FAMILY BUSINESS SUCCESSION IN ICT-BASED INDUSTRIES

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Abstract. Succession in family businesses represents an essential stage in the company's life, but also of the family, the success of the process being linked to the family heritage. Transferring the business to the next generation is a complicated process that involves careful analysis of all elements involved (family, management, ownership). These elements will undergo substantial changes following the succession process. Even if the studies on family businesses have become more numerous in recent years, the research on the succession process and succession strategies is relatively limited. Conversely, the general conclusions are related to large businesses in the second or third stage of business transfer to the next generation. Consequently, this study aims to address some specific issues related to the ICT-based family business succession process in Romania from the last decade, when family businesses reached the point of the first business transfer. Specifically, there are three research questions: (Q1) What are the new succession strategies, given the significant changes in the economic sector in recent years? (Q2) Is the level of formal education a sufficient criterion to decide the successor in an ICT-based family business? (Q3) Is succession a way of implementing innovative strategies to ensure business continuity and growth?

The study is based both on secondary research (survey of articles and studies published in recent years) and primary research: questionnaire-based surveys of founders and successors of ICT-based family businesses in the book publishing industry, but also in other technological fields of interest (serving as a base of reference). The findings provide clarifications or suggestions for successfully developing the succession strategies in the ICT-based family businesses in Romania.

Keywords: succession strategies; succession process; family business; ICT-based family business; digitalization; book publishing industry; management succession; ownership succession


JEL Classifications: M21, M50, M59

1. Introduction

In a globalized economy shaken by multiple crises, family businesses represent relative stability and an essential segment of a country's economy by significantly contributing to the creation of GDP and employment. (PwC, 2018; 2022; Stănciulescu, Scarlat and Stroe, 2019) A rigorous domain analysis can only be done with a clear definition of the family business.

According to European Family Business (2022, p.8): "the common feature of these companies is that of the family dimension, where business and ownership are intertwined. European family businesses have been widely equated to Small and Medium-Sized Enterprises (SMEs) in public and policy discussions. However,
this neglects the fact that there are also large family businesses. A firm of any size is a family business if: (i) The majority of decision-making rights have the natural person(s) who established the firm or in possession of the natural person(s) who has/have acquired the share capital of the firm or in possession of their spouses, parents, child or children's direct heirs; (ii) The majority of decision-making rights are indirect or direct; (iii) At least one representative of the family or kin is formally involved in the governance of the firm; (iv) Listed companies meet the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25% of the decision-making rights mandated by their share capital.”

Law no. 300/2004 (art.1-4) regulates family businesses in Romania. These are defined as businesses established by an entrepreneur and may include family members, including children over 16 and relatives up to the 4th degree of consanguinity.

OECD (2004) outlines ICT-based family businesses as those that meet the requirements of a family business and have digital, information and communications technology as the basis of their activity. At the same time, succession strategies represent an essential element of the existence of these businesses. Still, the need for more literature on this subject makes a thorough analysis of ICT-based family firms challenging.

Most economic analysts (Brockhaus, 2004; Daspit et al., 2016; 2017; Cho et al., 2021; 2022; LeCounte, 2020) link the short lifespan of family businesses to the lack of concern for the business future and especially for the preparation of succession process.

As far as Romania is concerned, analysis of family businesses is limited by the need for more official data due to the disinterest of the political class in this significant economic segment. It is estimated, unofficially, that over 65% of Romanian companies are family businesses, of which 12-15% are ICT-based firms (Ernst &Young, 2017; PwC, 2015; 2017), but the percentage is volatile due to the lack of specific and coherent legislation, a fact that leads to a critical bankruptcy rate.

Most family businesses are micro-enterprises or individualsubsistence enterprises; their founders are mainly concerned with current activities to keep the business afloat, failing to make a minimum of short- or medium-term strategies, let alone long-term. The desire for short-term business survival postpones developing and implementing succession strategies, which could come with improvements or an innovative vision of business activity. (KPMG, 2019; 2020; 2022; PwC, 2017; 2018; 2022)

Due to Romania's economic and political realities, few businesses have adapted to digital transformation (KPMG, 2022) or rapid, sometimes dramatic, changes in business conditions. This also happened due to the population's loss of traditions and entrepreneurial skills during the communist period. (Ernst &Young, 2017; PwC, 2015; 2017)

The forecasts of specialists in the field (Ernst &Young, 2016; 2017; PwC, 2015; 2017; 2022; KPMG, 2018; 2019; 2022) indicate a higher economic performance of family businesses in the long term, which is an essential argument for the sustainable economic development of every nation and, in particular, of succession strategies.

In conclusion, the long-term development of a family business requires an innovative and succession approach based on digital transformation (KPMG, 2022). These elements form the basis of this article and will be researched to highlight the current situation of ICT-based family-owned businesses in Romania.

Therefore, the remainder of this paper is structured as follows: a literature review with an emphasis on the succession process in family businesses (peculiarities, success, difficulties and the Romanian situation), the materials and methods used to create the article, results and discussions based on three questions on three critical topics (succession strategies, successor education and innovative strategies for maintaining and growing the business), followed by conclusions, recommendations and future research.
2. Literature review

2.1. The peculiarities of the succession process in recent years

The succession process is a general phenomenon specific to human society at any level. The process involves transferring material, experience, and spiritual values to the succeeding generation. The phenomenon is determined by three significant causes that put pressure on the elderly generation: (i) Awareness of the limited duration of life; (ii) Responsibility for the future of descendants; (iii) The desire of the elderly generation to leave behind a tangible legacy that will survive and develop as long as possible after its demise (Ernst & Young, 2016; 2017; PwC, 2015; 2017).

The steps involved in the process are generally the same, the differences only stemming from the complexity of the family, the inheritance and the interests pursued. All this makes succession in an ordinary family less complicated than in a royal family, which must obey social norms, legislation, traditions and customs.

A particular social category that must carry out the inheritance transfer to the next generation is that of the ICT-based family business leaders, which are particularly important in achieving society's material well-being and social progress.

Succession is an essential stage in the life of any family business. The future development of the company depends on the success of this operation. In some European countries, only those that have passed the first succession are considered family businesses. Many family businesses (>70%) do not reach a lifetime of more than 10 years (Daspit et al., 2016; Cho et al., 2022).

One of the main causes of short life is the need to carefully prepare the business transfer to the new generation (Handler, 1994). The multitude of objective and subjective factors involved in this process make it difficult to devise a general strategy to follow, which would ensure the success of the transfer of the family business. Many aspects of the succession process (Matthews, Moore and Fialko, 1999) have been analyzed by researchers in the field (Fox, Nilakant and Hamilton, 1996; Michael-Tsabari and Weiss, 2015; Lee, Makri and Scandura, 2019; Richards, Kammerlander and Zellweger, 2019). All those involved in a succession process aim to keep the business in the family heritage and develop the company for future generations (Gagné et al., 2019; Dibrell et al., 2019). Most emphasized the difficulty of the process, resulting in a low percentage of business continuity after the succession (Ward, 1987).

