Innovation, competitive advantage, cooperation – these are notions that have gained extreme popularity for the last few years. They often appear jointly. This paper will also concern the said terms, however, an attempt to grasp them in a different way has been made.

The cross-sectional studies of domestic and foreign literature as well as the review of reference websites have indicated that vast majority of innovative firms who succeeded on the market are family businesses. The gigantic international corporations, e.g.: Cacharel, Ford, Wal-Mart, Auchan, Bombardier, Carrefour and a lot of others have their roots in family businesses. For the purpose of this paper the authoress decided to focus her attention on family businesses of the clothing sector.

In 2006 the American Family Business Magazine carried out surveys about the largest family businesses in the world. It presented 250 most powerful family businesses from 28 countries of the world whose annual income amounted to 1.2 billion dollars, minimum. A lot of them operate on their domestic markets, but most run parallel business activity in several countries. Enterprises from the United States occupy as many as 130 of all the 250 positions on the list of the largest family businesses. France comes right after them with 17 enterprises and Germany with 16. Among the leading 25 businesses, only 7 come from the USA. The case of Korea, where family businesses dominate also is interesting, because only three businesses appeared on the „Global 250” list. However, all the three businesses appeared among the first 11, and two among the first 4 [1]. Below the fifty most powerful businesses have been presented.
The ranking of 50 most powerful family businesses in the world

| 4. LG Group          | 14. SCH (Banco Santander Central Hispano S.A.) | 24. Tyson Foods |
| 5. Carrefour Group   | 15. ALDI Group | 25. Bouygues |


The following figures constitute another proof of the power and significance of family businesses in the world:

- 75% European businesses are family businesses,
- 25% of the list of 100 largest European businesses are family businesses,
- 37% businesses of the Fortune 500 list are family businesses,
• 60% public companies in the USA are controlled by family businesses [2].

• Family businesses produce in average 55% of gross national product.

• In most European countries family businesses provide more jobs than other enterprises.

Following the assumptions of contemporary approach to management and innovation, based on the use of key, unique skills, experience and cooperation built on mutual trust, family businesses adapt themselves to such requirements really flexibly and easily. Considering the meaning of family businesses and popularizing innovation in 2009 Polska Agencja Rozwoju Przedsiębiorczości [Polish Agency of Entrepreneurship Development] opened a project funded within the Human Capital: "Family Businesses" Operating Program, with the target of development and dissemination of most efficient forms of family business (FR) support. The project was to include at least 300 people from 50 family businesses, minimum [3].

Values mutually supported within the areas of family and business.


Family businesses in Poland constitute a large part of Polish business sphere as well. According to the „Rzeczpospolit” Magazine’s „List 2000”, every tenth company based on domestic capital is a family business. Last year saw a real expansion of such businesses, which is proven by the indicators stated in Rzeczpospolit: 20-percent growth of sales revenues and almost 15-percent growth of net profit [4].
The innovation of family businesses is absolutely correlated with commitment and openness to new challenges of their founders who usually built the enterprise from the very foundations. All the capital comes from their personal sources. The businesses engage all their time, eagerness, energy, knowledge, contacts and capabilities in the development and construction of their competitive advantage. The founders treat the business as if it were their “own child”, another family member whose appropriate formation shall guarantee its good functioning in the future. The business development, the appropriate design thereof will bring about the proper development of such firm. Consulting, common discussion of the issues, search for the best solutions by the family members also enables to look at some problems from various angles [5]. Concentrated on building the firm, the families do not count on quick profits. When the profits eventually appear, they invest them in the business instead of using them for consumption purposes. They focus on studied, long-term actions.

Family business is a type of business where profit occupies a position of equal importance to that of values. It is difficult to imagine a family business based on aiming at increasing profits only. The establishment of a family business is often derived from totally different prerequisites than the foundation of a commercial company. There is a model existing on the capital market consisting in resale of businesses earlier acquired as soon as they gain a significant value. In case of family businesses the will to capitalize their property occurs rarely. More frequently there is a need to educate worthy successors to manage the business thus contributing to the fact that family businesses are more stable [6].

J. Kadłubowska offered solutions thanks to which family businesses can be innovative and maintain a long-term competitive advantage on the market. Firstly, this is the full commitment and hard work. A working day from 8 a.m. to 4 p.m. is inefficient in a family business. The founders usually work 12 hours a day and enjoy it, losing no enthusiasm on the way. Family members who work together should show as much respect and politeness to each other as they do to other employees. No business practices that conflict with basic family values can be applied by any means. The correlation between the basic family values and the way the business is run are the key components of success. The potential issue in business is the pressure to be with the same people all the time. Thus, a family who stay together all the time may become tired with their mutual presence. The solution is to fix various daily routines or even occasional traveling alone and enjoying one’s individual hobby. A very important success factor is also the pride of the business and family that makes it. Moreover, this is one of PR elements being translated into effective management and marketing [7].

