

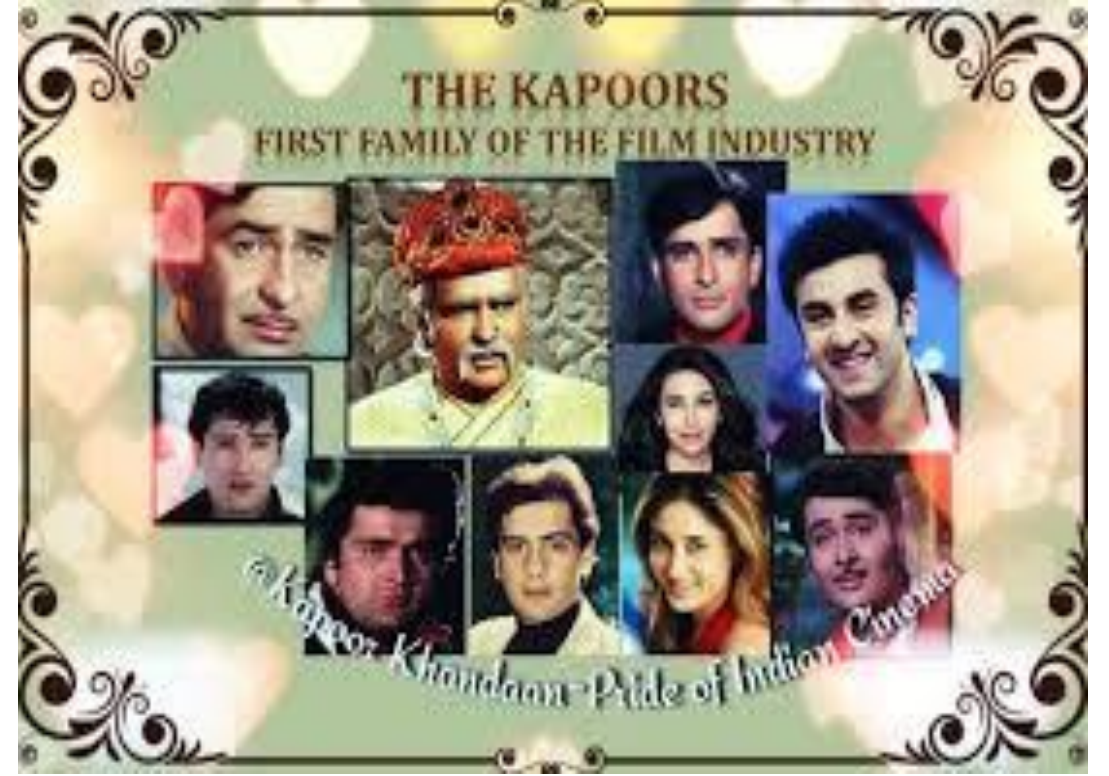
# PROFESSIONALISM IN FAMILY BUSINESS MANAGEMENT ( Old notes...New melodies)

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## Choice (or) Force



What do you all have in common?

What do you / ( Family Run Businesses) have in common?

- **PROTECTING / SUSTAINING THE BUSINESS**
- **GROWING THE BUSINESS**
- **PASSING ON THE LEGACY TO THE NEXT GENERATION**

# Life-cycle of the Family Business



# The scene!



**What % of companies** in India are family owned?

What is the **share of GDP** from Family run businesses in India?

