

# Secret of Success : Family Business



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3 step plan to manage the challenges of next generation induction, sibling rivalry, succession & family unity



**What % of business families  
successfully pass the baton to  
second & third generation ?**

# The Big League

**ISB Hyderabad : Study of 5 business families which have successfully grown across 4 generations into diversified groups**

**Murugappa Group**

**Dabur Group**

**Wadia Group**

**Godrej Group**

**Kirloskar Group**

**What did they do differently?**



# **PwC Global Family Business Survey 2018**

## **2 Key Challenges for Family Business :**

- Succession**
- Conflict between family members**



The skills needed to build a successful business

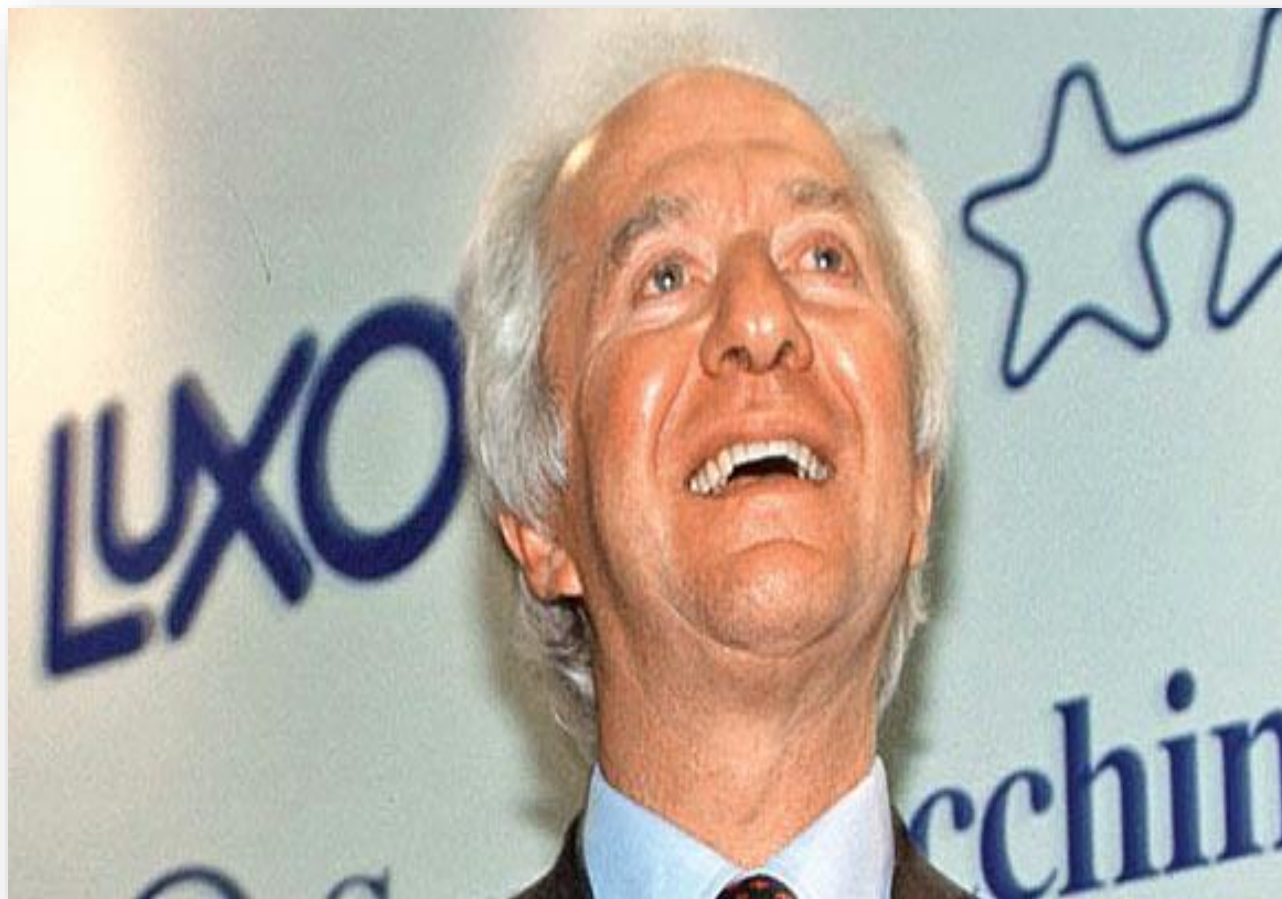
.....are different from the skills needed .....

