

# Leading a family owned business

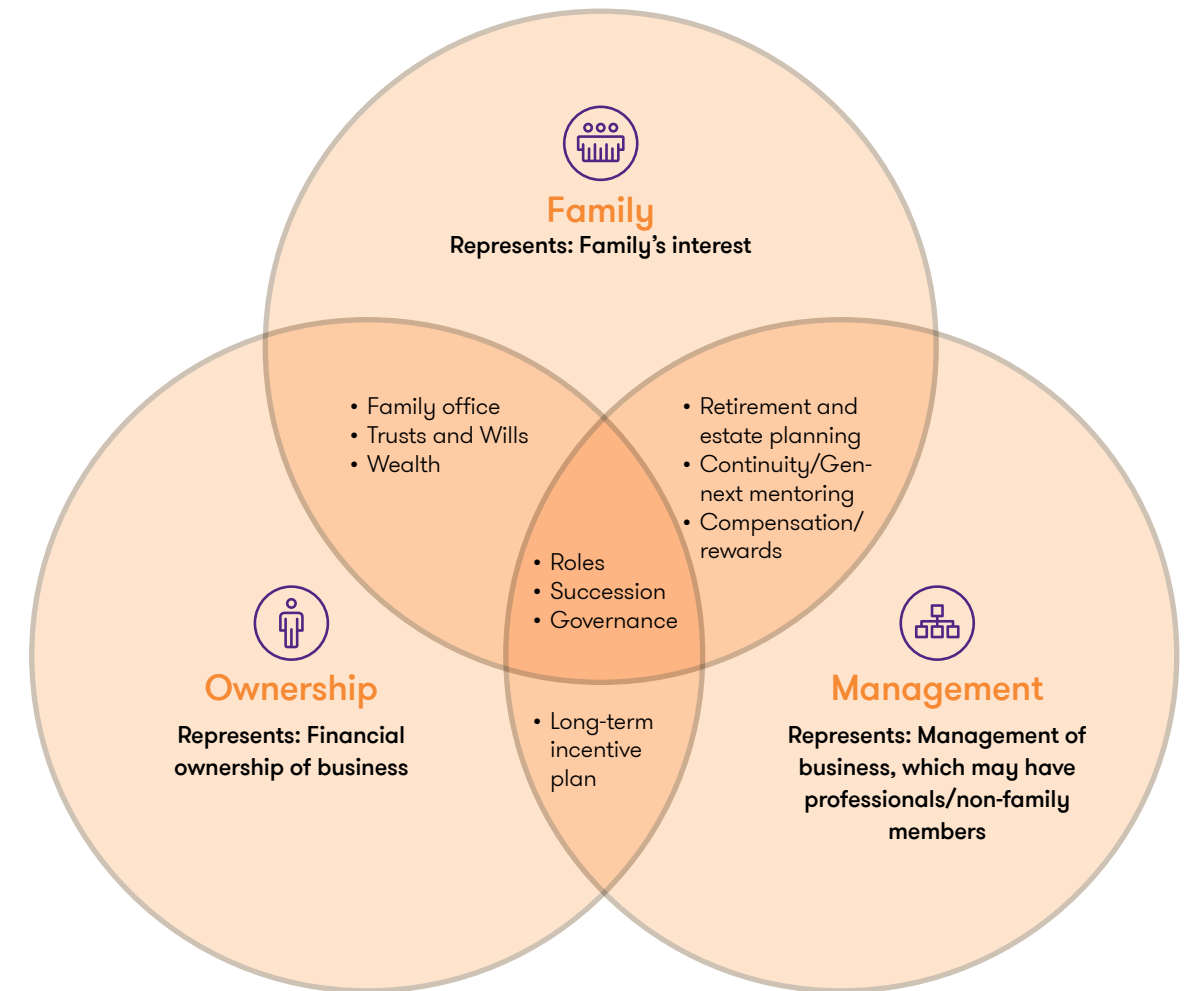
Preserving legacy and passing on the baton



# Introduction

The drive, determination and never say die spirit is what drives family businesses. Global statistics indicate that more than half of family owned businesses find it challenging to set up a formal succession and retirement plan. India is no different. While wealth is what excites everybody and draws utmost attention, it is good governance and robust compliance that ensures sustained wealth over generations.

