

Future of Indian Family Business in a Changing World

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**India is
Family Business!**

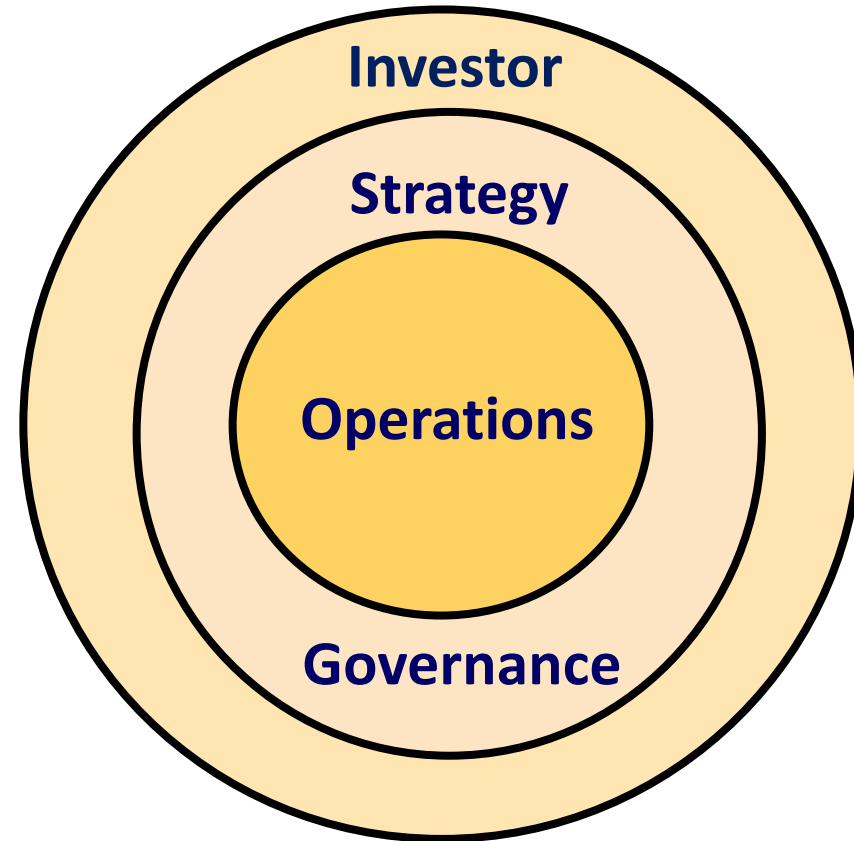
Accelerating Turbulence in Business Environment

- **Technology disruption accelerated by COVID – 19**
- **Political polarization, autocracies, instability**
- **Ethnic rivalries, intolerance, violence**
- **Dynamism in concept of ‘home’ and habits affecting markets**
- **Protectionism and controls**
- **Tsunami of epidemics**
- **Shorter Product Life Cycle**
- **Rapidly changing society’s tastes, likes**