to manage next gen induction, sibling rivalry ,  
succession & family unity

# Leonardo Del Vecchio

Ray-Ban

GENUINE SINCE 1937



# The story of Leonardo Del Vecchio

- Raised in an orphanage - Education Class 10
- Owner of Ray-Ban & Oakley & chains like Sunglass Hut & Lenscrafters
- 77,000 employees across 100 countries
- No.1 in Italy on the 2019 Forbes list of billionaires
- Net Worth 24 Billion USD
- But at 84 he still hasn't found a successor



***From your  
neighbourhood chemist***

***.....***

***.....to the country's richest  
family***



# How does your family build consensus ?



# Building a Family Culture: Mutual Trust & Respect

## Family Challenge



- **Normal, healthy & desirable :**  
Family members across generations have independent and divergent views.
- **How do you nurture this diversity of views and align it with the organization's goals and prevent it from moving towards conflict ?**

**Everyone is in the same boat ..... but are you aligned ?**





# Teamwork in the Family





# Family Business Data Points :

- Interaction with 1000+ Family Business owners across 10 cities ( 100 to 1000 Cr )

- Dr. Ichak Adizes, Guru & Author

# Dr. Ichak Adizes

**Guru & Author of 20 books in 26 languages**

**Managing change without destructive internal conflict**



# Family Business Program

- **Meeting – One on One – Family Members**  
( Vision – Aspirations – Concerns )
- **Climate & Culture Survey – Function Heads**
- **Off - Site Family Workshop – 2 Days**
  - Family Diagnostic : What's going right / wrong
  - Leadership Styles
  - Values & Vision Alignment
  - Best Practices of Successful families
  - Building Empathy
  - Platform to brainstorm the way forward
  - Family Charter

