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'I see the future': Associations between innovation and resources in the case of an exporting Western Australian regional family firm

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Abstract

Purpose – The purpose of this study is to investigate the associations between the resources of a Western Australian regional family firm exporting to Asia and innovation through the lens of the theory of innovation and the resource based view (RBV) of the firm.

Design/methodology/approach – In-depth, un-structured telephone and face-to-face interviews were conducted with five members of the firm, including the co-owner. A visit to the business facilities complemented the data collection process.

Findings – The importance of tangible and intangible resources, such as forward thinking or investments in technologies, human capital and research is clearly illustrated; these resources positively influence innovative practices. Associations between the findings and the theoretical frameworks were identified. For instance, the imperfectly imitable and non-substitutable attributes comply with the RBV of the firm, and the hypothesised four dimensions of innovation. Importantly, the significance of strategic partnering emerges as an extension of these attributes.

Originality/value – This study addresses some knowledge gaps, first, contributing to the body of research on family firms’ adoption of innovation. In addition, the study contributes to the literature on regional Western Australian family firms operating internationally. This state makes a significant contribution to Australia’s economy, and its close geographic proximity to various important consumer markets highlights future opportunities for family firms in international trade. Despite such potential, research on global family firms operating in this state has been almost non-existent.

Keywords: Regional family entrepreneurship, export, resource-based view of the firm, theory of innovation, forward thinking, entrepreneurship, Western Australia.

Paper type: Case study

Introduction

The importance of family firms for countries’ economies has been recognised by many researchers (e.g., Astrachan and Shanker, 2003; Bertrand and Schoar, 2006; Kellermanns et al., 2008). Indeed, family businesses represent a significant source of economic growth and development, namely, in creating value through process, product, and service innovation, which together stimulate growth and prosperity (Zahra et al., 2004). Moreover, many family firms with a long historic background or tradition have developed the knowledge to invest in resources that are required for risk taking and innovation, thus, fostering entrepreneurship (Zahra et al., 2004). Numerous family firms also become involved in internationalisation initiatives. Graves and Thomas’s research (2008), for instance, conducted a longitudinal study of eight family firms, identifying three main factors of internationalisation pathways. These factors were availability of financial resources, management’s ability to make use of these resources to develop needed capabilities, and extent of commitment to internationalise (Graves and Thomas, 2008).

While many academic contributions on family firm research exist, only recently have researchers started to emphasise (Arregle et al., 2007) or evaluate family firms as a distinct field (Getz and Carlsen, 2005). Also, although many contemporary studies address internationalisation among family firms (e.g., Cheong, Lee and Lee, 2015; Daszkiewicz and Wach, 2014; Wach, 2014), little is known about various areas, including internationalisation behaviour of these firms (Graves and Thomas, 2008). In addition, and also related to the present study, “a conspicuous gap” (p. 335) concerning the adoption of innovation among family firms is also recognised (Litz and Kleysen, 2001).

Apart from the above limitations, an extensive literature review identified scant research conducted on family firms in Western Australia, a state that makes an important contribution to Australia’s economy (e.g., ABS, 2014; Brueckner et al., 2013; Pini et al., 2012). This limitation is the more surprising given Western Australia’s geographic proximity to various large international consumer markets. Indeed, to the authors’ knowledge, no studies have examined international business (IB) strategies involving Western Australian family firms. Crucially, even with the expansion of global markets through technological developments, there remains a complete lack of academic research on small to medium Western Australian regional family firms involved in IB, particularly exporting products and services.

This study addresses some of these existing research gaps identified above, discussing the case of West’n Fresh, a family owned firm near Manjimup, a Western Australian town in the South West region, approximately 300 kilometres south of Perth. The study is primarily concerned with ways in which the firm is managing its resources and innovating. Innovation is essentially conceptualised as a process of bringing a new problem-solving idea into practice; further, innovation is the generation, implementation and acceptance of new processes, products, ideas, or services (Kanter, 1983). Resources are elements that include technological skills, machinery, capital, efficient procedures, skilled personnel (Wernerfelt, 1984), knowledge, culture, human capital, learning or teamwork, or organisational culture, and can help improve or increase firms’ effectiveness or efficiency (Barney, 2001). The following research questions are investigated:

What are the main drivers for family-owned firms involved in international activities to innovate?
How important is innovation to these firms?
In what ways do they innovate?
What are their most important resources?

New or accumulated knowledge emerging from addressing these questions could provide insights to practitioners, including already established or future entrepreneurs. Broadly, the findings could inform or re-emphasise the significance of family firms, and the need for other stakeholders, such as regional government and public/private business development organisations to support, nurture, and further family firms’ development. More specifically, the findings could be beneficial for family firms operating in Western Australia, for instance, illuminating entrepreneurs of required strategies to internationalise, exploit opportunities in neighbouring economies, and maximise the potential of competitive advantage.

