Welter et al., 2019; Morris & Schindehutte, 2005). Leveraging the strengths of both methods allows family businesses to remain competitive in complex environments while preserving their unique values and ensuring long-term business sustainability.

Besuca's readiness for international expansion can also be examined through established strategy frameworks. The CAGE Framework (Ghemawat, 2001; Cultural - Administrative – Geographic – Economic Framework) helps compare ASEAN (Association of Southeast Asian Nations) markets such as Malaysia and Indonesia by considering differences in culture, administrative systems, geography, and economic development. These dimensions highlight potential challenges related to regulation, customer preferences, and institutional distance. The Uppsala Model (Johanson & Vahlne, 1977, 2009) is relevant in the context of Besuca's limited international experience. It emphasizes a gradual, step-by-step approach to foreign market entry, based on experiential learning and relationship-building. Both frameworks offer useful perspectives for analyzing how well Besuca's current capabilities align with the demands of international growth.

Guidelines to answer Question 4:

Family business governance systems are essential for addressing the challenges family enterprises face, not only during generational transitions but also in managing growth, professionalization, and long-term sustainability. According to the IFC International Finance Corporation Handbook on Family Business Governance (Abouzaid, 2018), many family businesses struggle with longevity, with only 5 to 15 percent surviving the third generation. This high attrition rate often results from a lack of formal governance systems, which are critical for preparing subsequent generations to manage growing complexities and expanding family involvement (Abouzaid, 2018). In Besuca's case, establishing such a system is crucial for addressing the strategic dilemmas arising from the contrasting leadership and strategic decision-making styles of Thanakorn and Napat.

Governance structures in family businesses help define roles and responsibilities, mitigate generational conflicts, and align family values with business objectives (Gersick et al., 1997; Abouzaid, 2018). They not only facilitate transitions by formalizing processes such as succession planning and conflict resolution but also support long-term business sustainability by integrating professional perspectives. In Besuca's case, a governance system could include family councils, advisory boards, or a board of directors that balances family influences with external expertise, ensuring more structured and impartial decision-making (Chrisman et al., 2003; Nakpodia, 2024). Independent advisors or directors, in particular, can provide objective and strategic insights, which are especially valuable in navigating the tensions between Thanakorn's effectuation-driven leadership and Napat's structured, causation-oriented approach.

Thanakorn's leadership, deeply rooted in trust and relational dynamics, reflects the informal strategic decision-making approach and (non-)governance often found in founder-led family businesses. While this approach has been instrumental in establishing Besuca, its limitations become more apparent as the business grows. Without a formal governance framework, decision-making risks becoming inconsistent, and conflicts may escalate between Thanakorn's intuitive style and Napat's structured, strategy-driven approach.

Beyond decision-making differences, the challenge also lies in the transition of leadership itself and how strategic decisions are made. As Thanakorn considers gradually passing on sole control to Napat, a governance structure could provide a gradual and structured way for him to delegate decision-making power to Napat while still maintaining influence over Besuca's long-term direction. Rather than relying solely on personal and "family only" authority, a governance board could introduce multiple voices into key strategic discussions, ensuring that both generations' perspectives are represented and balanced.

Napat, influenced by his formal education in International Business, advocates for a professionalized approach that emphasizes structure, scalability, and strategic alignment. This contrast highlights the necessity of and possibility to implement a governance system that balances flexibility with formalization, ensuring continuity while respecting Besuca's cultural and family values.

While a governance system could provide the necessary structure to support Besuca's long-term growth, one of the core dilemmas lies in the balance between professionalization and family control. Many family businesses prefer to keep strategic decision-making power strictly within the family, fearing that a governance structure might dilute their influence over critical business choices (Ma, 2021). For Thanakorn, who has built Besuca on intuition and personal relationships, and potentially for Napat, who is stepping into leadership with a structured, strategy-driven mindset, the key challenge is not just implementing governance – but trusting it. If governance is perceived as taking power away from family members rather than supporting them, it risks being rejected, even if it makes strategic sense.

Even if governance is accepted, new dilemmas arise: How should the governance institution be structured? Should it consist only of family members, or should external advisors or even directors be included to ensure objectivity? How much decision-making power should it have? If governance is too weak, it becomes ineffective; if it is too strong, it may create resistance within the family. Governance in family businesses is often complicated by informal power dynamics, where influence is not always tied to official roles.