# The scene- **Answers!**

85-90% of the companies in India are family owned

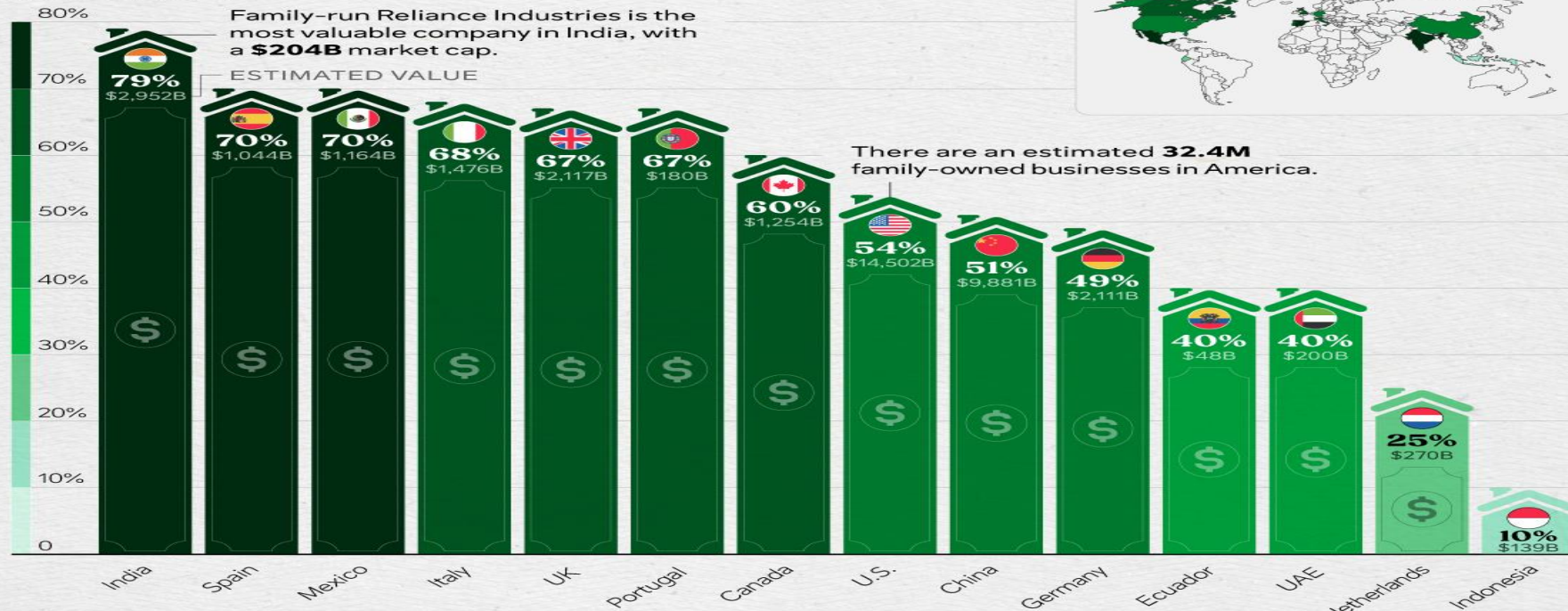
## Family Business

BY SHARE OF GDP

Globally, **90%** of enterprises are run by family businesses. As a key driver of economic growth, they employ millions of people around the world.



SHARE OF GDP %



Family-run Reliance Industries is the most valuable company in India, with a **\$204B** market cap.

ESTIMATED VALUE

There are an estimated **32.4M** family-owned businesses in America.