In addition, incorporating both the theory of innovation (e.g., Downs and Mohr, 1979; Sundbo, 1998), and RBV of the firm (e.g., Barney, 1991; Wernerfelt, 1984) could confirm/disconfirm their usefulness to study family firms, as well as encourage their further consideration in future research, potentially advancing theory development. While there are no concise definitions of family firms, one underlines control of strategic direction and family participation (Astrachan and Shanker, 2003) as prerequisites. This definition fits in the context of the examined family firm.

The theory of innovation

The development of the theory of innovation is reflected in several academic contributions (e.g., Litz and Kleysen, 2001; Nelson and Winter, 1977; Sundbo, 1998). In presenting the cases of two successful corporations, Nonaka and Kenney (1991) highlight the role of company leaders as catalysts, rather than commanders, in trying to capitalise on information creation. The authors also highlight the task firms' management must undertake, in creating and maintaining an environment conducive to the generation of information and innovation, and also in subsequently helping facilitate the dissemination of these elements across the firm. The burst of transformative capabilities, or energy stemming from those activities actioned through managers' leadership role "is a powerful stimulus to propelling the company forward" (Nonaka and Kenney, 1991, p. 81).

Downs and Mohr's (1979) seminal work is of particular significance, in that, by proposing several dimensions, it attempts to strengthen the foundation of the theory. These dimensions were chosen on the basis of factors *actually* considered when evaluating an innovation, as opposed to factors that *should be* considered (Downs and Mohr, 1979). In essence, innovation is hypothesized as a function of the following dimensions:

Benefits: Whether at organisational or individual level, and rather than being a single motivation, benefits to innovate appear to fall under one of the following types:

> *Programmatic*: Often referred to as 'profits' in the private sector, these benefits are associated with efficiency and effectiveness in achieving goals that are externally related (Downs and Mohr, 1979).
>
> *Prestige*: These benefits are linked to approval and recognition that accrue to both firms and their members by virtue of being early- as opposed to late- adopters of new technologies and programs (Downs and Mohr, 1979).
>
> *Structural*: Essentially, internal benefits that include improved internal relationships and worker satisfaction (Downs and Mohr, 1979).

Costs, which can be separated into:

> *Decision,* those costs in reaching a decision to implement- or not to implement- an innovation, and if so, to what degree and rate. When operationalised, these costs should be divided into costs to collect new information, costs of managerial and technical skill time, "and internal social costs" (Downs and Mohr, 1979, p. 397), or those costs related to disrupting the firm's "internal status quo" (p. 397).
>
> *Implementation,* those costs linked to actual implementations of innovations "to the fair-trial point" (p. 397). Downs and Mohr (1979) identify various types, such as work force, equipment or external and internal costs. External costs, for instance, are related to the disruption of the status quo in the firm's environment, such as when adopting innovations that may be frowned upon in the work environment (Downs and Mohr, 1979).

Resources: Various types of resources are highlighted, including expertise and time, workers, wealth, information, equipment, and staff tolerance for change.

Discounting factors: In assessing utility functions of firm decision making regarding resources, costs, and benefits, Downs and Mohr (1979) refer to the following discounting factors: risk, average cost of discontinuance, uncertainty, instability (e.g., in the future stream of benefits), and ‘venturesomeness’, or propensity among firm decision makers to ignore uncertainty and risk.

Very few studies have adopted the theory of innovation to illuminate research on family firms. Litz and Kleysen (2001) are among the very few authors to do so, proposing a theory of family firm innovation. In building such theory, Litz and Kleysen (2001) study a family (Brubeck) involved in the music industry. First, the authors study various phenomena affecting innovation within the family, including antecedent behaviour, in improvisation processes, by the parents, in influencing children to learn music, or by the children in intentionally wanting to learn music. Second, Litz and Kleysen (2001) summarise various micro processes concerning creativity among members of the Brubeck family: domain relevant skills, for instance, musical competence; creative relevant skills, such as a focused/energetic working style; intrinsic task motivation, which includes self-determination and competence. Third, Litz and Kleysen (2001) suggest four fundamental insights in building a theory of family firm innovation they conceptualised from their findings:

1) Deliberate initiatives designed to facilitate the creation of relevant competencies must precede intraorganisational and intergenerational innovation.
2) Parental relinquishment, whereby, despite the potential detrimental outcomes, parents allow their children to experiment or explore, with likely benefits in terms of creativity.
3) The responsibility rests with the younger generations, in that they are to carry on efforts to maintain the level of creativity and reformulation of strategies.
4) The nature of success, which underlines the importance of pursuing intrinsic motivations, rather than continuing the family business essentially out of a perceived obligation. For example, in case of the Brubeck family, following parents’ musical footsteps was not necessarily considered a success, while not following them a failure (Litz and Kleysen, 2001).