In addition, the factors providing innovation and buoyant development of family businesses include a clear and firm vision based on a system of values, stress on entrepreneurship, not avoiding changes or risk, strategy verified even totally changed
regularly, openness to management structures with a strong role of the management board who considers long-term options, clear division of roles between all the players in the family business, transparency and internal communication [8]. Another very important factor of success is a friendly, strong organizational structure. It usually draws as much attention as generating profit or maximization of interest. It is based on a constant system, unwritten standards, permanent structure, high competence of the staff, significant commitment, the sense of being important, pride of the uniqueness and sharing impressions upon success gained [9]. During the family business development cycle the said culture is subject to transformation and reinforcement [10]. It is worth presenting a drawing illustrating the development of a family business.

![Diagram of family business development cycle]

**A family business development cycle**

Reference: Lloret J.T., Od przedsiębiorstwa rodzinnego do rodziny przedsiębiorczej [From a family business to an enterprising family], Biznes Rodzinny [Family Business] nr 2, February 2006

Another element assuring the effectiveness and supporting the family business innovation are measures preventing conflicting situations. In order to avoid the issues related to economic gains the principles of dividend and other income payment are fixed. This is carried out through creating internal funds aimed at solving problem situations and personal needs and regulating the spread of shares. The conflicts that could endanger the mission, vision or long-term family business strategy are stopped by such measures as: statutory agreements controlling the access to property or the principles of following the majority. The measures are usually included in the family rules of conduct. It supports the efficient functioning of the organization, assuring it full professionalism [10].

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The internationalization process is a process of intensive changes in order to enter foreign markets, diversification within the organization itself and evolution of some values characteristic for its culture. A family business usually is relentless in such changes. Moreover, entering new markets, change of organizational structure and transformation of local structure is possible thanks to the mutually acceptable compromise of its managers. Creating a compromise on appropriate management of human and economic resources, time, it is possible to achieve an efficient process of adaptation to the internationalization of the business operating environment [10].

The elements presented above are the components of family business innovation making them achieve market advantage efficiently, while the examples shown below are the clothing sector family businesses that gained great success.

Levi Strauss & Co

Levi Strauss & Co was established by a German immigrant in 1853. The company seat is in San Francisco. Nowadays it is the most recognizable brands in the world, actively existing in 110 countries. It is a world leader in the sector of jeans and clothes. It employs 12 400 people and its average annual revenues amount to $ 4 137 billion. At the moment Levi Strauss & Co consist of Levi Strauss & Co. Levi Strauss Americas (LSA), based in the San Francisco headquarters, Levi Strauss Europe, Middle East and North Africa (LSEMA), based in Brussels and Asia Pacific Division (APD), based in Singapore.

The mains goals underlie vision of the future, business strategies, decisions, actions and behaviors. These four core values are.: Empathy, Originality, Integrity and Courage. They mean understanding, appreciating and meeting the needs of consumers, retail customers, shareholders and employees. Moreover they listened to them, responded and innovated. Innovation is the hallmark of Levi Strauss history. It started with model of jeans, but that pioneering spirit permeates all aspects of business — innovation in product and marketing, workplace practices and corporate citizenship. Company is the great trendsetter, creating new standards and solutions. They all the improving changes and focusing on innovation which is a critical of their commercial success. They have been the innovation leader since 1873 when they launched first blue jean. Innovation is connected with the most important value of the brand which is trust. This trust is involved in products, manufacturing and market events. The relationship between values, consumers and brands is the key to success. It based on purpose – people love Levi Strauss clothes and they trust company, moreover the products have high quality, style and function and paying special attention on innovation [11].

The interesting thing about Levi Strauss Co., in reference to the organization culture discussed above, is the fact that the element creating it at the company was its seat. It provided a lot of freedom and a friendly atmosphere. As the time went by and the nuber of the organization significantly grew, it was transferred to a modern office
building, occupying twelve floors there. As a result the personnel experienced the sense of isolation and, in consequence, the lack of informal meetings. The change, in turn, had a negative effect on the communication system at the company and its results. Levi Strauss & Co., however, as a flexible organization caring about the innovation side and its personnel decided to change its seat into a building favoring some more informal relationships [11].

