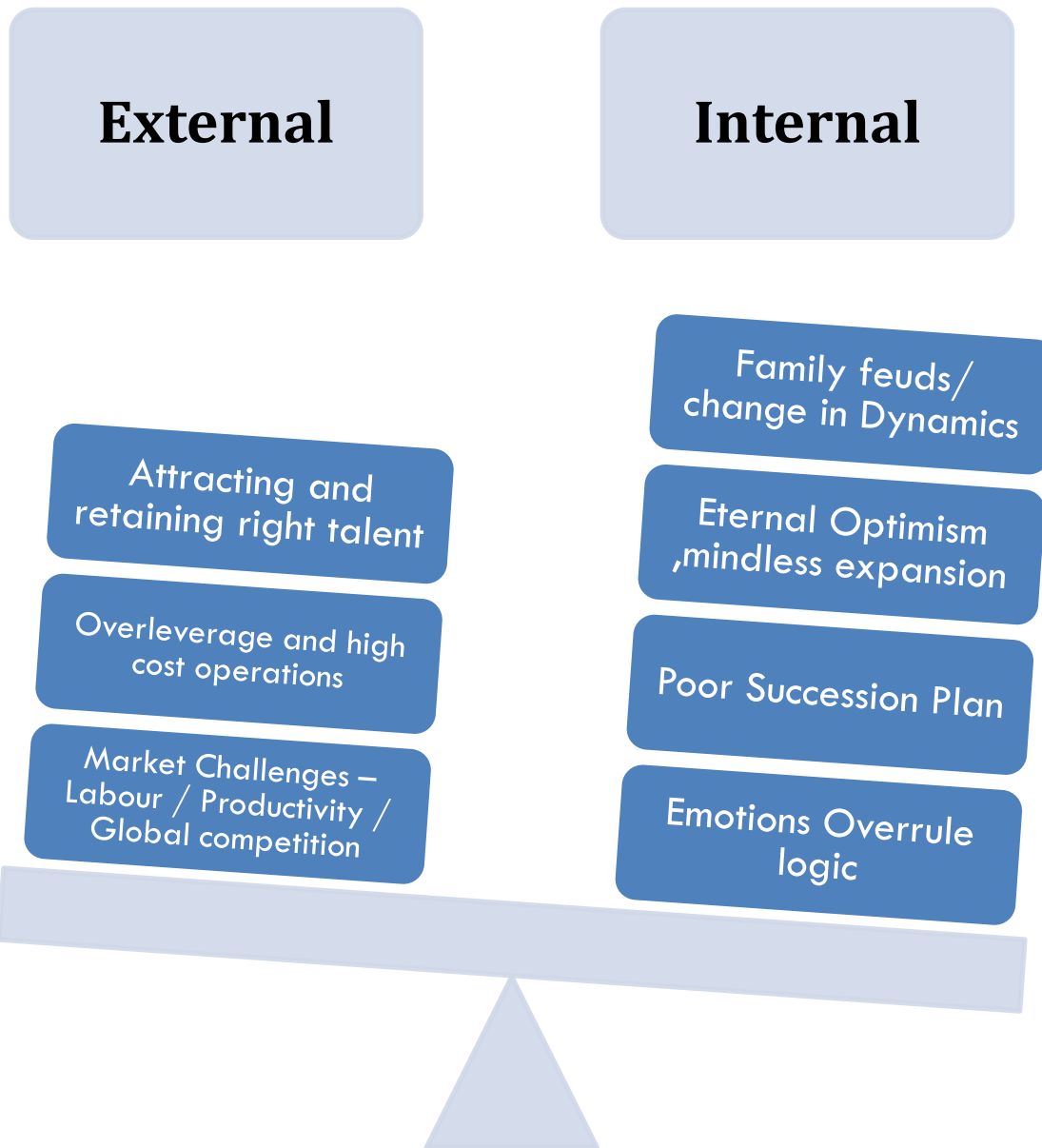


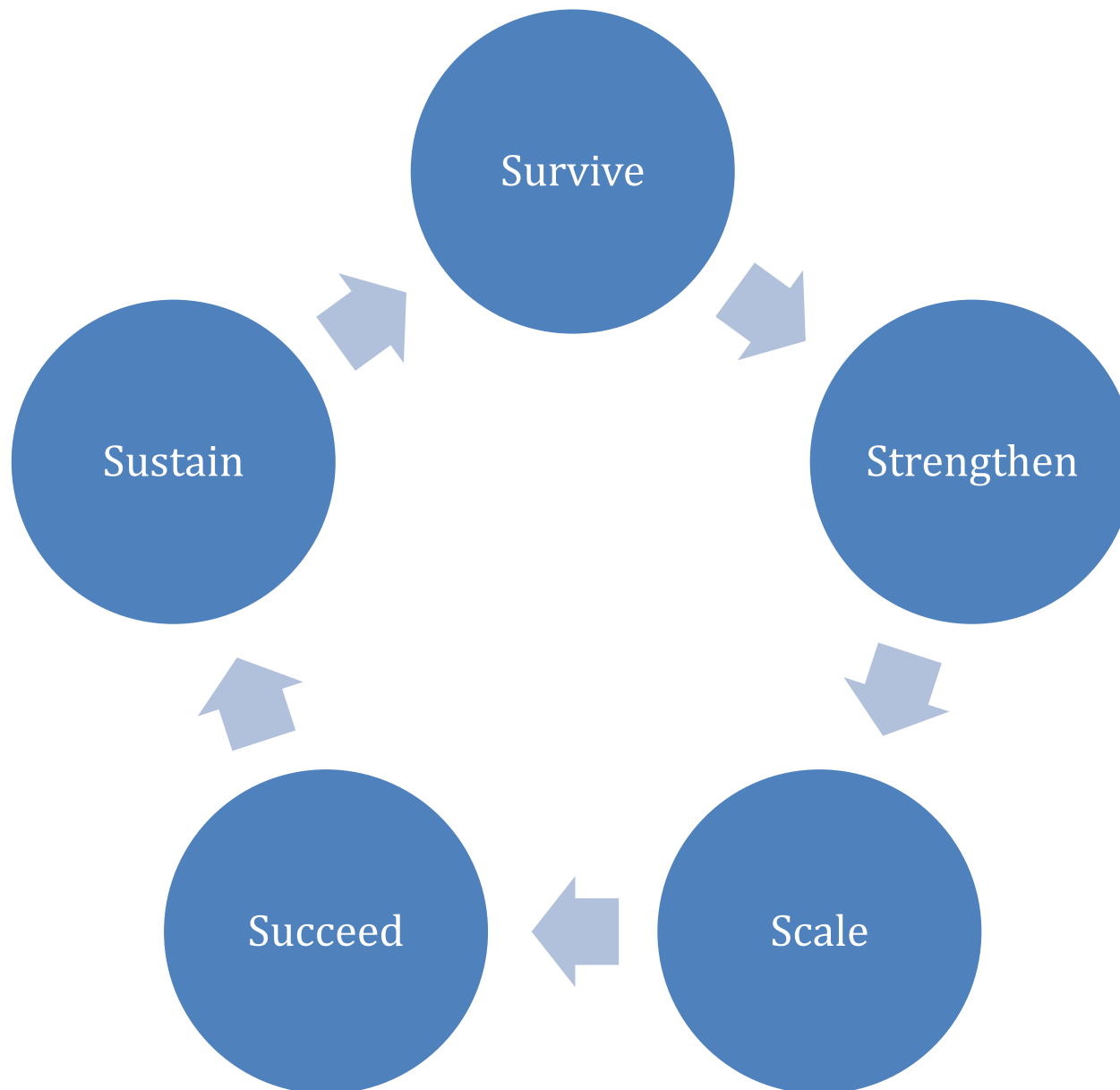
5S of Family business

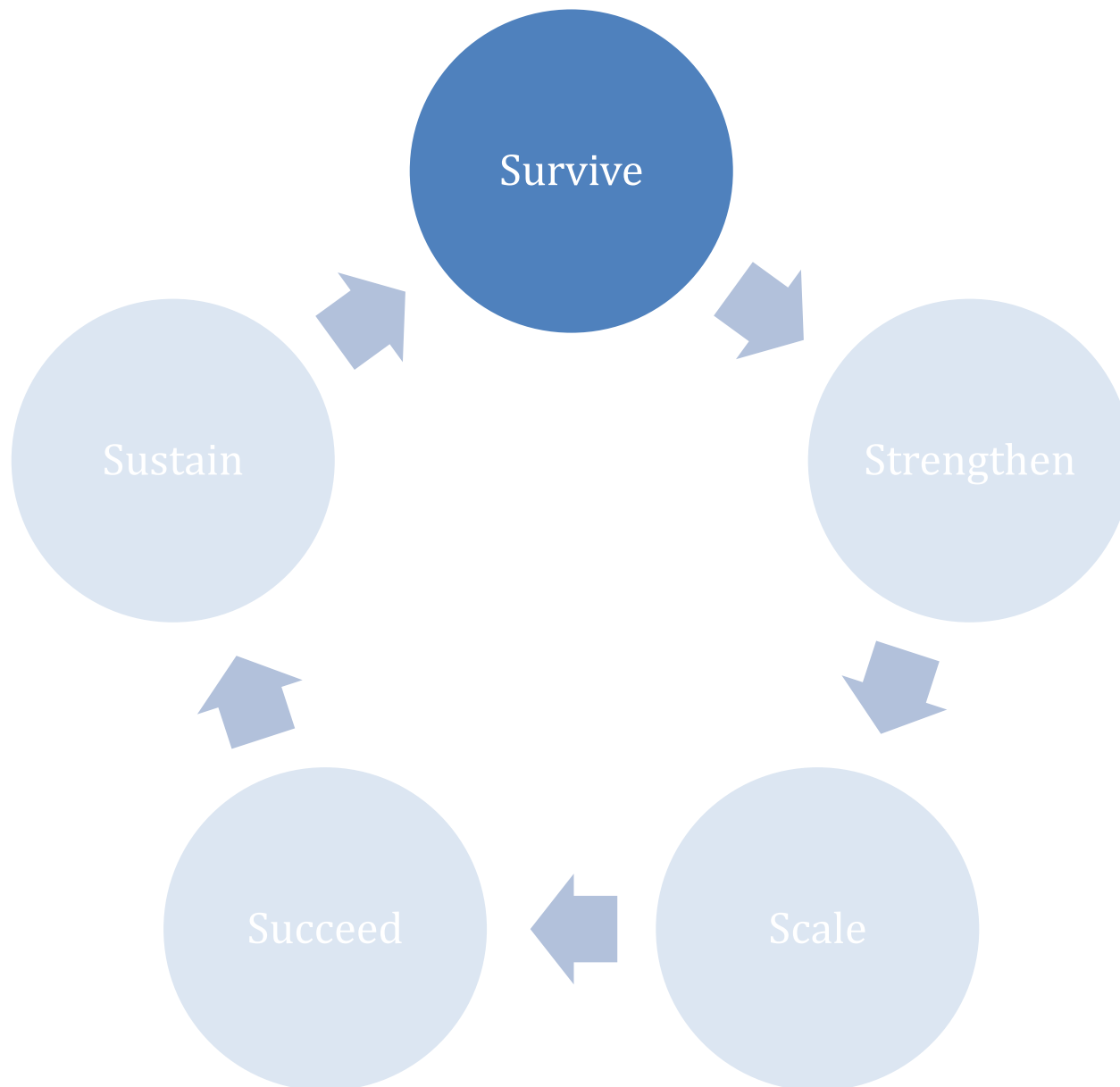
INDIAN SHOE FEDERATION

August 20th 2014

- In India, a whopping 95 percent of all businesses are family-owned
- 13% of family businesses survive to 3rd generation and only 4% survive to the 4th generation