The aspects analyzed were diverse, starting with the family's perspective on the succession of the leader, continuing with the influences given by the type of property, management, traditions, religion, values, family, etc. (Lansberg, 1988; Sharma, Chrisman, and Chua, 1996). All these aspects are of great importance because they require essential changes in the family business, relationships between family members, and relationships between successors, managers and employees.

Family business analysts have described four critical stages in carrying out the succession process, namely: (i) The initiation stage of the process; (ii) Preparation of the succession; (iii) Selection of the successor; (iv) Training the successor to take over the management of the business (Murray, 2003; Brockhaus, 2004; De Massis, Chua and Chrisman, 2008).

The authors analyze the sequence from multiple angles and have different approaches to the activities undertaken at each stage. Most studies refer to medium and large family businesses in the third or fourth succession (Brockhaus, 2004). Also, planning the first succession was intensively studied (Handler, 1994; Murray, 2003). Many articles (Murray, 2003; Sharma, Chrisman and Chua, 2003; Brockhaus, 2004) analyze the succession process from psychological, emotional, and cultural perspectives. Other studies (De Massis, Chua and Chrisman, 2008; LeCounte, Prieto and Phipps, 2017; LeCounte, 2020; Cho et al., 2022) analyze the general stages of succession according to the leadership style of the leader who has full responsibility for the process.
Succession represents an opportunity for changes in the family business (Zhang et al., 2021; Cho et al., 2022) and has to: maintain cohesion within the family; keep the business in the family heritage; preserve assets and jobs.

2.2. Success in the succession process

The success of the succession process is determined by the existence of a carefully developed succession plan. A conceptual model of the succession plan for family business founders is described by KPMG (2018).

However, an analysis by specialists from Deloitte (2019) shows that globally, at the level of family business leaders, 41% of leaders do not trust succession plans, and 25% only have a management succession plan. These data underline the low interest of family business leaders in succession preparation, which explains the decreasing rate of success of this process: approximately 40% for the first transfer, 10-15% for the second succession and 3-6% for the third and the fourth sequence (Cho et al., 2021; 2022) – averaging the lifespan of family business at about 10 years (Daspit et al., 2016).

The success of the succession process can be appreciated after 2-3 years from the realization (Kim et al., 2017) and is evaluated from two perspectives: the founder and the successor perspectives. From the leader (founder) perspective, the following strategies count:

- awareness of the importance of the succession process and its role in the success of the process (LeCounte, 2020);
- maintain a climate of trust and involvement of family members in the business (Bettinelli et al., 2017; Odom et al., 2019);
- achieve a climate of trust and employee attachment to the company through incentives and demonstrating compassion and understanding of their problems (Alonso, Kok and O'Shea, 2019; LeCounte, Pietro and Phipps, 2017);
- the method for selecting the successor, the relationship with him and the way his professional and psychological training for taking over the business management. (Sharma, Chrisman and Chua, 2003)

From the successor perspective, they are essential:

- their commitment to taking over the control of the family business (Cater and Young, 2019; Schell et al., 2020);
- successor’s solid training in the digitalization, technical, economic and financial fields (Umans et al., 2019; LeCounte, 2020);
- cooperation with the leader for an in-depth understanding of the operation of the business, relations with the economic-social and political environment and the values and objectives of the company (Odom et al., 2019; Casillas et al., 2018; Lude and Prügl, 2019);
- close relationships with managers and company staff.

2.3. Difficulties in carrying out the succession process

In reality, the succession process does not follow the path described by the field analysts for at least four reasons.

First, most researchers do not come from family business leaders and have never faced real problems in companies or the business environment in general.

The second reason is the great diversity in family businesses, family types, and their values and traditions.

Third, the theories issued 20-30 years ago generally refer to medium and large SMEs in the second or third succession; they discuss many secondary elements and do not consider the extremely rapid evolution of the economic-social environment and politics.

Fourth, the conclusions of these studies are often irrelevant or even contradictory, and they are not a practical guide for the actors involved in the succession process.
In most family businesses, there is no succession plan; this is only done in case of a significant crisis in the company (retirement, incapacity, disappearance of the leader or reorganization of the company as a result of new medium or long-term strategies) (LeCounte, 2020). This is one of the crucial causes that lead to the failure of the process and generates big problems for the development and even the company's existence (Villegas, Jimenez and Hernández, 2019). An essential role in this situation is the involvement of the family, interested in maintaining control of the business and in the growth and development of the company (Fitz-Coch and Nordqvist, 2017).

The essential factor in the succession process is the existence of a successor who is capable, prepared and motivated to take control of the business and has the family's support. From this point of view, family business leaders can have significant difficulties, at least in the case of the first succession, due to the small number of successors, age, professional and managerial training or lack of interest in the family business.

The small number of offspring is determined by the socioeconomic conditions of the current period: women's desire to build a professional career, which delays their marriage after the age of 25 and the appearance of children around the age of 30; the alarming increase in the level of infertility, generally in the most educated categories of the population, due to stress, overwork, drug abuse and highly processed food.

Regarding children's education, most education systems are based on formal education, the accumulation of knowledge through drill and memorization. Much of the knowledge gained in school needs to be updated, entirely out of step with current scientific and technical development, most of which could be more helpful in forming a career in the business sector. In addition, the school needs to pay more attention to developing young people's digital skills, which is an essential component for career success at the current stage of society's development. Developing these skills must be included in a national education strategy in Romania. One solution is to increase the share of informal education, mentoring activity and education through projects, which will develop imagination, creative and innovative thinking, responsibility and courage in approaching and making opportunities come to fruition, fundamental elements that characterize a leader's personality.

Entrepreneurial education, especially in ICT-based family businesses, must develop skills, concepts and knowledge strictly necessary for starting and developing viable companies (OECD, 2019; Stânciulescu and Scarlat, 2020; 2021).

In the current socioeconomic and political conditions, which are highly unpredictable, economic and competitive advantages are relative and temporary, generating significant financial risks and not encouraging the development of a family business (Covin et al., 2020).

The significant difficulties in finding a successor who is prepared, capable and willing to get involved in the management of the business are also given by the characteristics of the millennial generation who, although they mostly have digital skills and are familiar with ICT, are not willing to approach an activity that involves involvement, constraints and responsibilities, preferring to have their career in an agreed domain.