Note: Figures have been rounded.  
Source: Tharawat, IMF, Fortune



# ***“Rich father, noble son, poor grandson”***

**Myth or reality?**

**Which is the oldest Family Run Business in the **world**?**

**Which is the oldest Family Run Business in **India**?**

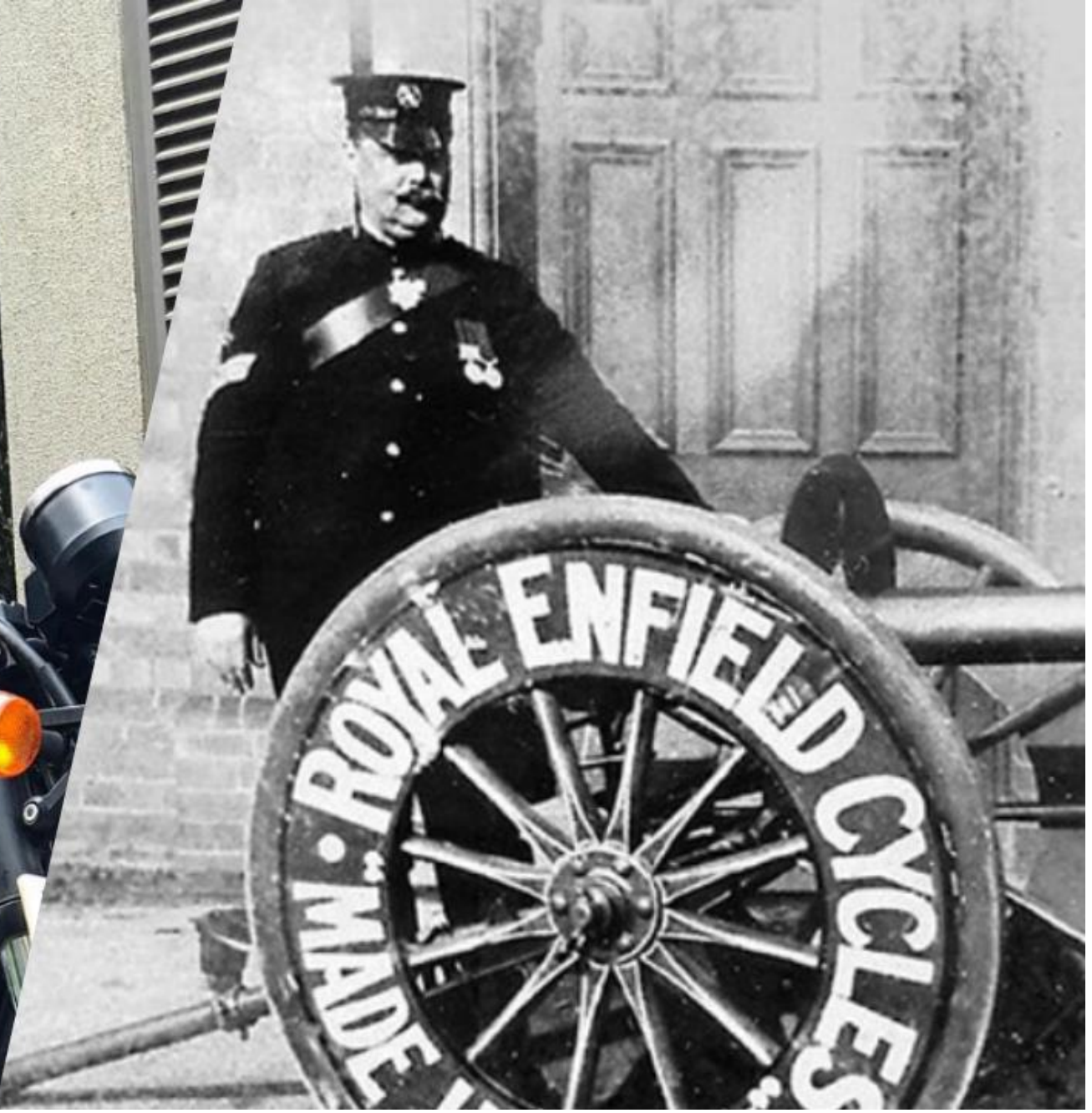
**1300 years**

**275 years**

**2 years**







# Eicher Motors appoints B.Govindarajan as CEO



# What makes companies like yours special? (Hygiene factors)

(Put a tick)

- **Values such as trust and goodwill**
- **Risk-taking ability/ disability**
- **Centralized decision making**
- **Cost consciousness**
- **Intuition and relationships**
- **Strong internal culture**
- **Prioritize long-term stability over short-term profits**

**(Product centric/ people centric/ business centric)**

# Case study- #01- NR Group

- Started in 1948
- Research lab in 1950
- Related diversification
- Reliance on technology and even created apps
- Used stars like Amitabh for promotions