Changing Roles of Owners



Collectivism
Shared professional goals by all

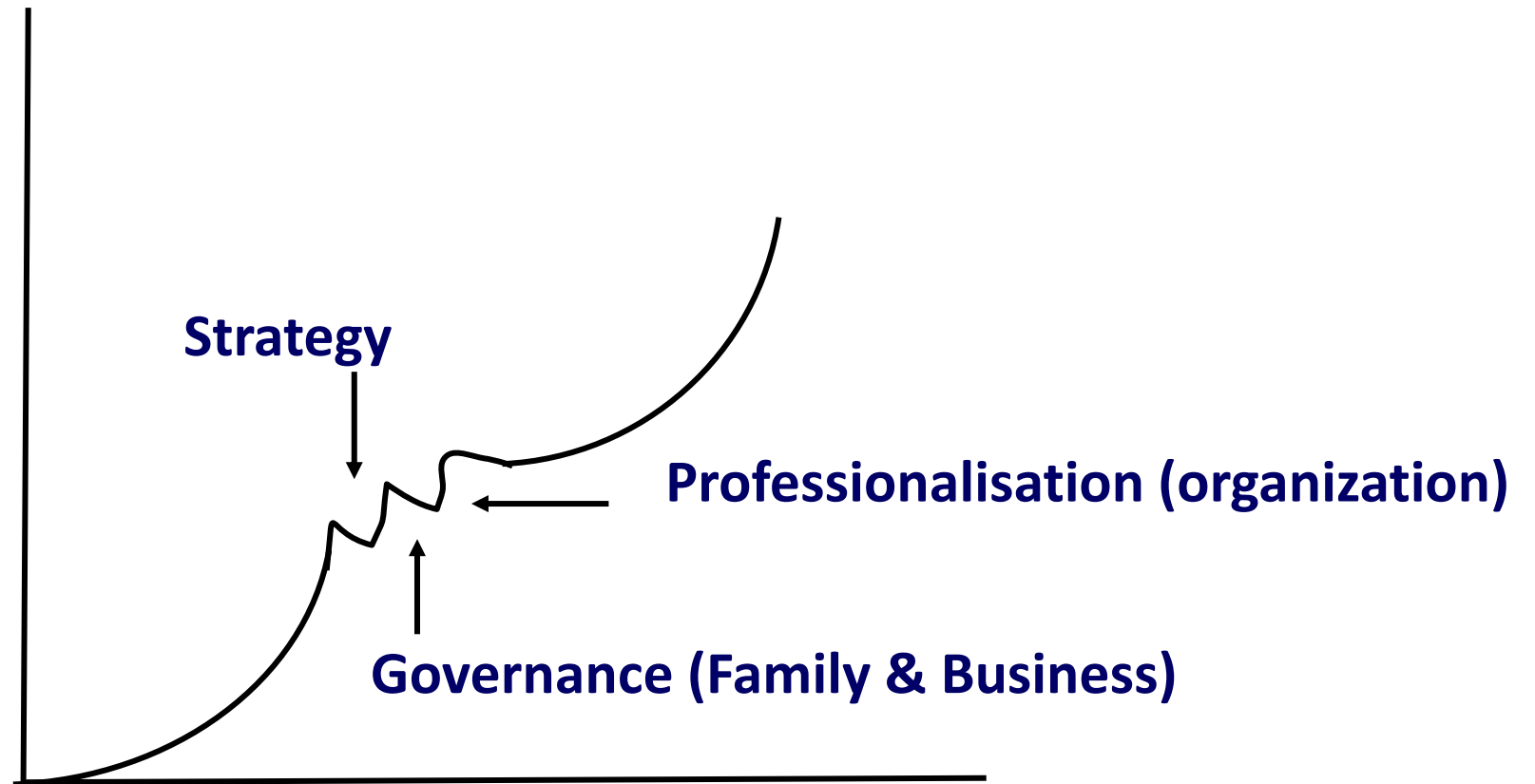


Individualism
Diverging professional goals

Challenges Faced by Indian Family Businesses

Details	Agree (%)
Clearly-defined values for the family business	60
Clearly-defined vision for the family business	33
Innovation across value-chain	60
Tap into emerging business opportunities	34
Clarity on non-family members' role in business	52
Clarity on family members' role in business	45
Policy: Family members entry into the business	33
Policy: Family members exit from the business	24
Policy: Compensation/Rewards for family members in business	40
Policy: Succession policy for key leadership positions	30
<i>Source: Family Business Conference, Indian School of Business (2019)</i>	

Mid size Transformation Crisis





***The Gridlock
Family Businesses Create for Themselves
Why?***

How to prevent?