# Succession



Harsh Chopra

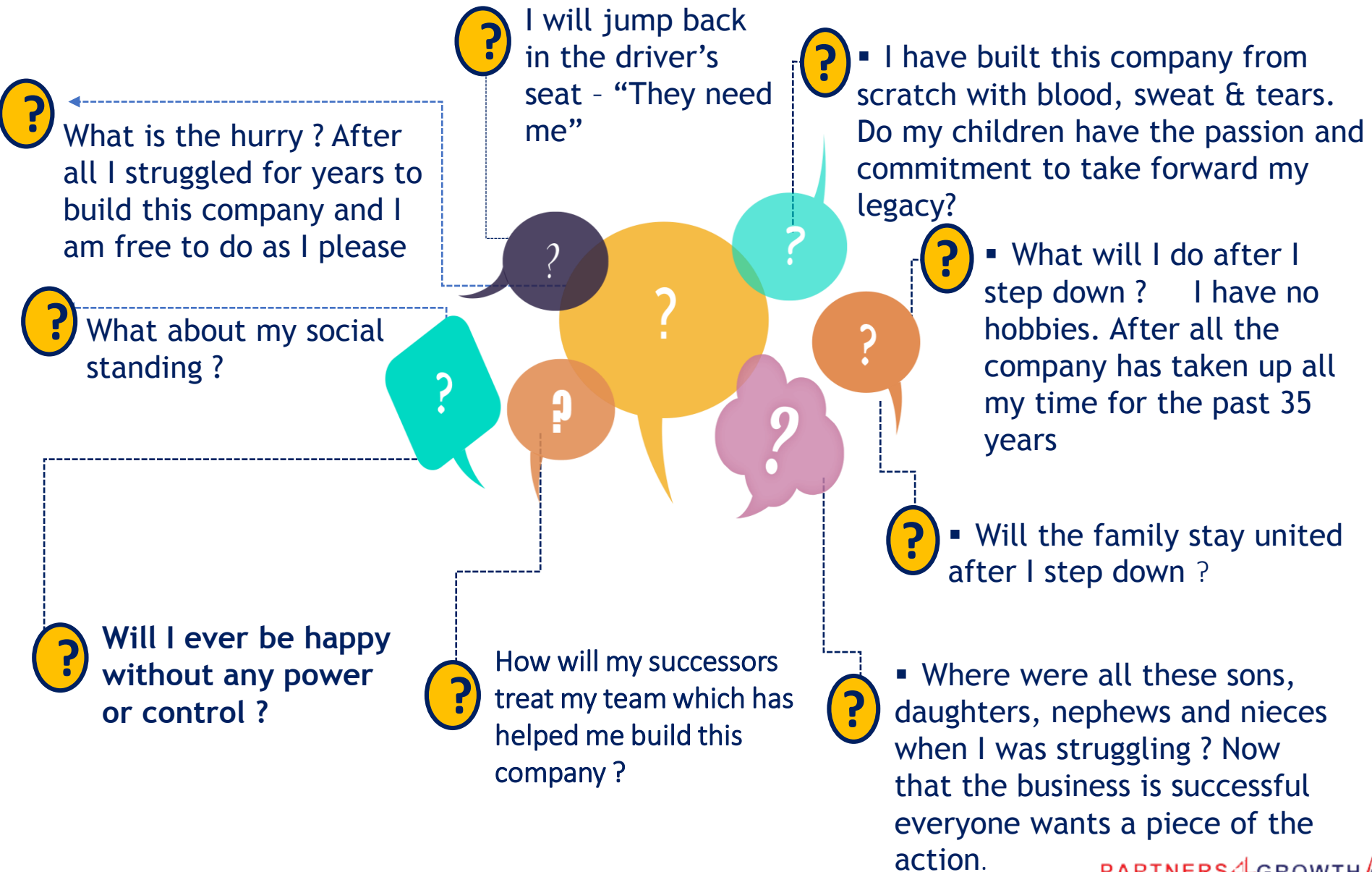
# Succession

**Who are the stakeholders?**






# Founder's Concerns



# Successor's Questions



When, if at all, will I get the freedom to run this as I want ?


Will I live up to everyone's expectations ?

Will my father's professional team accept me as their leader ?

Will my family accept my authority ?



# Professional's Questions



I have seen them growing up. Will they give me the respect their father gave me ?

Are my days numbered ?

Will my role change ?

Will the next generation remember my contribution ?

Will I be able to work with the youngsters ?

# Next Generation Spouses



My husband sweats a 12 hour day & brings in the sales while his brother is laid back & easy going ? Is that fair ?



Isn't it the eldest child's birthright to be MD ?



Is the inheritance fair ?



Elder brother spends too much on vacations



Why does the MD have such a big car ?

**When should you start planning succession ?**

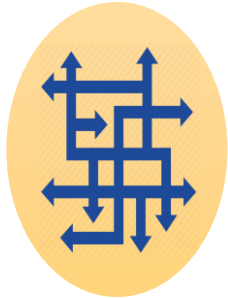




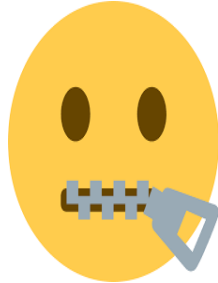
**Get a pen & paper quick – Succession Plan**

Look at Succession as a journey .....not an event

# Family Business Succession



**Emotional,  
Complex and  
Difficult**



**Rarely  
discussed-  
like a will**



**Not a one  
day  
handover  
of charge**



**5 – 15  
years**

# If you don't handle succession right .....



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# 3 Step Plan

**Take time out : Go Off-site to align your values, vision & roles**

**Co-create a Family Charter**

**Document a succession plan**



**Thank you**



# Peer Group Meeting

- Each table to brainstorm these questions for 30 minutes
- First please go around the table with everyone sharing their views – 2 to 3 minutes each....followed by open discussion
- One spokesperson from every table to summarize their views in 3 to 4 minutes

# Question 1 - What are the top 3 triggers of conflicts in Family Businesses ?



# Questions to the group :

Q 1.) What are the top 3 triggers of conflicts in family business ?

Q 2.) What is the ideal age a founder should give up an operational role in his company ?

- Your time starts now at .....