The RBV of the firm
The study’s adoption of the RBV of the firm aligns with other investigations identifying the usefulness of this theoretical framework to study family businesses (e.g., Eddleston et al., 2008; Tokarczyk et al. 2007; Zahra et al., 2004). Rau (2014), for instance, recognises that the RBV perspective “is sweeping through the field of family business” (p. 321).

Different authors have contributed to the development of the RBV of the firm (e.g., Peteraf, 1993; Wernerfelt, 1995). The work of Barney (1991) is significant to the present study, and it is considered as pioneering in the development of the RBV theory of the firm (e.g., Rau, 2014). Barney (1991) acknowledges earlier investigations (Andrews, 1971; Ansoff 1965; Hofer and Schendel, 1978) when he highlights the relationship between a SWOT (strengths, weaknesses, opportunities, and threats) analysis, a resource based framework, and frameworks of industry attractiveness. In this framework, internal aspects of the firm are depicted in the form of strengths and weaknesses, which together represent a resource based model; in addition, external elements, shown as opportunities and threats, are related to environmental models of competitive advantage (Barney, 1991).

In evaluating sources of competitive advantage, the RBV model replaces two assumptions. The first assumption is that firms operating in an industry or group may be heterogeneous regarding those strategic resources they possess (Barney, 1991). Heterogeneity suggests that firms with different capabilities are more efficient, better satisfy customers’ wants, and overall, can be competitive in the marketplace (Peteraf, 1993). Second, the RBV model also assumes that those valued firm resources are not “perfectly mobile across firms” (Barney, 1991, p. 101); thus, heterogeneity could potentially be long lasting. The model helps examine the implications of these two assumptions when evaluating the sources of firms' sustained competitive advantage (Barney, 1991).

Essentially, a research-based framework emphasises firms' difficulty to imitate, costly-to-copy and rare characteristics, representing sources of economic gains, and at the same time firms' key drivers of competitive advantage and performance (Castanias and Helfat, 1991; Conner 1991). In this context, heterogeneity and imperfect mobility emerge as key pillars of firms' sustained competitive advantage, and are related to entry barriers in a particular industry, and to a theory of strategy (Barney et al., 1989). Indeed, barriers to entry to a particular group or industry can become an element of sustained competitive advantage when firms' resources are a) not homogeneously dispersed across competing businesses, and b) when such resources are perfectly immobile (Barney, 1991).

Regarding heterogeneity, if the resources that competitors control are identical, a firm will be unable to achieve competitive advantage as a first mover into a particular industry (Barney, 1991). Further, firms within an industry may possess a range of resources, some of which can be perfectly elastic while others not (Barney et al., 1989). Resources with no perfectly elastic supply, including reputation, corporate culture, patents, or personnel, can contribute to firms' heterogeneity, and can be exploited as a source of competitive advantage (Barney et al., 1989). Immobile resources also represent a prerequisite for barriers to entry to exist; the contrary, mobile resources, allow some firms to execute a particular strategy protected by mobility barriers (e.g., entry barriers), and have access to a group or industry (Barney, 1991).

In examining the links between firms' resources and sustained competitive advantage, Barney (1991) proposes four attributes or empirical indicators; these attributes can be categorised as resources only when they contribute to neutralising threats in firms' environment, or exploit opportunities:

Valuable resources are conceptualised as those enabling firms to design or implement strategies that lead to improvements in effectiveness or efficiency. Firms can enjoy a competitive advantage when they execute a value-creating strategy that is not being applied simultaneously by many other firms.

Rare resources: Essentially, if resources, including firm strategies, are not rare, many other firms will be able to design and implement similar strategies. In referring to the work of Hambrick (1987), Barney identifies managerial talent as a rare resource; however, to accentuate its rareness, this resource may additionally require a mix of other resources (human, physical, and organisational capital).

Imperfectly imitable resources: Resources are categorised as imperfectly imitable in any or all of the following situations:

1) Unique historical conditions and imperfectly imitable resources. When a particularly distinctive "time in history passes" (Barney, 1991, p. 108), whereby firms have acquired and exploited resources dependent on space and place in time, competing firms that do not possess time- or space- dependent resources will be unable to obtain them. In this case, these resources are considered imperfectly imitable (Barney, 1991);

2) Causal ambiguity and imperfectly imitable resources: when the associations between firms' sustained competitive advantage and the resources the firms control are understood only imperfectly or not understood at all;

3) Social complexity: When resources are of such complex social phenomena that they are beyond the ability of competing firms to influence or manage.

Non-substitutability: The requirement that "no strategically equivalent valuable" (Barney, 1991, p. 111) resource that is either imitable or rare must exist. Moreover, with no strategically equivalent resources, because these resources are imperfectly imitable, rare, and valuable, certain strategies firms implement will create sustained competitive advantage. Barney (1991) cautions that sustained competitive advantage does not necessarily imply that such advantage is time-bound; in fact, it implies that the advantage "will not be competed away through the duplication efforts of other firms" (p. 103).