In recent years, several negative global phenomena might have an impact on succession process: the Covid-19 pandemic with the associated phenomena – social distancing and isolation, technical unemployment and the drastic decrease in the population’s income; the explosive increase in the price of energy, material resources and food, determined by specific policies to influence the mentality and consumption of the population to reduce the effects of global warming; war in Ukraine, which led to the reduction or even interruption of energy and material resource flows from these countries to Europe – associated with economic sanctions imposed on Russia to limit its ability to support the invasion.

Disruptive phenomena in the economic sector in recent years, such as the Covid-19 crisis and the increase in energy and material resources, have been severe blows to family businesses, especially those based on ICT. KPMG (2022) estimates significant global effects:
• 86% of CEOs predict a global recession;
• 71% of them anticipate that companies' revenues will decrease by up to 10%;
• 76% took measures to counteract the recession.

This situation has led to the delay or even stagnation of the succession in many companies, their leaders – as the main responsible – considering that it is not a favorable time to start such a process or they do not have a successor well enough prepared to take over the management of the business under these conditions. On the other hand, the successors – even those involved in the decision-making process in the company, hesitate to assume the responsibility of its management, not being convinced of the favorable evolution of the company in these difficult economic conditions.

A significant impediment in carrying out the ownership succession strategies is represented by the lack of financial liquidity because, in addition to inheritance taxes and other legal fees, the business leader must also have at his disposal the sums necessary to compensate the claims of the heirs who do not want shares in the company nor to get involved in its management (KPMG, 2020).

These difficulties, also highlighted in the researchers’ studies, demonstrate that business succession, company management or ownership succession are not the top priorities of business people in young market economy states, who are focused on growing the company and maintaining it in the market in an increasingly unstable economic environment (KPMG, 2019).

2.4. The succession process in Romanian family firms

The analysis of the succession strategies in ICT-based family firms in Romania is complicated due to the small volume of authorized data and the legislative ambiguities regarding their inclusion in the SME category. The official statistics analyze their economic aspects and possibly specific trends of their future evolution. The succession process, characteristic of family businesses, is rarely present with substantiated statistics in the analyses of Romanian researchers. Concerning ICT-based family businesses, they need to be more present.

Studies on ICT-based family businesses in Romania were carried out by PwC (2015; 2017) and Ernst &Young (2016; 2017), consulting companies in family businesses.

Unfortunately, official data are incredibly scarce, and for certain aspects of the process of transferring family businesses to successors, they are nonexistent. Any rigorous study based on specific data cannot be carried out during this period due to the lack of interest of the political-administrative factor (ONRC) in creating a particular database.

The data published by ONRC (2022) in 2018 indicated more than 900,000 active businesses owned by natural persons, and their average number of associates was 1.47, without specifying their degree of kinship.

Hategan, Curea-Pitorac and Hategan (2019) estimated that in 2019, the year of maximum economic growth after the 2008–2012 recession, approximately 65% of companies owned by individuals are family businesses. The majority of associates (over 55%) were between the ages of 30 and 49, with over 35% over the age of 50 and over 16% over the age of 60. This shows that about a third of leaders had to think about business succession and involve their successors in managing it.

The statistics of the active private businesses and the distribution by age category of business partners are presented in Table 1 and Table 2.
The analysis of Table 1, regarding the set of private businesses, reveals two important aspects, namely: (i) the number of businesses owned by young people under the age of 29 represents around 40% of the businesses owned by those in the following two age categories, which implies that they do not have material and financial means, or they are not interested in engaging in a risky activity; and (ii) there is a constant increase in the number of leaders over the age of 50, obviously for natural reasons, their percentage increasing from 33.8% in 2018 to 41% in 2022. This fact puts a lot of pressure on them to consider making the succession.

Table 2. The situation of small family businesses in Romania in the last 5 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Totally active family business</th>
<th>Total number of holders</th>
<th>% owners/family businesses</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>392.548</td>
<td>425.770</td>
<td>1.085</td>
<td>167.555</td>
<td>258.215</td>
</tr>
<tr>
<td>2019</td>
<td>378.742</td>
<td>414.678</td>
<td>1.095</td>
<td>164.929</td>
<td>249.749</td>
</tr>
<tr>
<td>2020</td>
<td>393.586</td>
<td>429.464</td>
<td>1.091</td>
<td>170.554</td>
<td>258.910</td>
</tr>
<tr>
<td>2021</td>
<td>416.090</td>
<td>453.934</td>
<td>1.091</td>
<td>180.060</td>
<td>273.874</td>
</tr>
<tr>
<td>2022 (Oct. 23)</td>
<td>429.543</td>
<td>466.629</td>
<td>1.086</td>
<td>185.277</td>
<td>281.352</td>
</tr>
<tr>
<td>Average percentage</td>
<td>—</td>
<td>—</td>
<td>&lt; 1.1</td>
<td>≈ 40%</td>
<td>≈ 60%</td>
</tr>
</tbody>
</table>

Source: Adapted from ONRC (2022)

Small family businesses are classified under IF, II, PFA. The table shows that less than 10% of family businesses have two or more founders (owners), probably husband-wife or parent-descendant.

Striinu (2021) shows that 44% of family business leaders are considering transferring the business, but 22% have not viewed any plans, focusing only on the current business development activity.

Deloitte (2019) and Oancea (2019) show that 41% of family business leaders need to see the importance of a succession plan, considering it a measure specific to old family businesses in Western European countries. The percentage of those concerned with the business transfer to the new generation is close to that of leaders over 50.

This behavior is also noted by LeCounte (2020), who claims that succession is rarely planned in family businesses, which is a cause of business transfer failure. This is generally because in this period of rapid
market transformations, changing or blocking the flows of raw materials and energy that have caused alarming increases in costs, especially in ICT-based family businesses, leaders/managers are focused primarily on keeping the company in the market, reducing costs and developing strategies for growth and optimization of production.

The current leaders of family businesses are unwilling to hand over control of the companies to the next generation due to the difficulties they have suffered during the recent pandemic and the current situation generated by the war in Ukraine. The leaders need more confidence in the skills of the new generation to take over and grow the business in the current uncertain situation (PwC, 2022).

While existing studies have delved into various aspects of succession planning, there still needs to be a notable gap in exploring the strategies adopted in family businesses. There is no research done so far in Romania on succession planning in ICT-based family companies, nor on current succession strategies, successor education for taking over ICT-connected firms, or innovative strategies accelerated by this process.

This study seeks to address this gap by conducting a detailed analysis of the relationship between leaders and successors of Romanian family-owned businesses on the threshold of the first transfer of management and ownership.

Furthermore, examining the mentality of Romanian leaders regarding the succession process and the successors regarding taking over the company will offer valuable insights into the succession process and the difficulties encountered during the transfer.