# Case study- #02



- Started in 1977
- V-Guard, Wonderla Holidays, Veegaland Developers

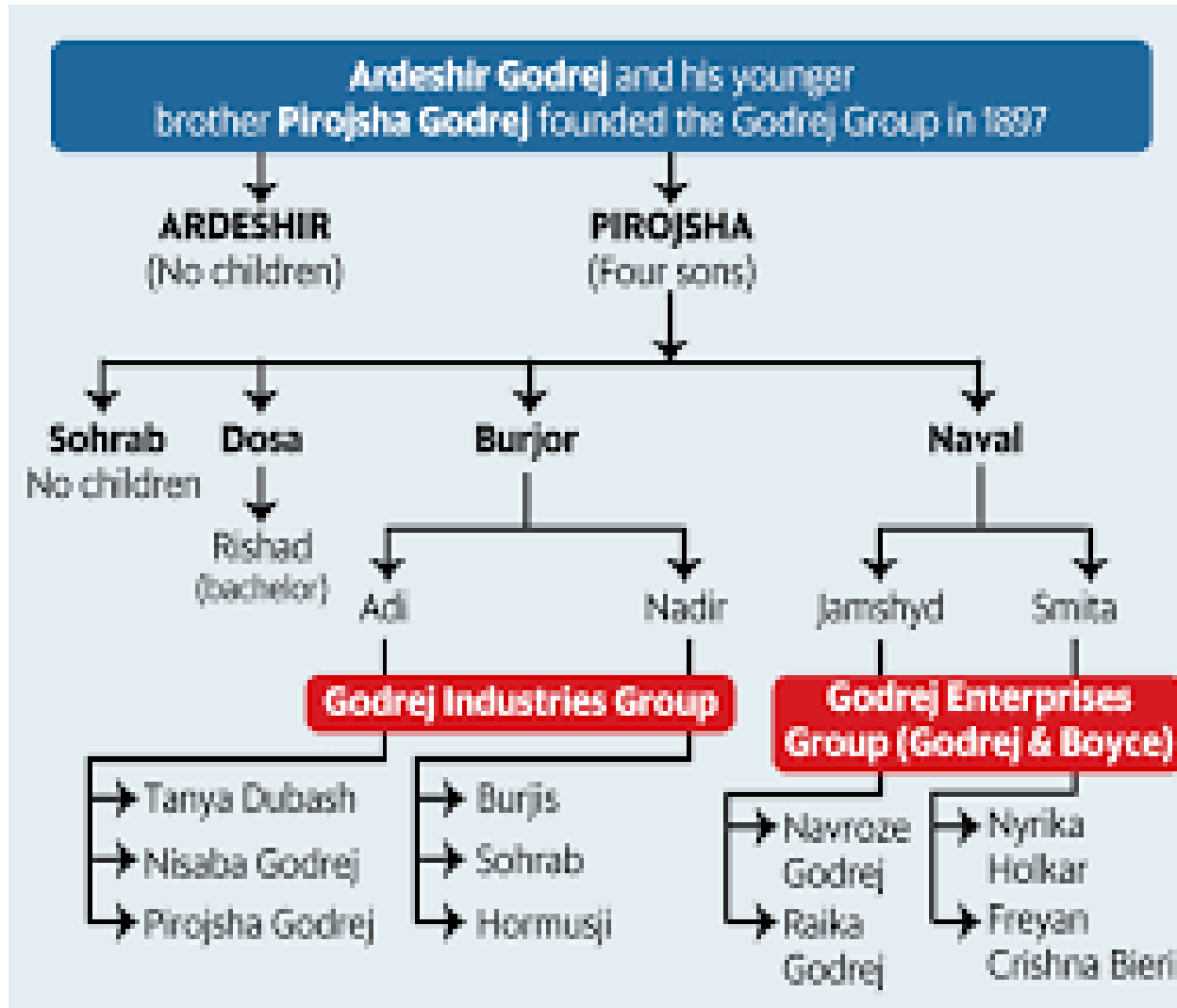


# Commonalities

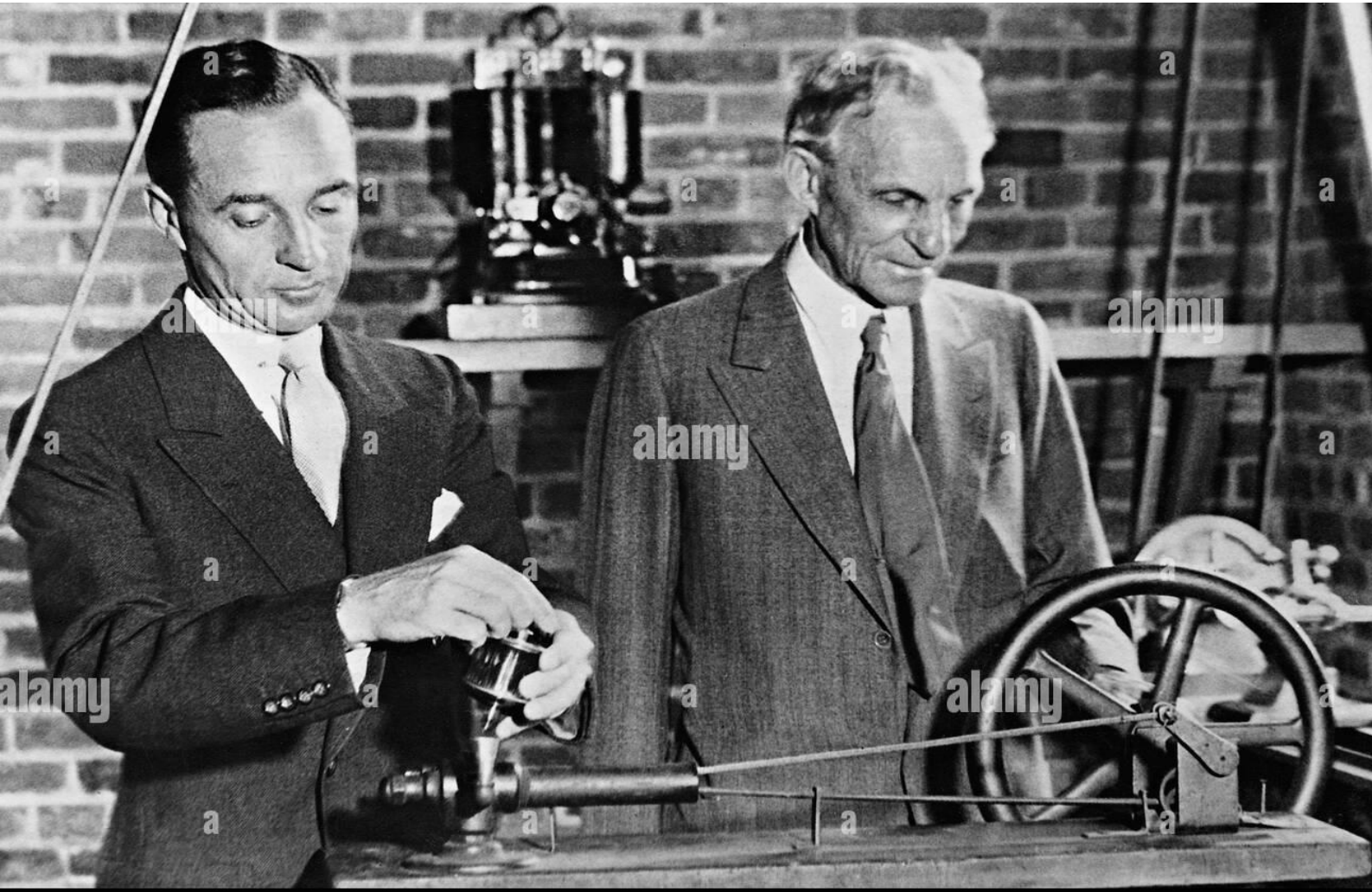
- Business started by one in the family
- Diversification ( Related/ Unrelated)
- Professional education of the next generation
- Each member given one vertical to lead
- Tied by Family values and report to the patriarch
- Too large shoes to fill