In seeking to add to the existing literature on family firm research, this study adopts both the RBV of the firm and role theory to examine the case of West'n Fresh, a family firm involved in internationalisation activities, including exports.

Methods

The present case study investigates the associations between resources and innovation, based on the case of a regional Western Australian family firm exporting to Asia, and through the lens of the RBV of the firm and the theory of innovation. In doing so, the study seeks to address some of the recognised gaps concerning family firm research (Arregle et al., 2007; Bertrand and Schoar, 2006; Litz and Kleysen, 2001), and add to the marginal body of research on exporting regional family businesses in Western Australia. Relevant themes examined in the study include the firm's most important resources, the extent to which innovation is important to the firm's management, ways in which the firm is innovating, and the main reasons to innovate.

This study is part of a larger research project that examines entrepreneurship in Western Australia, including insights on opportunities and challenges from the perspective of businesses operating in various industries. Prior to the start of the project, preliminary meetings with managers of chambers of commerce, business/growers associations, and town halls helped identify several model enterprises currently implementing a variety of forward thinking strategies. Forward thinking is referred to as a strategic mechanism for anticipating and exploring, rather than simply adapting to particular situations (Hubert et al., 2010). West'n Fresh was recognised by those experts as possessing various key entrepreneurial characteristics, including the successful and progressive change of its core business focus, for instance, evolving from producer to packer and exporter. This entrepreneurial process, and the different cycles the firm experienced suggest strong associations between the firm's resources and innovation.

A case study methodology (e.g., Eisenhardt, 1989; Yin, 1989), one among other empirical approaches to help develop understanding of real world phenomena (McCutcheon and Meredith, 1993) was adopted in this investigation. Furthermore, case study methodology is a medium to investigate contemporary phenomena within real life contexts, whereby a) boundaries between context and the phenomenon at hand are not clearly noticeable, and b) many sources of evidence are considered (Yin, 1989). Case study research can contain close examination of issues, topics, or people (Hays, 2004), and data can be gathered in various forms, both quantitative and qualitative; examples include direct observation, archival records, documentation, and interviews (Chetty, 1996). Whereas multiple case studies have become more widespread, single cases studies have been frequently adopted (Chetty, 1996). Moreover, Patton (1990) states that qualitative research, a method also chosen in this study, "typically focuses in depth on relatively small samples, even single cases (n=1), selected purposefully" (Patton, 1990, p. 169). Importantly, while case study research can be a source of ground-breaking, novel theoretical insights, its theorising potential is not fully exploited in international business research (Welch, Piekkari, Plakoyiannaki, and Paavilainen-Mäntymäki, 2011). Recent contributions, however, highlight the further consideration of case study research as a useful method to examine various contexts and aspects related to international business (e.g., Serafini and Szamosi, 2015; Vahlne and Jonsson, 2016; Zaefarian, Eng, and Tasavori, 2016).

Literature discussing the RBV of the firm (Tokarczyk et al., 2007; Zahra et al. 2004), family firm resources and resilience (Amman and Jaussaud, 2012), as well as innovation (Beck et al., 2011; Craig et al., 2006) in the context of family firms, served as the foundation for the development of the research questions. In October of 2015, contact was established with West'n Fresh via email; the message sent to the attention of the owners provided a summary of the intent and potential outcomes of the study, and invited them to participate. Once one of the owners (abbreviated P1) responded affirmatively, given the distance between the firm and the researchers, a decision was made to first gather the data via telephone. In the beginning of November of 2015, P1 participated in a 45-minute telephone interview; this opportunity also allowed for arranging a visit to the firm on the participant's terms.

The visit was conducted in December of 2015 by one of the researchers, who conducted face-to-face interviews with the owner (second interview), and with four other members of the business, one of them also being a family member. The visit, which lasted over three hours, also included a tour to the facilities to observe firsthand the firm ownership's involvement in innovative approaches, for instance, using new equipment/technologies. All the data were digitally recorded and transcribed; the research team members then cross-checked the verbatim comments to ensure accuracy in the transcribed material. Content analysis, a method that entails the examination of "written verbal or visual communication messages" (Cole, 1988, p. 53), and allows for distilling "words into fewer content-related categories" (Elo and Kyngäs, 2008, p. 106) was used. One of the objectives of content analysis is to attain a broad and condensed description of a phenomenon, resulting in categories that help build a model or a conceptual map or system (Elo and Kyngäs, 2008).

Several authors (e.g., Cavaye, 1996; Chetty, 1996) allude to the lack of generalisability potential in case study research. In the present study, this limitation is illustrated in choosing only one firm, and in interviewing only five different individuals. Thus, the overall findings may not allow for making broad generalisations about family firms in regional Western Australia or elsewhere. Despite these limitations, the study provides various useful insights; in particular, the firm's forward thinking entrepreneurial and innovative characteristics and initiatives can be of value to practitioners, academics, and students seeking examples or cases of model, innovative firms.