# What constitutes a family owned business



A family owned business conventionally refers to a business where the family members are active in the business and have at least 20% economic interest in it. A passionate and dedicated family business thrives on strong value systems, stable leadership and quick decision-making abilities. However, as businesses scale, the challenges of building a multi-generational business, which perpetuates the legacy of the founder, become critical.

## Strengths and challenges of a family business

Numerous studies have concluded that family-owned businesses tend to outperform non-family owned businesses due to multiple reasons. Typically, family-owned businesses have a very long-term outlook and are able to resist the temptations of the capital markets, which usually react to short-term events and reward quarterly achievement of financial results. Long-term view allows a family-owned business the ability to invest in the foundations of the business, conduct research and development, and other institution building initiatives.

Family-owned businesses are fraught with challenges of succession, alignment of ownership interests and strategic outlook amongst family members. Hence, in order to perpetuate the business, it is imperative that the founder or the family patriarch implements a strategy that delivers these objectives.

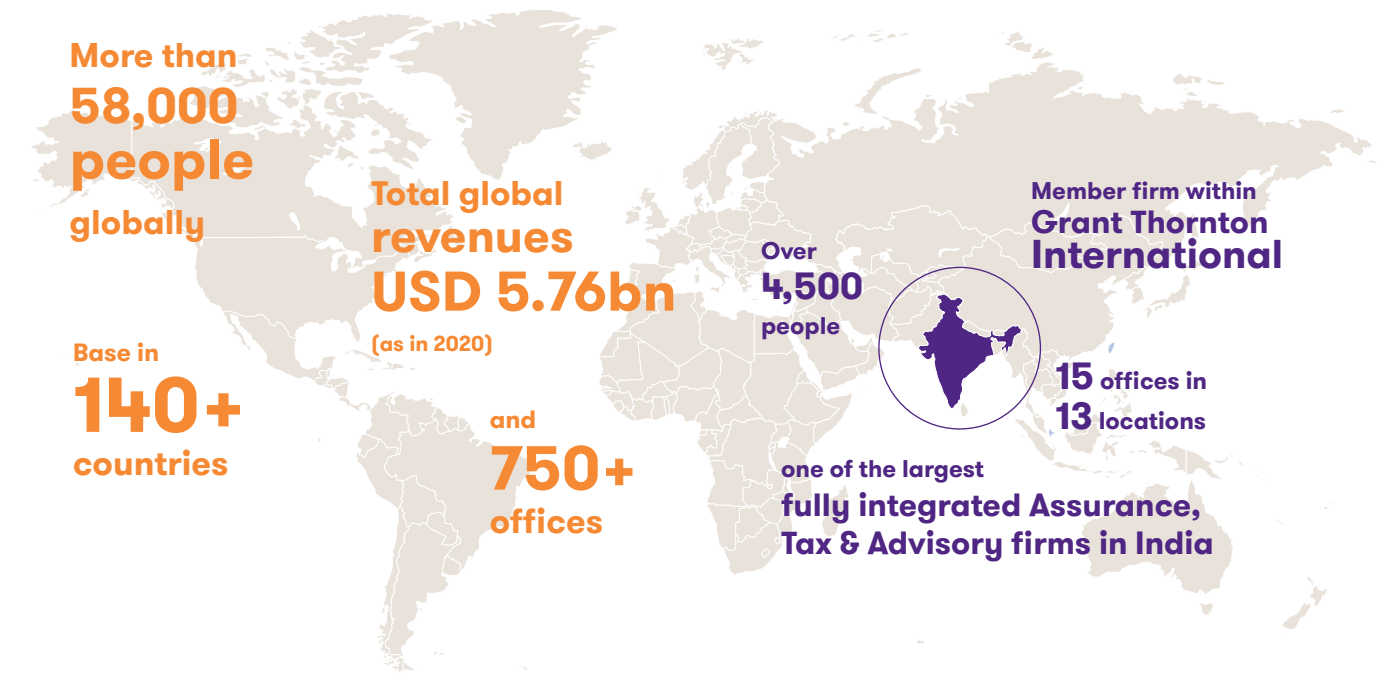
# How Grant Thornton Bharat can help

Grant Thornton Bharat brings its experience of working with entrepreneur-backed companies and owners to provide real life, personalised solutions to help family-owned businesses grow, preserve their legacy and transfer the reins to the next generation.

The Private Client Services team of Grant Thornton Bharat consists of specialists who leverage their multi-disciplinary skills to holistically advise family-owned businesses on diverse matters like:



# About Grant Thornton



## 6 compelling reasons to consider Grant Thornton



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