# Case Study #3 ( 127 years)



# Case study #04



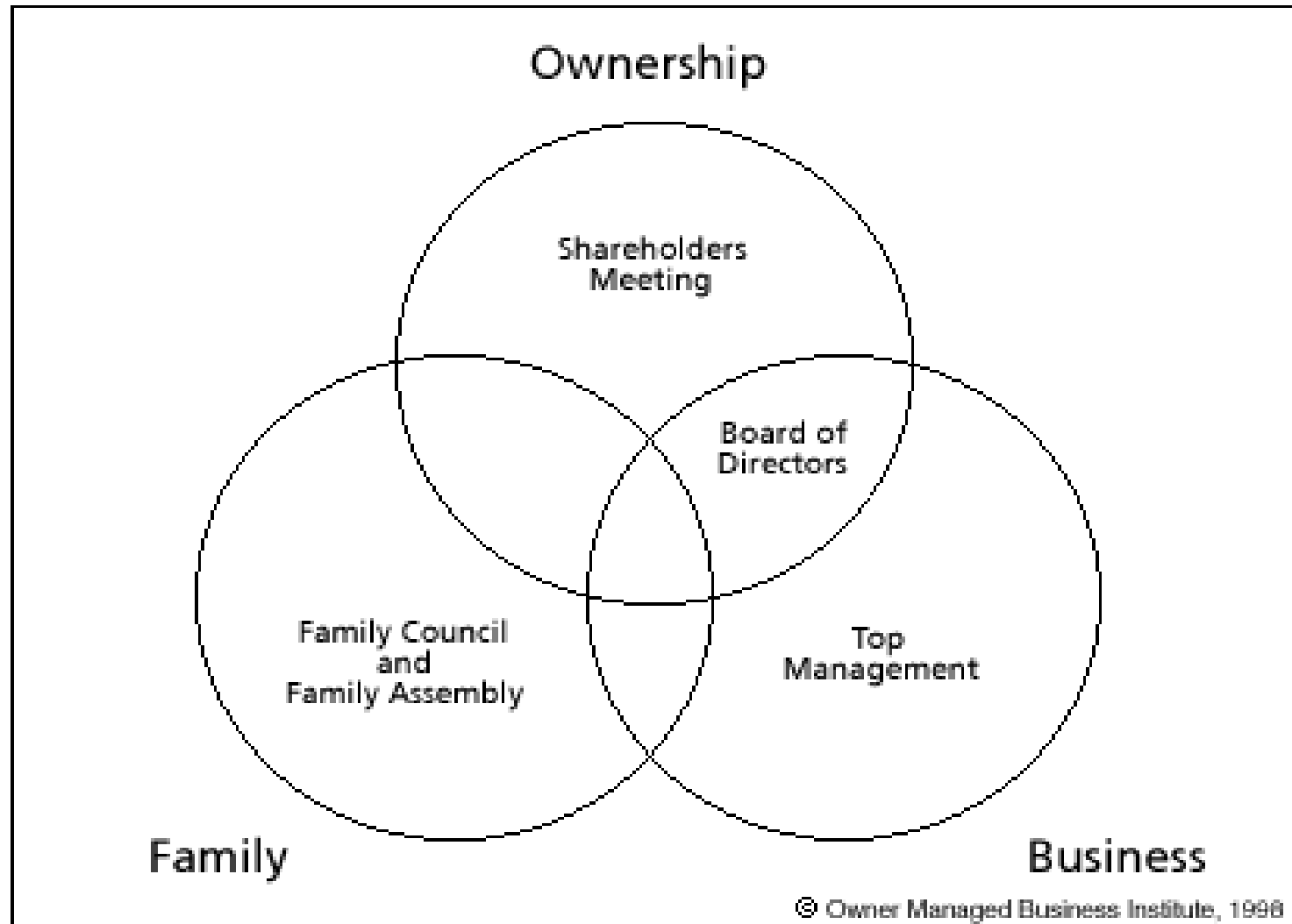


# Fears / constraints

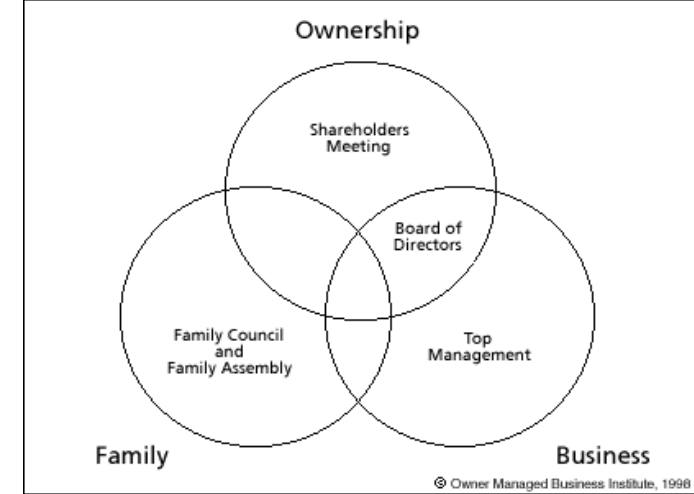


- Tradition-Innovation Paradox (Nokia, Motorola)
- Expertise & capabilities of individual family members
- Availability but non- usage of well qualified professionals from outside
- Family members pursuing other interests ( Rohan Murthy)
- Creating designations to fit in family members
- Entrepreneur Burn Out

# How to drive change professionally ?



# How to drive change professionally ?



- Select the **Best person** for the job- **Company is priority**
- Have a **family council**
- Have an **advisory board** which has only 30 % from family
- Bring in **Women** from the family to add more perspective and value
- Set down **rules for family members**, ( such as who is allowed to join the business based on merit and capability etc)
- **Succession planning** is done, but will never let go
- Have an **Exit Plan**

# KING OR KINGDOM?



# Wrap before dinner!

- Divorce Business & Family
- Be rational in business and emotional with family(Don't mix both-that's a heady cocktail)
- Remember, what got you here **won't** get you there!
- Give back more love than you receive from the family.....BUT... don't do the same with money in business

*The fire that warms us can also consume us*