Demographic characteristics of firm and participants

West'n Fresh, or the firm's new entrepreneurial focus, has existed for 10 years; however, the family business was established in 1987, when growing avocados represented the main business arm. Until 2014, the firm had only three permanent staff; this number has more than doubled, with new arrivals fulfilling various tasks in the firm's marketing, market research, operations, and financing. Together with people employed in packing, the firm employs nearly 30 full-time staff, and therefore is considered medium in size for Australian standards (ABS, 2001). In addition, the firm also employs over 30 part-time staff depending on the season of the year, many of whom are local residents.

Results

Importance of innovation, ways of innovating, and reasons to innovate
The interviews, site visit, and secondary data from the firm's website and media reports underline various ways in which West'n Fresh is innovating. Table 1 summarises emerging themes, type of evidence, and links to the literature.

Fundamentally, the firm's financial resources- and their proper management- allow for the strategic investment in equipment, in hiring new, qualified staff, and in further developing products and consumer markets. These findings are associated with the stages of adding resources, and resource bundling and leveraging highlighted by Sirmon and Hitt (2003). In turn, these firm resources are closely linked to the firm's significant innovation practices. Fundamentally, and associated with Kanter's (1983) definition of innovation, P1 explained: *"…innovation is about finding solutions… and finding a solution [means]… you have to innovate."* Finding solutions first emerged in the owners' decision to become a packing facility, and, more recently, in diversifying into different forms of product development. The acquiring of human capital in the form of food scientists/dieticians, product developers/marketers has been followed by massive investments in equipment/technologies and building of space to accommodate these as well as staff, and provide space for production and warehousing. The firm's implementation of new processes, ideas, and products also concurs with Kanter's (1983) previously cited definition.

P5 commented on the ongoing upgrade of the firm's pack-house software, designed to integrate existing accounting software, and maintain the level of invoicing; the participant explained that this development was occurring due to the growing market of avocados. P2 identified the numerous changes related to automation, for instance, of the packing line, to identify cartons, create despatching units, or despatching side. Despite trial and error periods, these new innovative practices significantly contribute to more efficiency and to lowering production/packing costs (P2): *"This year we are just packing it [avocados] three to four hours a day faster… so, in terms of innovation, we have really cut back on… cost and obviously also time…"* The participant also underlined that *"those kinds of technologies are what is going to set us apart from other companies, not just for the avocados, but also for different products around the region."*

Table 1 Here

New technologies, such as high-pressure pasteurising units, were also illustrations that the ownership is anticipating demands, trends, and changes, and, accordingly, is preparing for a new business environment. Moreover, P4 was currently helping develop a food line for infants, a second for the elderly, and a third for chilled desserts, all of which were perceived to have significant market potential. The firm had already achieved some success in this new line of business (P1): *"We were asked by Singapore [customers] to develop an avocado, banana smoothie, so we have done that…"* Despite the current investments and business shifts, with all the implications of investments in human capital, equipment, and new technologies, the significance of forward thinking and innovation again became obvious, as the ownership was already thinking of further developmental stages and new strategic directions (P1): *"I have already got Chinese people chasing me for this baby food and I have not even done it yet… we had Japanese and [other] Asian customers… ask us if we could possibly do some things for them, including IQF, which is Individually Quick Frozen [foods]."*

Overall, the high intensity of managing a rapidly growing exporting business did not prevent the ownership from thinking of further steps, in anticipation of events or 'problems.' For example, P3 noted: *"We seem to have our finger on the pulse of what is trending or even before it even trends, so I guess you could say ahead of the game, and I think that we will be leaders in packing and redistribution."* Indeed, the processing of by-product or waste from new product development to create compost on-site was in the early stages; this project is being carried out with an off-site firm, highlighting the element of strategic partnering.

In addition, the firm's leveraging of its resources in relation to innovation is a competitive strategy that not only results in wealth creation, and therefore aligns with Sirmon and Hitt's (2003) research, but also in noneconomic benefits, which is associated to Chrisman et al.'s (2003) proposition. These authors' framework illustrates that wealth creation and noneconomic benefits are antecedents of firm performance. Innovating to also achieve noneconomic benefits became apparent in P1's comment: *"if you're going to spend five million bucks building a facility, how can you then utilise that to benefit other people, not just the avocado industry?"* This rationale partly subscribes to the principle of triple-bottom-line, which emphasises that corporations' ultimate success can/should be determined by financial, environmental, and social/ethical performance (Norman and MacDonald, 2003), and is further reiterated in the following comment (P1): *"I suppose I'm not really driven by money… I know that if I do a good job that I can make a real difference to people's lives."*

The fact that the family firm has developed and transformed over the decades, and the importance of strategic initiatives conducive to sustained competitive advantage also find alignment with Craig and Moore (2006) who indicate that "established family firms appear to place substantial importance on innovation practices and strategy" (p. 8).