By filling this gap in the literature, this study aims to improve the succession process in Romanian family firms by pointing out the problems and essential aspects that must be carefully followed in this process, aspects discovered after the in-depth analysis of the businesses presented below.

All this information, together with the following analysis of several ICT-based family-owned businesses in Romania, contributes to an overview of the current Romanian situation from the point of view of the succession process and the strategies for achieving it.

3. Materials and Methods

This article outlines some aspects of the strategies adopted in the succession process in recent years in family businesses. The research area is limited to ICT-based family businesses in Romania preparing or completing the succession process. The interest is given by the particularities of succession strategies in the conditions of the economic crisis generated by the Covid-19 pandemic and the generalized recession provided by the significant changes in market conditions (very high prices for energy, raw materials, food, etc.).

The research objective is to argue specific succession strategies determined by the concrete conditions of recent years.

The study attempts to answer the following research questions:

Q1. What are the new succession strategies, given the major changes in the economic sector in recent years?
Q2. Is the level of formal education a sufficient criterion to decide the successor in ICT-based family business?
Q3. Is succession a way of implementing innovative strategies to ensure business continuity and growth?

In the last 4-5 years, studies on ICT-based family businesses in Romania have been few and focused mainly on companies’ strategies to limit losses as a result of the consequences of the pandemic. The lack of specific secondary data and substantiated empirical analyses required the realization of a qualitative, exploratory study based on articles and comments from various publications, as well as internal documents of the companies (websites).
The primary research consisted of the qualitative analysis of information obtained by interviews and questionnaire-based surveys with leaders (founders and managers) of technology-based family businesses between January 2021 and October 2022. These interviews and surveys are part of extensive research that aims at various aspects of ICT-based family businesses in Romania. To answer the article’s questions, the following data sets collected from leaders were selected:

- General data about the company and owners;
- Company dynamics: development strategies;
- Succession problems in the company;
- Post-succession development strategies of ICT-based family firms.

Respondents were selected from eight family businesses divided into two groups, namely: (i) a group of four family businesses active in the book publishing industry; (ii) another group of four family businesses active in other technology-based industries (transport, food processing/bakery, hospitality / HORECA and information technology).

4. Results and discussions

This chapter briefly presents the 8 ICT-based family businesses in Romania, the general characteristics of the succession process, as well as discussions and responses to research questions (Q1-Q3).

4.1. Brief presentation of eight ICT-based family-owned businesses from Romania

For this study, a sample of eight Romanian family-owned companies established between 1990 and 2000 was chosen, i.e. 20-30-year-old businesses, which in this period are on the verge of succession or have even partially or completed succession. Data extracted from the interview notes and questionnaires completed by leaders addressed several aspects of family businesses. They were conducted for more in-depth research on ICT-based family-owned businesses in Romania. These businesses are grouped into two categories: (i) publishing houses – as businesses based on cutting-edge digital technology; (ii) family businesses from other industries than publishing, based on various technologies specific to industries (Table 3).

Table 3. Eight ICT-based family businesses in Romania

<table>
<thead>
<tr>
<th>Company size (no. of employees)</th>
<th>Company’s name</th>
<th>Industry</th>
<th>Publishing</th>
<th>Transport</th>
<th>Bakery</th>
<th>HORECA</th>
<th>IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appreciation of leaders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year of establishment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td></td>
<td>1990</td>
<td>ORZ</td>
<td>COM</td>
<td>BRM</td>
<td>QUE</td>
<td>ROM</td>
</tr>
<tr>
<td>Small</td>
<td></td>
<td>1993</td>
<td>CAN</td>
<td>1994</td>
<td>SRL</td>
<td>SRL</td>
<td>SRL</td>
</tr>
<tr>
<td>Medium</td>
<td></td>
<td>1993</td>
<td>IMA</td>
<td>1994</td>
<td>Medium</td>
<td>SRL</td>
<td>SRL</td>
</tr>
<tr>
<td>SRL</td>
<td></td>
<td>1994</td>
<td>COM</td>
<td>1994</td>
<td>Medium</td>
<td>SRL</td>
<td>SRL</td>
</tr>
<tr>
<td>SRL</td>
<td></td>
<td>1994</td>
<td>BRM</td>
<td>1992</td>
<td>SRL</td>
<td>SRL</td>
<td>SRL</td>
</tr>
<tr>
<td>SRL</td>
<td></td>
<td>1992</td>
<td>QUE</td>
<td>2001</td>
<td>SRL</td>
<td>SRL</td>
<td>SRL</td>
</tr>
<tr>
<td>SRL</td>
<td></td>
<td>2001</td>
<td>ROM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Significant changes in the socioeconomic landscape in recent years have created complex issues for ICT-based family business leaders. They had to face the additional demands necessary to keep the business in the market during the economic crisis caused by the Covid-19 pandemic, price increases and inflation. In addition, established companies in the 1990-2000 period must also prepare for the first-generation change in the company's management. Under these conditions, the leaders (founders) must adopt appropriate and effective succession strategies.

Due to the relatively young age of family businesses in Romania, there must be a relevant tradition in successfully carrying out the business succession process. Thus, the strategies adopted regarding the type, stages, and concrete ways of carrying out the business transfer are oriented in most cases towards maintaining it in the family's inheritance, being also correlated with the company's financial performance.
In the following, some of the succession strategies adopted by ICT-based family-owned business leaders will be analyzed.

### 4.2. General characteristics of the succession process in ICT-based family businesses in Romania

From the analysis of specialist studies in recent years and the author's research based on questionnaires and interviews with the leaders and successors of ICT-based family businesses, some common characteristics for the succession process have emerged, which can be traced in Table 4.

Table 4 is a synthesis of the data obtained from the leaders regarding the aspects related to the succession process (successors, education, succession plan, organization and causes of the process, the founder's role, and mode of ownership transfers).

<table>
<thead>
<tr>
<th>Field of activity</th>
<th>Book Publishing</th>
<th>Transport</th>
<th>Bakery</th>
<th>HORECA</th>
<th>IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company’s name</td>
<td>ORZ</td>
<td>MPR</td>
<td>CAN</td>
<td>IMA</td>
<td>COM</td>
</tr>
<tr>
<td>Number of descendants</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>The stage of the succession</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Is there a succession plan?</td>
<td>YES – partly for management</td>
<td>YES – partly for management</td>
<td>NO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paternalism and traditionalism in the succession process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiate the succession process</td>
<td>Founder</td>
<td>Founder</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordinate succession</td>
<td>Founder</td>
<td>Founder</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Causes of succession initiation</td>
<td>Founder's age, founder's health, prepared successor, successor’s desire to take over the business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mode of ownership transfer</td>
<td>Shares according to the law</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will you achieve succession in the current conditions?</td>
<td>NO</td>
<td>NO</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The general strategy in starting and carrying out the succession is concentrating the responsibility exclusively on the founder (leader) of the business, who imposes his personality and leadership style in all stages of the process. The strategy adopted by leaders, in general, is to implement a simplified, paternalistic and traditionalist process. All interviewed founders and managers support and adopt this strategy, representing a tacitly accepted practice, at least in family SMEs.