In Besuca's case, the role of Rachel, Napat's sister, adds another layer of complexity. Although she does not hold an official leadership role, her position as a family member, as well as her formal business educational background, give her relevant, if unofficial, strategic decision-making power. In family businesses, strategic influence is not always tied to formal authority, it is often shaped by relationships, history, and family expectations. This raises additional governance dilemmas: Would Rachel's influence align with or contradict governance decisions? Would she act as a stabilizing force or an informal counterbalance to Napat's authority?

Even with a governance structure in place, decision-making at Besuca may continue to be shaped by family relationships as much as by formalized processes. The real challenge is not just about implementing governance, but about ensuring that those who hold both formal and informal influence see its value, and trust its role, in guiding the business forward.

The ongoing influence of informal relationships, such as Rachel's role in strategic conversations, shows that decision-making in family businesses often remains shaped by family dynamics, even when more formal structures are introduced. However, governance in family firms is not static. It usually changes over time, depending on the business's growth, generational involvement, and complexity. Table 3 illustrates this progression, showing how governance structures and institutions develop across different phases. Viewing governance as an evolving process can help clarify where Besuca currently stands and what kind of governance setup may be needed next.

Table 3: Governance Evolution in Family Businesses

Phase	Informal	Transitional	Professional
Governance Structure	Founder-led, intuition-based; relational power dominates; few or no formal systems	Advisory input from family and educators; hybrid roles; experimental governance structures	Board with defined roles and rules; family council; strategic board; formalized decision-making
Governance Institution	"Family kitchen table" or informal family meetings	Family forum or informal planning group; university-facilitated workshops	Advisory board or board of directors (depending on complexity); formal family council
Key Actors	Founder, close-knit informal network; trust-based roles	Thanakorn, Napat, Rachel as a joint planning team	Napat as CEO; family board; strategic advisors; formal leadership roles (e.g., HR manager)
Decision Approach	Intuitive, ad hoc, reactive, opportunity-driven	Balance of intuition and analysis; early structured input	Strategic planning with KPIs; accountability; performance-focused decision-making
Cultural Values	Legacy, tradition and relationships; flexible roles; low formal conflict resolution	Balancing tradition with new ideas; emerging role clarity	Institutionalized values; defined succession; family charter and governance norms

Source: Adapted from concepts in Gersick et al. (1997), Abouzaid (2018), and Sharma & Nordqvist (2008), reflecting how governance institutions and structures evolve as family businesses transition from informal leadership to professionalized management

Teaching Plan: Besuca Case Study

Class Duration: 120 Minutes (assumes that students have already read the case study)

1. Introduction (10 minutes)

- **Objective:** Set the context for discussion and link the case study to broader themes of family business dynamics, strategic decision-making approaches, and family business governance.
- **Key Points to Cover:**
  - Introduce the Besuca case study, focusing on Thanakorn's entrepreneurial journey and Napat's (as well as potentially Rachel's) entry as the next-generation leader(s).
  - Pose the central question: How can…? and why should…? Besuca navigates the transition from an entrepreneurial, effectuation-driven business to a strategy-driven, professionalized firm while maintaining its identity and values?
  - Highlight that the case examines generational and strategic transitions, exploring strategic decision-making, family business governance, and cultural influences in a family business.

2. Small Group Discussion (30 minutes)

- **Objective:** Enable students to analyze key aspects of the case study through focused discussions, fostering collaborative learning and critical thinking.
- **Group Assignments:**
  - **Group 1 – relates to Q1:** Evaluate Thanakorn's entrepreneurial decision-making approach.
    - What characterizes his decision-making style?
    - How does it reflect effectuation principles and the characteristics of family businesses?
    - What advantages and challenges do this approach present for Besuca's future?
  - **Group 2 – relates to Q2:** Compare and contrast the strategic decision-making approaches of Thanakorn and Napat.
    - How does Thanakorn's effectuation-based approach differ from Napat's causation-driven approach?
    - How do generational perspectives, formal education, and business experience potentially shape their approaches?
    - What tensions arise from these differences, and how they might impact Besuca's strategy?
  - **Group 3 – relates to Q3:** Analyze the strengths and limitations of each decision-making approach.
    - How do effectuation and causation influence Besuca's ability to scale and internationalize?
    - Given the challenges of international expansion, which approach (or combination of approaches) would best ensure sustainable growth?
    - How might Besuca integrate both approaches while maintaining its unique identity and competitive position?
  - **Group 4 – relates to Q4:** Discuss the necessity and challenges of establishing a family business governance system for Besuca.
    - Why might formal governance structures be necessary for Besuca's long-term sustainability?