West'n Fresh most important resources

The findings also highlight various key resources of the firm that undoubtedly make a strong contribution to its current competitive advantage; a summary of identified themes, type of evidence, and links to the literature is also provided (Table 2). In alignment with earlier research, part of the findings highlights the importance, in particular, of human capital. Indeed, Sirmon and Hitt (2003) refer to the work of Coleman (1988), who posits that human capital results from "changes in persons that bring about skills and capabilities that make them able to act in new ways" (S100). Further, in presenting a framework illustrating the management of resources for wealth creation, Sirmon and Hitt (2003) indicate five stages: resource evaluation, resource shedding (i.e. of non-valuable resources), adding resources, and resource bundling and leveraging. These stages are apparent in the context of the study.

For example, P1 recognised the numerous changes that had occurred in the avocado industry, highlighting clear implications for the firm, including the resources needed to address such changes. As a grower for nearly 30 years, and at the peak of the business, the owners had anticipated a glut in local avocado production, which led to a major business refocus. From production of avocados since 1987, the firm became a packing business in 2007, and in 2009 extended into export activities with a focus on Asia. Several comments underline the continuous learning process and accumulation of experience and knowledge, which identifies a major resource the firm possesses: *"We started off with that farm that we planted in 1987… we had been involved in R&D… We spent many years, my husband or myself, sitting on boards and associations and the federal board and independent advisory councils… In 2009 we started an export company with some other growers on the eastern seaboard…"*

To some extent, this acknowledgement demonstrates the underlying values of the firm's philosophy (P1): *"we are really focused on trying to do a quality product that gives you a value proposition, so it is not necessarily about price, it is about value."* In order to reach and maintain its quality level, its constant growth, and the approaching additional projects and further developments, the firm has been actively recruiting new members with a variety of capabilities and qualifications. For example, a quality assurance person had only recently been recruited. The family's son (P2) had returned to Manjimup to work for the firm, having graduated from university and spent several years in supervisory positions in the hospitality sector in various Western Australian towns, learning managerial, marketing, and customer service capacities. P2 reflected on the increasingly complex environment now that the firm was experiencing rapid growth, with important implications in terms of the level of demand of the firm's resources: *"We are a lot bigger company, higher turnover; KPIs [key performance indicators] are a lot more important and accuracy of communication…we made huge expansions in the last 12 months."*

His girlfriend (P3), who had also joined the firm, and had worked in a variety of positions, appreciated the demands and rigour of the constantly changing work environment: *"we do very long days here because there is simply so much to do… but I see the future… all this hard work being worth it…"* P4 had been recruited to research and work on product development projects. Finally, with over 20 years' experience working for an accounting company, and several years for another involved in transportation, P5 was in charge of managing the billing and financial side of the firm.

Table 2 Here

The knowledgeable and visibly committed group of team members, and the expected new additions of recruits with expertise in areas the firm does not have strategically complement other fundamental resources the firm has, namely, in the leadership of the two owners. One key resource, which is also illustrated in the above statements, relates to forward thinking, which both owners had been developing over many years in the industry. In referring to the anticipation of the avocado glut, and subsequent radical shift of business focus, P1 stated: *"you must act five years ahead of when you really need to, because it never happens instantly. It is something that you have just got to chip away at, and you have to work towards in a steady, systematic way to build that up for when those volumes come up, you have other avenues to move it off to keep a stable scenario."*

Earlier research discussing environmental compliance (Dechant and Altman, 1994) underlines that those companies able to anticipate the direction of new regulations, or "forward thinking environmental management" (p. 18), are more likely to exploit opportunities. For instance, companies can bring together improvements ahead of the competition, and "set a course for higher overall business performance" (Dechant and Altman, 1994, p. 18). Forward thinking was also reflected in terms of consistency of delivery of product and service (P1)*: "We realise that you always have to build upon your market; you always have to commit to a certain volume, and be there week in and week out and [be] supportive of what you do… people want reliability, they do not just want a cheap product."* Indeed, P1 acknowledged spending nights thinking of the next day's commitments with both domestic and international consumers. Moreover, the eagerness and anticipation of having to address potential needs from markets operating several hours ahead of Western Australia's time zone prompted both owners to have a very tight working schedule, where very early morning starts are the rule.