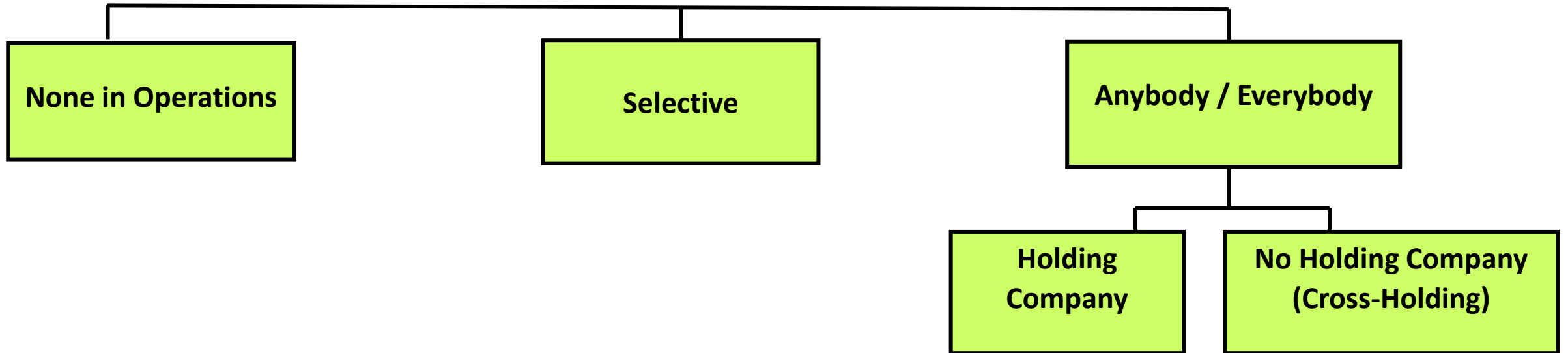
Quick and impactful response

Family harmony key to success

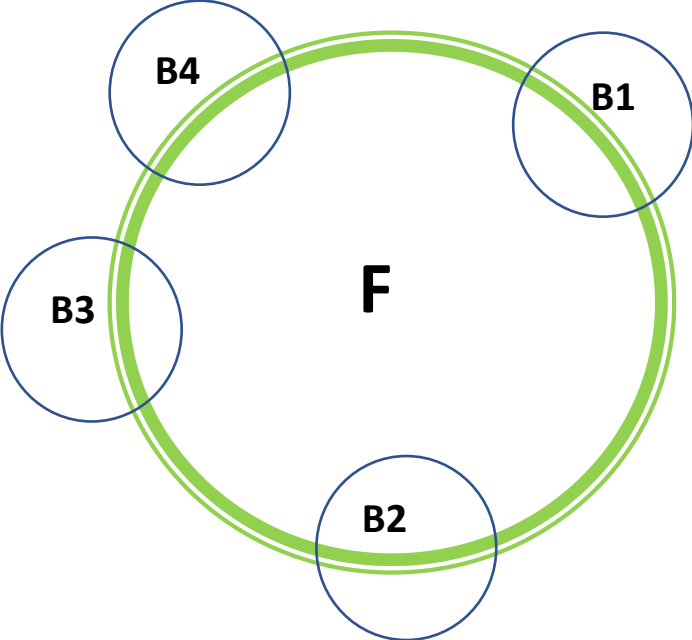
Change Fuel Mix in planned way!



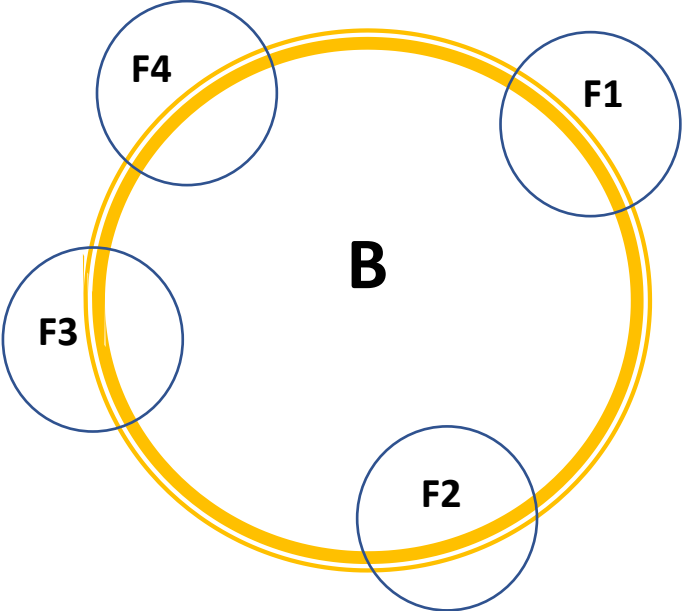
Families' Role in Operations as FBs grow (options)