The simplification is a consequence of the small number of successors, the founder's direct descendants. Leaders are generally people with severe professional training, many even having higher education; they have a small number of well-educated followers, many with their career in mind, not being attracted to the family business. The successor selection depends only on his desire to take over the family business, their leadership qualities and competence in the company management. For these reasons, leaders design low-complexity succession strategies for management transfer.

The founder's involvement in the succession process gives the paternalistic attitude in which s/he has the primary role. The leader plans the succession, determines the successor from among his descendants, and establishes the succession phases and other family members' roles. Next, the founder plans the heirs' positions in business management and ownership, financial compensations for family members and his role after the succession. According to the laws in force, the founders of the eight ICT-based family businesses declare that ownership succession will be done in shares, so there are no further disputes.

The traditionalism characteristic of the ICT-based family business succession process in Romania results from leaders' answers to questionnaire questions, by the fact that the founders don't envisage the business alienation (the successor being his direct descendant) and the compensations divided in ownership succession should be done correctly so that no heir is prejudiced. Many leaders see ownership division done according to the laws in force to exclude later claims.
It is noted that all the businesses analyzed in this study were founded by a single family (husband-wife, father-daughter), close relatives (parents, siblings, etc.) or external associates were not involved for fear of losing control of the company. Maintaining sole authority keeps the firm in a limited stage of development, both due to a lack of outside capital and professional management. The only large company in the analyzed group is the BRM bakery group, where the founders accepted (after the establishment) associates from outside the restricted family, allowing them to develop at a regional level.

Further, the article focuses on aspects related to research questions (Q1-Q3).

4.3. (Q1) What are the new succession strategies, given the major changes in the economic sector in recent years?

4.3.1. Q1 results

From the perspective of family businesses in Romania, the following business succession strategies result: (S1) Preparing the successors following the requirements and needs of the business; (S2) Early integration of the successors in the company's activity (horizontal and vertical integration); (S3) Strategies for maintaining successors in the company; (S4) Postponing the succession until the economic environment becomes stable and predictable; (S5) Succession strategy of ownership business; (S6) Gaining experience in other ICT-based firms; (S7) Adopting professional management starting with the second successive generation. From the perspective of the eight family businesses analyzed, only some strategies are valid, the last two succession strategies needing to be agreed upon for reasons related to the safety of keeping control of the firm.

4.3.2. Q1 discussions

S1. Preparing the successor/s. In training the successors, the leader's family generally believes they must be prepared for life and have solid technical-economic training to offer them more opportunities. They are oriented towards completing their studies in intellectual capacities and the family's material possibilities. The strategy adopted for training the Romanian family business successors aims for education to be correlated with the type of business, its size and the level of technology, according to Table 5. This applies principle only to successors convinced by family to continue the business activity. The others are supported to continue their studies toward the pursued career (CAN, COM, ROM). Founders' descendants of the analyzed companies with higher training adequate to take on some responsibilities in the business and, even if they are not currently active in the business, want to return and integrate as soon as possible (MPR, BRM).

Table 5. The situation of the successors' involvement in the eight ICT-based family businesses

<table>
<thead>
<tr>
<th>Company</th>
<th>No. of successors</th>
<th>Work in company</th>
<th>Position in company</th>
<th>Education level</th>
<th>Don’t work in company</th>
<th>Education level</th>
<th>Want to return to company</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORZ</td>
<td>1</td>
<td>1</td>
<td>General manager</td>
<td>Technical</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>MPR</td>
<td>2</td>
<td>1</td>
<td>Department manager</td>
<td>Economic</td>
<td>1</td>
<td>Economic</td>
<td>YES</td>
</tr>
<tr>
<td>CAN</td>
<td>2</td>
<td>1</td>
<td>General manager</td>
<td>Technical+Economic</td>
<td>1</td>
<td>Economic</td>
<td>NO</td>
</tr>
<tr>
<td>IMA</td>
<td>1</td>
<td>1</td>
<td>General manager</td>
<td>Economic+Artistic</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>COM</td>
<td>2</td>
<td>1</td>
<td>Department manager</td>
<td>Technical</td>
<td>1</td>
<td>Economic</td>
<td>NO</td>
</tr>
<tr>
<td>BRM</td>
<td>3</td>
<td>2</td>
<td>Department manager</td>
<td>Economic</td>
<td>1</td>
<td>Economic</td>
<td>YES</td>
</tr>
<tr>
<td>QUE</td>
<td>2</td>
<td>2</td>
<td>Department manager</td>
<td>Economic</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>ROM</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>–</td>
<td>1</td>
<td>NO</td>
</tr>
</tbody>
</table>

S2. Early integration of the successor/s. The successor in the company is trained by working alongside the founder (horizontal integration) and gradually taking over his duties. At the same time, the integration of the successor can be vertical, as he acquires experience in several departments of the company.
S3. Strategies for maintaining successors in the company. The leaders of ICT-based businesses care that the successors are well trained in the company's field of activity and have superior technological, economic and financial skills, as a guarantee of the company's development in the future. In addition, they must possess strong digital skills at the level of business requirements. The articles and analyses of recent years emphasize that the education level of successors of ICT-based family businesses in Romania is correlated with the size of the business, complexity, level of technology and financial capacity. Table 5 shows that in small and medium-sized businesses, the succession took place quickly, in a simplified way, at the time set by the founder and accepted by the successor. In general, there were no problems of competition among the successors, but their education was directed towards the current and future needs of the company. Therefore, to keep the successors in the company, they are given management responsibilities in different company departments.

S4. Postponing the succession until the economic environment becomes stable and predictable. Some family business leaders believe their successors must be sufficiently prepared for performance management in the current economic conditions. In addition, all leaders agree that during major changes in the economic landscape, they would delay starting the succession process.

S5. Succession strategy of ownership business. All leaders want to avoid future discussions, misunderstandings and conflicts and try to share the family inheritance as balanced as possible. In the case of ownership, the practice is to divide into shares according to the law.

S6. Gaining experience in other companies. In general, gaining experience in other companies for the successors is not widespread for fear of their recruitment. However, most young professionals are recruited by large and international companies right out of college, and the income and additional benefits make only some of them want to take over the responsibility of the family business.