Discussion

In the main, the findings have strong associations with both the theory of innovation and the RBV of the firm; a refinement of both theories in the context of the findings is proposed (Figure 1). First, Nonaka and Kenney's (1991) analysis concerning the role of management in nurturing an environment conducive to generating innovation or information that are subsequently disseminated across the organisation applies to the findings. In fact, this is the case at West'n Fresh, where problem solving and forward thinking seem to be the triggers to generating ideas that are then further developed within the firm. Importantly, the ownership was prepared to make substantial investments to nurture knowledge, with P1 noting the sending of firm members to Sydney to attend workshops or short courses: *"because what they are going to bring back from that [experience] will make a difference in the business, because they look at things from a different perspective or from a different angle."* P1 also referred to having a team of several people now, as opposed to only a two-people team in 2014: *"what is important… is that team element, and realising that everyone has different strengths and weaknesses, but as a group we are quite strong because we back each other."* In addition to nurturing knowledge and potential innovation internally, the current development of different food product lines is again a clear example of the firm's forward thinking strategies.

Second, the ownership's multi-million dollar investments in equipment and new technologies are intrinsically related to the dimension of benefits, including programmatic, prestige, and structural (Downs and Mohr, 1979). Programmatic benefits emerge from the improvements in efficiency identified in various interviewee comments. Similarly, structural benefits contribute to the faster or more automated completion of manual tasks, and allow for the team members to focus on other areas demanding more intellectual or research input. Further, the ability to be an early adopter of technologies (Downs and Mohr, 1979), and the completion of innovative projects and activities lead to recognition, and enhance the firm's image.

Third, the comments reveal that decision costs do not appear to apply in the case of West'n Fresh. Implementation costs, however, are illustrated in both tangible elements, such as equipment or labour (Downs and Mohr, 1979), and intangible, in the form of managerial time, or in opportunity costs in procuring and researching technologies. Fourth, the dimension of resources is again illustrated in the various investments undertaken by the firm. A final dimension, discounting factors, is also apparent, particularly through the risks the firm's management faces, namely, in its rapid growth, and in the investments required. However, the accumulated experience and forward thinking philosophy of the ownership, which includes the strengthening of its team, and acquiring more knowledge and expertise, provides significant support to implement strategies and minimise such risks.

The various forward thinking strategies the firm designed, including the transition between producer, packer, and exporter, and now developing new food product lines, clearly underline key resources. For example, the strategies the firm is employing highlight the essential elements of heterogeneity and imperfect mobility (Barney et al., 1989), and at the same time represent a constraint to entry by potential competitors. Valuable- and largely rare- human capital resources are also associated with the attributes of the RBV (Barney, 1991). Further, being in a rural area surrounded by or near avocado farms, originally developed by the pioneering work of West'n Fresh, correspondingly led to imperfect imitable resources.

Moreover, the firm's long 'history' of avocado production, the transition of now buying and packing avocados from local producers, the ability to export these, and that of developing products based on avocado and other produce, further underline 'unique historical conditions'

(Barney, 1991). As P1 stated, *"I've been in avocados a long time and I'm on the coalface, so I'm the first..."* Importantly, the firm's efforts networking with avocado growers to become involved in international exports also reinforces unique historical conditions. Moreover, West'n Fresh's leading role, first as a producer, then as a packer and buyer, coupled with an established clientele in various Asian nations, would be significant barriers to replication or imitation by competitors.

Figure 1 Here

In contrast, the openness in which management operate, for instance, appearing in media reports to elaborate on their business plans and future developments suggests that causal ambiguity (Barney, 1991) does not apply. However, an evaluation could be made that the speed and intensity at which the firm operates renders it very difficult for other competitors to fully understand the firm's strategies, investments, and developments. Moreover, based on P1's comments, other Western Australian firms are currently utilising the firm's technologies to enhance their own competitive positions. The ownership has engendered these cooperative enterprise arrangements, or *strategic partnering*, which also underlines long-lasting cooperation (Cheng and Li, 2002), in a concerted effort to enhance regional strengths.

Regarding social complexity (Barney, 1991), the family ties negate competitors' ability to acquire intellectual resources and capabilities through standard corporate methods such as head-hunting. For example, as previously cited, P3 was excited about the prospects of the future, and was prepared to make extraordinary commitments because she could clearly see the success of the family firm's strategy. P2 had made a commitment to return to the family business: *"we made the call to move back down here and kind of move into succession planning of the business…"* P4, also a Generation-Y individual, similarly felt a strong commitment to the firm's culture and direction: *"we all work together as a team, we're all on the same wavelength and it's all just kind of coming together really well."* Finally, and based on the positions of Hambrick (1987) and Barney (1986), the firm's networks nationally and internationally, built on its strong internal culture, are not replicable due to the firm's first mover competitive advantage status. Furthermore, the firm's established image for quality among international clients, and its constant experimentation and investments to create new and alternative food products with strong international appeal, are strong barriers to duplication by potential competitors.

