

View: Entry of the younger set into the family business must be a curated process

ET CONTRIBUTORS Last Updated: Jul 18, 2024, 11:20:00 PM IST

Synopsis

To effectively induct the next generation into family businesses, align their values with the business's core purpose and communicate its mission clearly. Consider individual aspirations. The pre-induction phase focuses on early involvement and family harmony. Key induction phases include entry with a meritocratic approach and discipline. Assimilation involves role clarity, accountability trackers, quarterly dialogues, industry leader mentorship, and external work experience. A clear scope of work and senior mentoring are vital for seamless integration. Storytelling on resilience, shadowing, and objective feedback aid smooth entry. Earning respect from stakeholders and maintaining a professional, not ad-hoc, setup is essential for successful induction.



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Gotta make 'em biz fit, for the mosh pit, both debit and cre-dit

The most significant [capital](#) in a [family business](#) is a committed [next generation](#). So, preparing and inducting the younger set is a key milestone in a family enterprise.

Successful [induction](#) of gen next into the family business begins with understanding and aligning with the business' core purpose and values. It's essential for [seniors](#) to communicate this purpose effectively, selling vision and mission to the new entrants. If the younger set harbours a different purpose, it can lead to conflicts.

Does the business need them? Clearly defining the primary purpose for bringing gen next into the family business is the foundational first step. Does the platform require gen next? Or do they need the platform? From the perspective of continuing the successful journey created by the founder, expectation from gen next is to serve the family business. At times, the family becomes bigger than the business, and accommodating all members becomes difficult. Conversely, the company may require more [family professionals](#) to contribute.

Fitting process, not entry event: A cookie-cutter approach to the process never works well. Although there are some universal best practices, an ideal design factors in a holistic approach where the individual's aspirations and skill sets are aligned with the needs of the family business platform. Induction of the younger lot should be viewed as a process, not an event.

Inducting gen next has three distinct phases:

Pre-induction prep: Focused families invest a lot of time and energy in gen next members to ensure that their interests and exposure are aligned with the business and develop their personalities well.

The benefits of family togetherness and harmony need to be fostered early in the younger lot. They should experience healthy connections, communication and effective management of differences. If the family is disconnected, gen next may feel reluctant to join the family business.

It is imperative that messaging be clear that there is an expectation for gen next to serve the family business. In most business families, dining table discussions, social interactions and even pillow talks revolve around business. This acts as an informal way of induction.

Milestone events in a business need to be discussed with gen next so that tacit knowledge can be passed on to them. Summer internships, shadowing and volunteering within the ecosystem should be encouraged from teenage years. Anecdotal storytelling on resilience and overcoming disruptions needs to become the norm.

Entry: Building appropriate attitudes, work ethic, discipline and a meritocratic approach, along with education and skill sets, are important for the younger generation. Such attitudes are often developed when gen next works outside the business in a professional set-up. The reporting matrix also needs to be carefully curated. It's preferable to avoid reporting to a family member when starting one's career.

Joining a thriving, legacy-backed family business, and working alongside family professionals, can be overwhelming. Sensitivity and patience from family and non-family professionals are necessary.

For the first two years, new entrants should be allowed to absorb, acculturate and equip themselves to discover the system's strengths. Objective feedback should be given during meetings involving professionals and senior family members, detailing strengths and areas of improvement.

This ensures that gen next understands their progress and areas for improvement. Their [career journey](#) could traverse multiple roads, from taking up a managerial role or driving projects as intrapreneurs to starting an entrepreneurial journey under the family business umbrella. If the inductee, or the older generation, realises the individual isn't cut out for a family business leadership role and is better off pursuing their passion, the family should extend support. They can still be involved in the business as owner-investors.

Assimilation: As clarity emerges about the gen next career path design, establishing role and goal clarity becomes

essential. Making a clear-cut plan regarding the scope of work, associated power and access to resources equips the next generation with accountability trackers. Quarterly dialogues around performance and expectation setting are critical. It is the seniors' responsibility not only to mentor and handhold the newcomers but also to assign industry leaders and coaches who can mentor them.

Entering the family business with an entitlement mindset can be detrimental. Authority and respect must be earned, particularly from long-term internal and external stakeholders who have been integral to the business' success. Gen next should strive to understand the organisation's existing culture and integrate seamlessly into the ecosystem.

Creating a robust induction process needs to be well thought out and designed in a structured and professional manner. Handling the entry of gen next on an ad-hoc basis disempowers and disheartens them.

Gen next's success largely hinges on how much the senior generation has been responsible for curating and governing their induction and entry process. This approach ensures that the induction process is not merely a transactional event but a strategic [integration of values](#), culture and a shared vision between the older and younger generations.

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