S7. Adopting professional management. The idea of adopting professional management is rejected by the business leaders, who believe that they will lose control over it, and by the employees, who see their jobs in jeopardy.

4.4. (Q2) Is the level of formal education a sufficient criterion to decide the successor in an ICT-based family business?

4.4.1. Q2 results
The second research question analyzes the leaders/general managers' opinion regarding the formal education of successors and whether this is a sufficient condition for selection as a successor.

Table 6. Successor training and selection criteria in family businesses

<table>
<thead>
<tr>
<th>Field of activity</th>
<th>Book Publishing</th>
<th>Transport</th>
<th>Bakery</th>
<th>HORECA</th>
<th>IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company’s name</td>
<td>ORZ</td>
<td>MPR</td>
<td>CAN</td>
<td>IMA</td>
<td>COM</td>
</tr>
<tr>
<td>How to integrate the successor into the company?</td>
<td>Horizontal and vertical integration</td>
<td>Horizontal and vertical integration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successor selection criteria</td>
<td>Descendants of the founder, ICT skills, managerial abilities</td>
<td>Degree of kinship (sons), ICT competencies, managerial skills</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the answers provided by the leaders of the eight family businesses, briefly presented in Tables 4 and 6, the paternalistic-traditionalist but also realistic and cautious type of thinking is noticeable.

4.4.2. Q2 discussions
All leaders agree that higher level formal education and ICT skills are strictly necessary for the successor at this stage of very rapid technological development. In addition, it is considered that an essential step of his education is the vertical and horizontal integration in the company. The successor must know the company's
departments well, work for a sufficient period alongside the founder (horizontal integration) and gradually take over his duties (shadow work).

The general managers (successors) of the companies CAN, IMA, COM, emphasized that the period of integration in the company prepared them more than the academic studies for taking over the company's management without significant problems. They believe that the influence of the family, the attitude and the support of the employees represented confirmations for the leader's final decision. In addition, the successor must have managerial and ICT skills and experience in recognizing opportunities, taking advantage of them and devising strategies for restructuring and streamlining the company.

It is recognized that the main criterion for choosing the successor is the degree of kinship, generally a direct descendant (son, daughter), and the shared vision of the company's future development strategies from the point of view of activity, digitalization, and technology.

There is a clear difference between the family businesses in the book publishing industry and those in the technology-based industries presented in this study. This difference comes from the opinion of the leaders in the non-book publishing industry who believe that an essential criterion for the selection of the future leader consists in his (the successor's) native inclination towards the company's essential activity (COM - technical inclination towards machines and specialized equipment, HORECA – the inclination to cook, BRM – the inclination to prepare bakery products, ROM – the inclination towards IT). They emphasized that their passion (inclination towards the basic activity) pushed them to establish the business.

In parallel, the leaders of the book publishing industry consider the successor's abilities to manage the company and discover new opportunities to be more critical.

However, the leaders conclude that in the end, higher education of the successors is necessary because the business environment is much more advanced now and the competition is fierce, which implies multiple skills of the successor so that the company can be seen. This choice ensures the maintenance of the business in the family heritage and increases its cohesion and the degree of involvement in the business.

4.5. (Q3) Is succession a way of implementing innovative strategies to ensure business continuity and growth?

4.5.1. Q3 results

Through the succession process, it is generally not only the business transfer to the next generation that is aimed at but also the development of the business in the future. Thus, the leaders of the two business groups interviewed stated that the post-succession strategic changes, also agreed by the successors, can be grouped into three categories:

- Modernization and digitization of the business;
- Efficiency of the activity;
- Business growth and development.

In the following tables (Table 7a and Table 7b), the post-succession strategies pursued in the book publishing industry (a) and the non-publishing industry (b) are briefly presented.
4.5.2. Q3 discussions

a) Discussions about the Book Publishing Industry

The development and qualitative leaps of the book publishing industry in recent years have been based almost exclusively on the facilities offered by digital technology. Thus, all stages of book production are based on computers, peripherals, and specialized software, just like the economic-financial activity.

Modernization of publishing houses involves using the latest digital technologies and high-performance software (for editing, graphics, and ERP), according to Table 7a. A significant leap in the book publishing industry is expected from incorporating artificial intelligence (A.I.) into the publishing activity in content production and launching new products such as e-books based on works created by A.I.

Restructuring and streamlining book production and sales is an ongoing concern of publishers due to the high costs of distribution and sales and the ever-decreasing interest in reading. Interest is low due to the competition of various forms of entertainment promoted by the media and the Internet and the meager incomes of the majority population.

The ways to optimize the activity are laying off redundant staff, working from home and transferring some departments and activities, such as promotion, sales, etc., to the online environment. The transfer to the online environment, working from home and implementing digital and ICT solutions have allowed restructuring by reducing the book value chain.

Table 7a. Post-succession strategy changes (Book Publishing Industry)

<table>
<thead>
<tr>
<th>Domain</th>
<th>Strategy</th>
<th>Modernization of publishing activity</th>
<th>Restructuring and streamlining</th>
<th>New products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publishing house</td>
<td>Digital technology</td>
<td>Specialized software</td>
<td>Online activity</td>
<td>Redundancies / Reorganizations</td>
</tr>
<tr>
<td>ORZ</td>
<td>Yes</td>
<td>Text/image editing; Video communication applications</td>
<td>E-marketing; Work from home</td>
<td>Technical unemployment</td>
</tr>
<tr>
<td>MPR</td>
<td>Yes</td>
<td>Text/image editing; Video communication applications</td>
<td>E-marketing; Work from home</td>
<td>Technical unemployment</td>
</tr>
<tr>
<td>CAN</td>
<td>Yes</td>
<td>Text/image editing; Video communication applications; ERP software</td>
<td>E-commerce platform; E-marketing</td>
<td>Technical unemployment; Redundancies</td>
</tr>
<tr>
<td>IMA</td>
<td>Yes</td>
<td>Text/image editing; Video communication applications; ERP software</td>
<td>E-commerce platform</td>
<td>–</td>
</tr>
</tbody>
</table>

Table 7b. Post-succession strategy changes (Non-Book Publishing Industry)

<table>
<thead>
<tr>
<th>Domain</th>
<th>Refurbishment</th>
<th>Digital technique</th>
<th>Activity efficiency</th>
<th>Business growth</th>
<th>Reorganization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family business</td>
<td>Fleet expansion of trucks and machinery</td>
<td>Laptops, Truck racing software</td>
<td>Optimization of truck races and fuel consumption</td>
<td>New contracts and shipping lines</td>
<td>Yes, redundancies</td>
</tr>
<tr>
<td>COM</td>
<td>Modernization of milling machines; Car fleet expansion</td>
<td>Laptops, Printers, ERP software</td>
<td>Activity reduction in unprofitable sectors; Temporary work in 2 shifts</td>
<td>Market expansion; Product diversification</td>
<td>Yes, redundancies</td>
</tr>
<tr>
<td>BRM</td>
<td>Replacement of specific HORECA equipment</td>
<td>Laptops; Management software</td>
<td>Reduction of current expenses</td>
<td>Technical unemployment; Redundancies</td>
<td>Yes, technical unemployment</td>
</tr>
<tr>
<td>QUE</td>
<td>Digital technology for working from home</td>
<td>Laptops; Video communication applications</td>
<td>Reduction of current expenses</td>
<td>New contracts and IT programs</td>
<td>–</td>
</tr>
</tbody>
</table>
During the isolation period from the pandemic, most publishing houses applied technical unemployment by rotation but also made layoffs due to the drastic decrease in book sales.