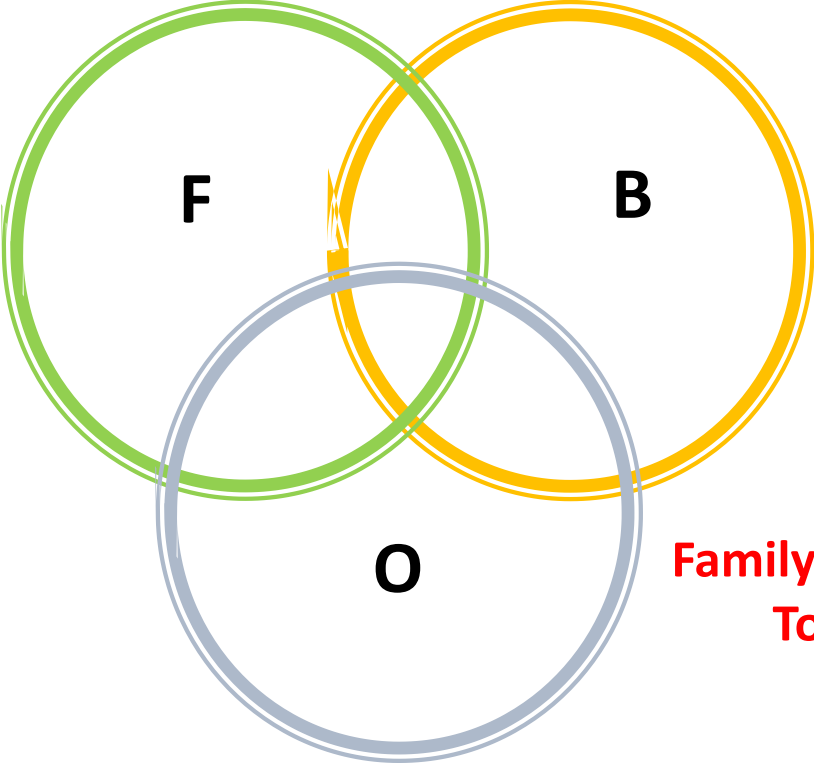
Ring Fencing Strategy & Implications



Family Together



Business Together



Family & Business Together

Future of Indian Family Business

- **Concept of family will continue to change, impacting ownership and engagement with business**
- **Family entrepreneurship will grow with loose network and new ownership models**
- **Ownership pruning will be normal**
- **Game will continue to change beyond mid size and beyond 2nd generation!**
- **Sell & share wealth and achieve “Family Together” option will prevail**
- **Family businesses with crowding in operations will struggle to remain united**
- **Agreeing on family “agreements” will remain challenging**

Action Agenda

- **Build scenarios on family and business fronts and evaluate options**
- **Treat family as “emotional nest”; invest in relationships**
- **Create space for nextgen to pursue their passion; mentor them**
- **Avoid building up of gridlock crisis; be proactive**
- **Redefine life stages in business (Ops to strategy/entrepreneurship at 50); help in transition**
- **Grow to avoid stagnation and irrelevance; act entrepreneurially**
- **Family education on family business; facilitate learning for all**
- **Consider systematic pruning to make governance more effective**
- **Practise strong family governance and professionalized operations**
- **Implementing these in right mix is not always easy!**
- **Start early!**

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Future of Family Business

- **Next Generation in Family Business – Expectations, Realities, Way Forward**
- **Power of Women in Leadership and Governance**
- **Protecting and Growing Family Wealth**
- **Family Business - Learnings from Global Family Businesses**
- **Development of Human Capital in Family Businesses**
- **Family Governance – How to Manage Conflicts and Build Lasting Family Businesses**
- **Implementing Family Philanthropy in Difficult and Uncertain Times**
- **Managing Family Business in Crisis - Building Resilience in Business and Family**

Best Wishes!