- What dilemmas might arise when introducing governance, particularly given the family's preference for informal decision-making?
- How could governance help balance power between Thanakorn, Napat, and other family members (e.g., Rachel)?
- How should Besuca design a family business governance system that respects both family traditions and business needs?

3. Group Presentations (45 minutes)

- **Objective:** Share insights, synthesize diverse perspectives, and encourage peer learning.
- **Format:**
    - Each group presents its findings (8–10 minutes per group).
    - Highlight commonalities and differences across group analyses.
    - Facilitate a brief Q&A after each presentation, encouraging deeper engagement.
    - Class-wide synthesis: How can Besuca integrate these perspectives into its transition strategy?

4. Structured Class Discussion (25 minutes)

- **Objective:** Deepen the understanding by integrating theoretical frameworks and practical application.
- **Key Discussion Topics:**
    - Compare the strengths and limitations of effectuation and causation in the context of Besuca's generational transition. (Q3)
    - Explore how governance systems in family businesses can mitigate generational tensions and enhance decision-making. (Q4)
    - Discuss how cultural and relational factors potentially influence governance and strategic priorities in a Thai family business.
    - Debate, how Besuca can maintain its cultural essence while pursuing international growth and professionalization?

5. Wrap-up and Key Takeaways; post-class questioning (10 minutes)

- **Objective:** Summarize key insights and provide takeaways.
- **Key Points:**
    - Recap the importance of balancing intuitive (effectuation-driven) and structured (causation-driven) approaches in family business transitions.
    - Emphasize the role of governance in aligning family values with strategic decision-making and goal setting, while ensuring long-term sustainability.
    - Pose a post-class reflective question: What strategies and systems would you recommend to Thanakorn and Napat to navigate this transition while maintaining Besuca's unique identity?

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Appendix: Case Study Summary Board for Instructors

Case Study Title	Besuca Case Study – Tradition Meets Innovation: Transitions Within a Family Business
Setting	Thailand; family-owned textile and clothing business with a cultural heritage focus undergoing strategic transition
Protagonists	Thanakorn (founder and current strategic decision-maker), Napat (son and intended successor), Rachel (daughter and informal strategic influencer)
Industry Context	Textile and fashion SME; artisan production; early-stage international interest
Core Themes	- Effectuation vs. causation in strategic decision-making - Governance evolution in family businesses - Generational transition - Sustainable growth and internationalization
Teaching Objectives	- LO1: Analyze entrepreneurial decision-making in family firms - LO2: Compare prominent strategic decision-making approaches and the influence of generational perspectives - LO3: Evaluate the strengths and limitations of each strategic decision-making logic - Discuss the relevance of governance structures in enhancing strategic decision-making and ensuring long-term sustainability
Case Study Questions	Question 1: What characterizes Thanakorn's entrepreneurial activities and decision-making approach? To what extent do you think his approach to strategic decision-making reflects the characteristics of family businesses in general? Question 2: Contrast the strategic decision-making approaches of Thanakorn and Napat in guiding Besuca's growth and profitability. What principles guide their respective approaches, and how do they differ? Consider how generational differences and Napat's formal education in International Business might influence their perspectives on strategy and decision-making. Question 3: Discuss the strengths and limitations of each decision-making approach in the context of Besuca's goals and market dynamics. Considering the challenges of internationalization, which approach – or combination – do you believe is best suited to ensure the company's sustainable growth and success? Explain why. Question 4: Discuss the necessity for Besuca to establish a family business governance system. What strategic dilemmas do Thanakorn, Napat, and Rachel potentially face in introducing such a system, given its background as a family-owned business?
Session Length	120 minutes
Target Audience	MBA and Executive MBA students; entrepreneurship and family business courses
Recommended Pedagogical Tools & Frameworks	- Table 1: Principles of Effectuation (Sarasvathy) - Table 2: Principles of Effectuation vs. Causation Comparison (Sarasvathy) - Table 3: Governance Evolution in Family Businesses (Sharma & Nordqvist) - CAGE Framework (Ghemawat, 2001) - Uppsala Model (Johanson & Vahlne, 1977, 2009)
Suggested Class Structure	- 10 min: Introduction and briefing on the context of the case study - 30 min: Small group discussion (Q1–Q4) - 45 min: Group presentations - 25 min: Structured class discussion and reflection on theory application - 10 min: Wrap-up and key takeaways