Examining non-substitutability (Barney, 1991), the firm's valuable human capital resources, its strong emphasis on quality, consistency and reliability in dealing with customers provide a defining edge, at the same time protecting the firm from the emergence of potential competitors or imitators. Further, West'n Fresh management's product and service quality, knowledge, and investments further support the notion that duplication of efforts by other would-be competitors is marginal to inexistent. Thus, the combination of innovative and resource-based strategies results in competitive advantage for the firm (Figure 1), with impacts for sustained competitive advantage.

Conclusions

While the literature on family entrepreneurship has exponentially grown and developed over recent decades, various knowledge gaps remain to be explored. Several authors, for instance, have identified marginal research in the area of innovation adoption, or impacts of owners and managers on corporate social performance. In addition, despite the affluence of Western Australia's economy, there is a dearth of knowledge relating to family firms, particularly in relation to regional family firms whose operations are challenged by time, environmental, and geographical distance. In focusing on a regional family firm case study, this research contributes to addressing some of the existing knowledge gaps.

First, the interviews and research conducted revealed the family firm's key characteristics, most notably a dynamic export orientation that defines it as possessing an un-replicable competitive advantage. These findings directly relate to the various attributes of the RBV of the firm, including imperfectly imitable and non-substitutable resources. Second, the findings illuminate the fact that innovation in the shape of forward thinking can take place regardless of the challenges and hurdles faced by a regional family firm. Several direct relationships between the findings and the theory of innovation also emerge. Whereas financial benefits are arguably firms' main objectives, the interviews identify programmatic and structural benefits, namely, in enhanced competencies and efficiencies. Moreover, as the introduction of a new application illustrates (P1), the ownership's clear directions to stakeholders results in the maximisation in innovative and forward thinking philosophies and actions. An end result of these benefits is the firm's enhanced image and reputation. The discounting factors identified (e.g., risk in investments) are mitigated by the significant investments in people and technologies that have enhanced the firm's resource base.

Implications

One fundamental practical implication of the study is that innovation, in the form of forward thinking, investment in people and technologies, is essential to the future success of family firms. This is particularly the case for family firms operating in a challenging environment defined by environmental, geographical, and time hurdles. This family's philosophy and pragmatism, however, has helped overcome these barriers, for instance, creating an inspiring working environment that has enabled the attracting of talent from outside the region. In addition, the development of national and international networks and relationships has contributed to the acquisition of knowledge and skills from afar. This network and relationship management provide valuable insights that drive their research agenda, including new product and service development. In turn, these innovations have clear implications for international strategies. For instance, recently acquired technology to process and package avocados contribute to fulfil international importers' requirements to count on a timely and effective product delivery. Further, new product lines requiring further investments in technologies and training also contribute to opening new windows of opportunities internationally.

The various associations between the findings and the theory of innovation and the RBV of the firm illustrate their applicability in the context of regionally operating family firms and constitute an important implication of the study. In today's highly competitive market environment the findings regarding West'n Fresh illustrate the significance of continuous development of all the attributes presented by Barney (1991). However, the imperfectly imitable and non-substitutable resources are particularly illustrative of the complexity of achieving sustained competitive advantage. Moreover, given market and other pressures, family firms' ownership must think beyond possessing valuable and rare resources. West'n Fresh's historical condition, accumulating expertise and knowledge, appears to be an essential attribute to obtaining the necessary sustained advantage over competitors.

Another fundamental implication of this research is that, to ensure sustainable competitive advantage, the family firm must establish itself as a magnet for other firms seeking innovation, capabilities and capacities for solutions to the challenges they face in their market place. This finding therefore establishes that the forward thinking philosophy of the ownership encourages the shared use of key strategic resources between the firm and other entities. As a result, the firm makes full utilisation of its assets and resources through strategic partnering. In alignment with Downs and Mohr (1979), these assets and resources have led to costs that in turn are providing benefits in the form of these innovative capabilities and capacities. The attribute of strategic partnering therefore represents an extension of both imperfect imitable and non-substitutable resources.

Limitations and Future Research

The intense observation and examination of a singular regional family firm means that the study is limited, and that the findings may not apply to all innovative and forward thinking family firms. In addition, the firm was investigated during the second half of 2015, meaning that no longitudinal follow up study has been conducted to date. However, the research insights gained from intensively studying this family firm with its unique challenges provides valuable knowledge and understandings for various stakeholders, including industry practitioners and the academic community, in particular, to those with in an interest in regional family firms.

The study also proposes future research into universal issues affecting family firms. For example, the study of resources and innovation among regional family firms could be expanded into other geographies, domestic and international, to allow for insightful comparative analyses. Future research could also consider a longitudinal approach in studying several cases of model regional family firms. This type of future research could identify differentiations in ownership's business philosophies, including in generational or succession processes, in relation to their approach to managing resources and innovation. The further adoption of both the RBV of the firm and the theory of innovation in future research could confirm/disconfirm its applicability. In addition, elements such as strategic partnering, which emerged in the present research, could be explored further. This line of research could better inform the academic theory and the practitioner execution.

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