

# Coaches Help Family Businesses with Makeovers and Takeovers

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## Bengaluru:

With no formal education in business management, Sachin Agarwal, 35, had worked hard alongside his father and elder brother in the family's battery distribution company in Bengaluru. The 30-year-old business was being traditionally run like a shop. The company, Mittal Batteries, was stuck in a time warp. Much against his father's wishes, Agarwal hired a business coach a year ago to help them step out of the traditional mindset and scale their business model. "We didn't know the nuances of strategic hiring, actual business plan and building a company's vision. We had an annual turnover of ₹80-100 crore with no margin," said Agarwal. The business coach handheld them to start manufacturing batteries in-house and scale operations to Tamil Nadu and Kerala.

India ranks third globally in the number of businesses run by families — more than 90% of its companies come under this category. Since the word 'entrepreneur' comes with much uncertainty and ups and downs, many family-owned businesses are now outsourcing help.

Vijay Ladha, a nonprofit business mentor and visiting faculty at Symbiosis Bengaluru, says about 3% of businesses globally do not reach the third generation. "Founders do not delineate from the business. The new generation likes to work differently. Families function as owner-managers and waste time on work that their employees must do. They need business mentors to show them the mirror."

Tatwamasi Dixit, who has advised many a business family in India in the last two decades, says, "If the founder-father is successful, the next generation finds it overwhelming to live up to expectations. Sometimes, the next generation is better at scaling up business. We help in intergenerational integration, keeping egos at bay."

Rajiv Talreja notes that Bengaluru is the second-biggest market for business coaches after Mumbai. "The nature of businesses is different in Bengaluru as entrepreneurs have the competence but not the courage to play it big. With high digital penetration of ecommerce giants like Flipkart and Amazon, family-owned retail businesses have especially suffered. Such families, which want to play it big, are hiring coaches to get results," said Talreja.

Geeta Krishnan, who curated the Goldman Sachs 10000 Women Programme, is now a coach for small business owners after retiring as a director from ISB. He says, "It is not the startups and tech firms that need coaching as they are in their early growth stage. The orthodox and mature businesses like electric manufacturing firms and clinic chains that have plateaued, are the ones that need help."

Business management schools have found their dedicated family-business courses to be popular. IIM-Bangalore has had a 10-month programme for family businesses, the Management Programme for Entrepreneurs and Family Businesses, for a decade now. "Many family-business owners have not been to a formal business school. Matters like succession planning aren't thought of in a professional manner. The alumni tell me the programme gave them tools to do things like approach a bank for loan to scale their business," said Madan Mohan Raj, chief programme officer at IIMB.

The family-business management programme introduced six years ago at Jain University is also witnessing a rise in demand. "It is one of our most popular courses," said Sandeep Shastri, the

institution's pro vice-chancellor.