The hope of growth and development of the publishing business has been reduced for small and medium-sized firms due to the general economic conditions (reduced market, language without international circulation, drastic decrease in population income).

The strategy of publishing house leaders focused on specialized software acquisition for the book offer diversification, the careful selection of published authors and children's books. The e-book field is underdeveloped due to the high competition from Internet sites that offer millions of free books.

b) Non-book publishing industry discussions

Table 7b shows that the strategies of non-publishing industry leaders are focused on re-engineering the business, adopting digital technology for the technical-economic and financial records of the company, as well as restructuring and developing the business.

Business re-engineering aims to renew or supplement the technology used with superior technology, ensuring increased activity efficiency.

The concern for business digitalization is also understood as business modernization, significantly increasing business efficiency. This fact implies the provision of laptops, peripherals, specialized software, and telecommunications equipment for decision-making and maintaining the connection between departments.

The activity efficiency is a constant concern of these enterprises, reached in the current economic conditions at the limit of profitability. The adopted strategies aim at digitization, reorganization, reduced expenses and consumption, restructuring and staff redundancies.

Business development is seen in a particular way by each business:

• COM – expansion of transport lines and offer adaptation to customer requirements;
• BRM – expansion of product sales market and diversification of the product offer;
• QUE – the opening of a new HORECA unit;
• ROM – acquisition of new IT program contracts with companies and institutions.

5. Strategic implications and recommendations for family business leaders

The issue of succession in ICT-based family businesses in Romania has been quite challenging in recent years due to rapid and unpredictable changes in the market. Thus, the Covid-19 pandemic, the increase in the prices of energy and raw materials and the war in Ukraine have caused significant disruptions to the economic environment, with no prospects of recovery in a short period.

Family businesses in Romania have been established since 1990, and some have achieved or are in the process of attaining the first succession. Most leaders need to be more experienced in leading this process, and many need to be made aware of its importance to the future of the ICT-based firm. These are the most important causes for the failure of business transfer to a new generation.

Founders don't have many options for selecting a well-trained successor because of the reduced selection base of the successor due to the small number of successors who want to take over the management of the company and due to the Romanian system of technical and entrepreneurial education, not sufficiently adapted to the current and future requirements of society.

Even if the passion of the leaders leads to a business establishment, for the success of the business transfer process to the next generation, they must focus equally or less on the successor's inclination on the field and more on preparing successors for their future leadership role by ensuring a superior/higher technological education in the field of companies' activity and by completing studies with specializations in the economic-financial field. The high speed of the emergence of new knowledge in various areas requires periodic updating of knowledge by participating in courses, conferences, etc., on issues of interest to the company (continuous learning/long-life learning).
It is also necessary for the successors' involvement through horizontal integration (shadow work) in the strategies development regarding re-technology, digitization, diversification of the range of products and services and market expansion so that they gain confidence in their capabilities. The management problems of family businesses and companies, in general, will only improve once Romanian higher education is reformed according to established models from technologically advanced countries.

Conclusions

The characteristic aspects of the succession process in ICT-based family firms in Romania have remained the same during this period of significant changes in the economic field.

Tiny, subsistence businesses, which often do not provide or only supplement family income, are run by people who have only attended elementary school, a vocational school or high school. Small businesses with a few employees outside the family count on successors with economic or management studies. The leaders and successors of medium and large companies, especially those in technology, possess technological, economic, and financial skills, sometimes acquired at higher schools abroad.

The model of the succession process is also correlated with the size and complexity of the business and the company's future development strategy. This model will focus on three essential aspects: the proper successor, their training, and their involvement in the activity.

Given the need for more Romanian family business leaders' experience in business succession, they are reluctant to approach new, unverified strategies in the current economic conditions. Under these conditions, most founders resort to the traditionalist, simplified succession strategies, also demonstrated by the opinions of the eight family business leaders.

All succession strategies are designed around three fixed landmarks: (i) Choosing the successor within the family, (ii) the superior training of it and (iii) early involvement in the business. Establishing the successor (i) is a challenging problem due to fear of losing business control and because of the small number of descendants eager to take over the business management. The successor preparation (ii) is directed, in essence, to areas that will first ensure access to as many career opportunities and secondly for knowledge of interest for the business. The condition fulfillment implies a great diversity regarding certain aspects of succession strategies. The current trend is to prepare the successors in the essential fields necessary for the business (economic, financial, technological) and the ICT-based industry that ensures the connection between the critical components in current society, economy, administration, and research. If in the Book Publishing Industry, the ICT-based component is essential (the field is based on cutting-edge digital technology), in technology-based companies, this is just a critical help and an aspect of modernity. The modalities of successors' involvement in the business (iii) are strategic aspects of their preparation for the future leader's role in the company. Early involvement leads to a thorough knowledge of the activity, and the new generation mentality can bring significant improvements thanks to the updated notions and ICT skills acquired in universities in the country and abroad.

In this period of incredible economic transformations, due to the international situation that creates significant uncertainties in the short and medium term, even finding the ideal successor and carrying out the succession does not guarantee the business success and growth in the future due to the increasingly aggressive competition from the networks of business people, politicians and repressive bodies (police, judiciary) and control and regulatory bodies of the state. That is why family business leaders (managers) are primarily focused on keeping the company in the market and reducing costs. Succession is not a priority concern in times of global economic recession. For these reasons, the succession situation in family businesses in Romania is much delayed, and there are no definitive studies on this process.

Analyzing the responses of the two groups of businesses reveals a relatively identical view and practices towards the succession stages. Thus, the process is characterized by paternalism, traditionalism, care towards successors and the common heritage, these being also fundamental elements of Romanian people's education. Also, the strategy for maintaining control of the family business is that the designated successor be one of the
leader's direct descendants and accept the extended family. An important thing to mention is that the leader establishes the strategy for preparing the successor to take over the company management.