GAP INC.
Gap Inc. was founded by the Fisher family in San Fransisco in 1969. At the moment it is one of the world's largest specialty retailers. They have opened 3100 stores till now. Their annual revenue is 14.5 billion dollars. They’ve got five very popular, well known brands - Gap, Banana Republic, Old Navy, Piperlime and Athleta in the portfolio. They employ 169 000 people at the moment [12]. Gap offers traditional American style which suits almost people of all ages. There are special brands like Gap, GapKids, babyGap, GapMaternity and gapbody. Banana Republic is unique luxury brand. Old Navy offers great fashion in middle and low price. Piperlime is based on shoes and bags. And Athleta is a women’s brand consisting of casual and sportswear. Gap stores are based in the United States, Canada, the United Kingdom, France, Ireland and Japan. There is an online shop as well.

Core values of Gap Inc. are customers, creativity, doing what's right and delivering results. They bother as much about customers as employees. They generate nice, familiar atmosphere in a company that helps the innovation process [13].

They focus on quality and very innovative and unique solutions. They search for new ideas, work together, take risks and responsibility, thinking of priorities, making common goals [12].

C&A

The German family Brenninkmeyer had traded linen and textiles since the 17th Century, but Clemens & August (C&A) brothers opened the first warehouse store in Sneek, the Netherlands two hundred years later, in 1841. They presented clothes in good prices to the broad public. The business was growing on the Netherlands market year by year. Since 1911 they have started international expansion. They opened stores in Germany and England. Nowadays they are located in 18 countries in Europe. They consist of 1090 regular stores, 182 Kids Stores, 8 Clockhouse shops, 10 Women Stores, 25 Kids/Woman Stores, 3 Shoe shops, 19 Avanti Shops. Their annual income amounts to 4.8 billion dollars. They employed 34 000 people [14]. The European headquarters are located in Brussels and Düsseldorf [15]. They are cooperating with 900 suppliers.

They have built their competitive position on a variety of exclusive, attractively functional and fashionable collections in good prices, attractive stores, easily accessible and clearly arranged, where professional, motivated sales staff serve the
customers; dynamic management which promotes development through innovation, CSR. Moreover they cultivate and maintain lasting relations at all levels. They take care about high quality of products, favorably priced fashion and satisfaction of customers, employees and suppliers [14].

The Benetton Group

The Benetton Group was founded in Milan in 1965 by Luciano, Giuliana, Gilberto and Carlo Benetton. At the moment their expansion is to 120 countries all over the world. It is a global company committed in innovation. Their portfolio includes casual Benetton suits, glamour Sisley, leisurewear Playlife. They employ 7200 people and generate 2.1 billion dollars of annual turnover [16]. They pay attention to unique, flexible and innovative characteristics. Their strategy included playing with colors in different ways – from colors of wear to fighting with color abuse. They have chosen a special way of advertising, unique and famous almost in every country. Moreover, they think about quality and fashion for women men and children. Benetton grows with the market: over 150 million garments produced every year and distributed in around 6,000 contemporary stores [16]. Since 1994 Benetton has had its own communication center called Fabrica. Its core task is to develop innovation and international growth. Innovation is particularly related to quality, new solutions’ of management, relationship with employees and customers as with attitudes to family values. They try to be more creative than others and used very young people in their projects as researchers [16].

The elements uniting the above examples include the stress put on the innovation development, flexible adaptation to client’s needs, his expectations. Furthermore, the full commitment of the family members tending to build a strong brand name, organization to have a strong, durable and long-lasting market position.

Summarizing the reference studies and case studies presented and analyzed herein, one may come to the conclusion that innovation is a very important element in the activity of family businesses. The strong sense of being both the founder and owner felt by family business members causes that they put all the effort to make the company very competitive, stronger and more innovative than others of the sector. The target to keep up with the leading best businesses, flexibly adapting to the needs of their clients, creating a friendly and family atmosphere among the staff is their great ambition. Therefore, there is a series of actions making family businesses really innovative.

References:
Abstract

The paper consider on family businesses which are very popular and have achieved international, spectacular success. Author try to show which factors help to be competitive and how important is innovation in development of these enterprises.
Innowacyjność firm rodzinnych w oparciu o przykłady firm sektora odzieżowego

Streszczenie

Artykuł porusza kwestie bardzo popularnych biznesów rodzinnych, które odniosły wielki sukces w biznesie. Wskazuje na czynniki, które pozwalają im być konkurencyjnymi oraz zwraca uwagę na istotny element, jakim jest innowacyjność w procesie rozwoju tych przedsiębiorstw.