The strategy of adopting professional management, as well as attracting investors from outside the family, are seen as safe ways of decreasing or even losing control over the family business. However, digitization represents a common strategy of all analyzed companies, essential for modernization.

To clarify the research questions, the conclusions that emerged from discussions with leaders of the two groups of family businesses are presented below.

Q1: Given the significant changes in the economic field in recent years, new strategies have yet to appear in the succession process compared to those presented above. Instead, leaders emphasize the formal and informal education of successors, the training level being an essential element of the succession strategy. In this situation, many founders consider there are better times to carry out the business succession. They must be convinced that their successors are sufficiently well prepared to deal with the problems generated by an unstable and unpredictable economic environment. The strategy adopted by them in the matter of succession is to postpone or even block the process and prepare the successors for activity in a turbulent market.

In conclusion, the two analyzed companies' leaders had similar strategies regarding the succession process. The succession strategies were oriented towards superior training of successors in areas of interest for the business, their responsibility through early involvement in firm management and postponing the succession process in the current unstable economic conditions. The leaders use these succession strategies in ICT-based family businesses because they consider the successors' skills in ICT, economic and financial fields, as well as familiarity with the firm's processes, as the most critical assets in the takeover of the business.

Q2: All leaders agree that higher education alone, regardless of level, is not a sufficient condition for selecting a successor in an ICT-based family business, both because of its lack of adaptation to the present and future requirements of high-performing management and the lack of leadership training programs for economy, administration, politics, etc. Indeed, a successor with a solid economic-financial education, with digital skills, who understands the evolution of the market, the technological impact, the business environment, the regulations of the political factor and in addition, has leadership skills in recognizing opportunities, taking advantage of them and in developing business restructuring strategies, represents the person sought by any leader to succeed him in controlling the business.

However, these aspects do not guarantee the success of the succession process nor the development of the business in the future due to the specific political and economic conditions in Romania, as well as the interests and expectations of the family, often in contradiction with the strategic needs of the business.

Q3: Post-succession strategies are focused in this period on the re-technology, digitization and restructuring of companies as essential steps in their modernization and efficiency. The development of artificial intelligence and the inclusion of specific segments in business activity will substantially change the technology-based and ICT-based family business sector, significantly influencing education and social life.

In conclusion, due to the objective conditions in the Romanian book publishing industry and the rapid evolution of the digital technology that is the basis of the book publishing activity, the post-succession strategies of the analyzed publishing houses focus in particular on the business modernization and digitization, increasing the quality of the finished product (the written book) and maintaining market position through niche publications. Today's accelerated development of A.I. programs will pressure the book publishing industry's artistic and production departments. Adopting these facilities will radically change the field, allowing content authors and graphic artists to "take off". A.I. will be essential in the successors' training program in developing new publishing products (works created by A.I.) and establishing new hierarchies in the book market.

As for ICT-based family businesses in the non-book publishing industry mainly aim to adapt to the technological level in the field to stay in the market. The general trend is towards digitization and computerization of enterprises for activity efficiency and interaction with authorities.
Therefore, managers of ICT-based family businesses use or have used the succession process to implement new strategies adapted to the development of their firms.

The novelty of the study consists of an overview of the challenges and positives that must be considered by family business leaders who wish to begin the succession process. The originality of the research comes from analyzing ICT-based family businesses in the book publishing industry.

7. Limitations and further research

The limitations of this article result from the lack of studies and official data regarding the succession process in family businesses in Romania, the strategies adopted by leaders to maximize the beneficial effects of the process, and the vague information presented by the studies of foreign analysts, which do not allow a clear picture of the phenomenon and the problems related to its development in the current period to be outlined. At the same time, the small number of cases analyzed and compared following our research through online questionnaires and face-to-face discussions with leaders did not reveal new aspects or innovative strategies in implementing the succession process.

Another area for improvement is the small amount of data analyzed due to the leaders’ disinterest in responding to requests, evasive answers and even avoidance of answers to specific questions. The data obtained did not allow a rigorous analysis of some aspects of the succession process, their interpretation being more subjective.

Future research should aim to create a consistent database on technology and ICT-based family businesses, succession strategies and status.

In most ITC-based businesses, the succession strategy will emphasize the assimilation and continuous use of newly emerging ICT knowledge. Thus, future research identifies and emphasizes the importance or influence of being an ICT-based business in choosing the succession strategy.

Another future research consists of finding a link between the type of succession strategy and how ICT-based family business is.

Preparing databases about family businesses in Romania, ITC-based or technology-based businesses, and their classification according to their industries represents future research necessary for creating articles and studies based on accurate and constantly updated data. Comparative studies of the succession process in the book publishing industry in Romania and other Eastern European countries could also be conducted.

Last but not least, predictions can be made on the expected results following the implementation of artificial intelligence in the book publishing industry and other technology-based industries, including the ICT-based industry.

References


**List of abbreviations**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI</td>
<td>Artificial Intelligence</td>
</tr>
<tr>
<td>BRM</td>
<td>Symbol of a company active in the food processing (bakery) industry (anonymized)</td>
</tr>
<tr>
<td>CAN</td>
<td>Symbol of a company active in the publishing industry (anonymized for confidentiality)</td>
</tr>
<tr>
<td>COM</td>
<td>Symbol of a company active in the transport industry (anonymized for confidentiality)</td>
</tr>
<tr>
<td>ERP</td>
<td>Enterprise Resource Planning</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>II</td>
<td>Individual enterprise (according to the Romanian law)</td>
</tr>
<tr>
<td>IF</td>
<td>Family enterprise (according to the Romanian law)</td>
</tr>
<tr>
<td>IMA</td>
<td>Symbol of a company active in the publishing industry (anonymized for confidentiality)</td>
</tr>
<tr>
<td>MPR</td>
<td>Symbol of a company active in the publishing industry (anonymized for confidentiality)</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>ONRC</td>
<td>Office of the National Trade Register</td>
</tr>
<tr>
<td>ORZ</td>
<td>Symbol of a company active in the publishing industry (anonymized for confidentiality)</td>
</tr>
<tr>
<td>PFA</td>
<td>Natural person authorized to run own business (according to the Romanian law)</td>
</tr>
<tr>
<td>QUE</td>
<td>Symbol of a company active in the hospitality (HORECA) industry (anonymized)</td>
</tr>
<tr>
<td>ROM</td>
<td>Symbol of a company active in the information technology industry (anonymized)</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Size Enterprise</td>
</tr>
<tr>
<td>SRL</td>
<td>Limited liability company (according to the Romanian law)</td>
</tr>
</tbody>
</table>

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