- Family companies account for two-thirds of India's GDP
- Family businesses account for 90% of gross industry output
- 79% of organized private sector employment is generated by family businesses
- 27% of overall employment is generated by family firms







**Running an
unviable business
with high optimism**

**Mindless Expansion
leveraging business
above the topline**

**Overdependence on
a single client**

**Brewing Family
Issues and Conflicts
left unsolved**

**Poor Succession
Planning**

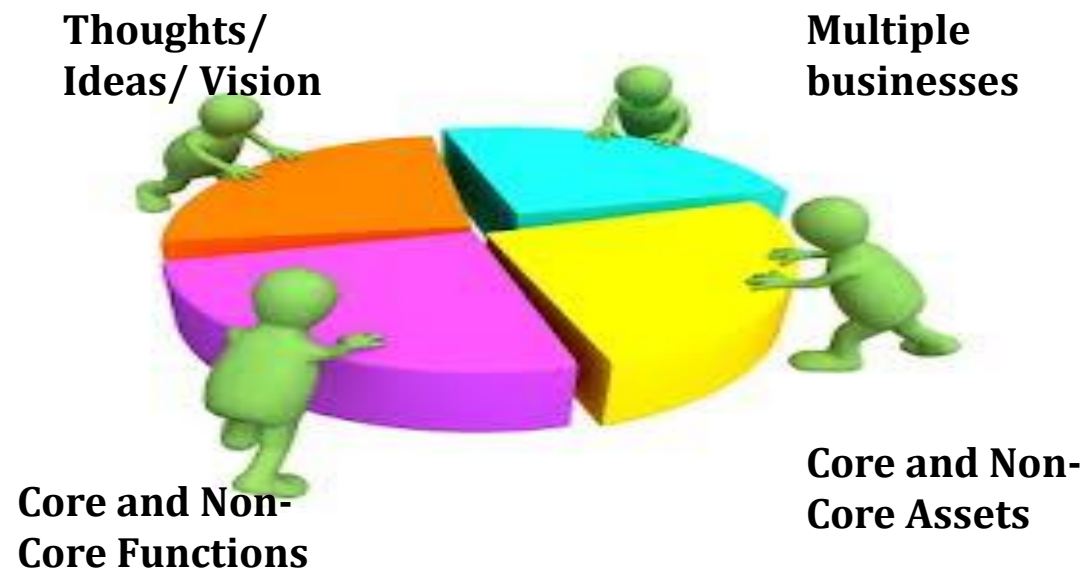
**Paying little / no
attention to trusted
advisors during
good times**

Lack of Compliance

**Different vision
across generations**

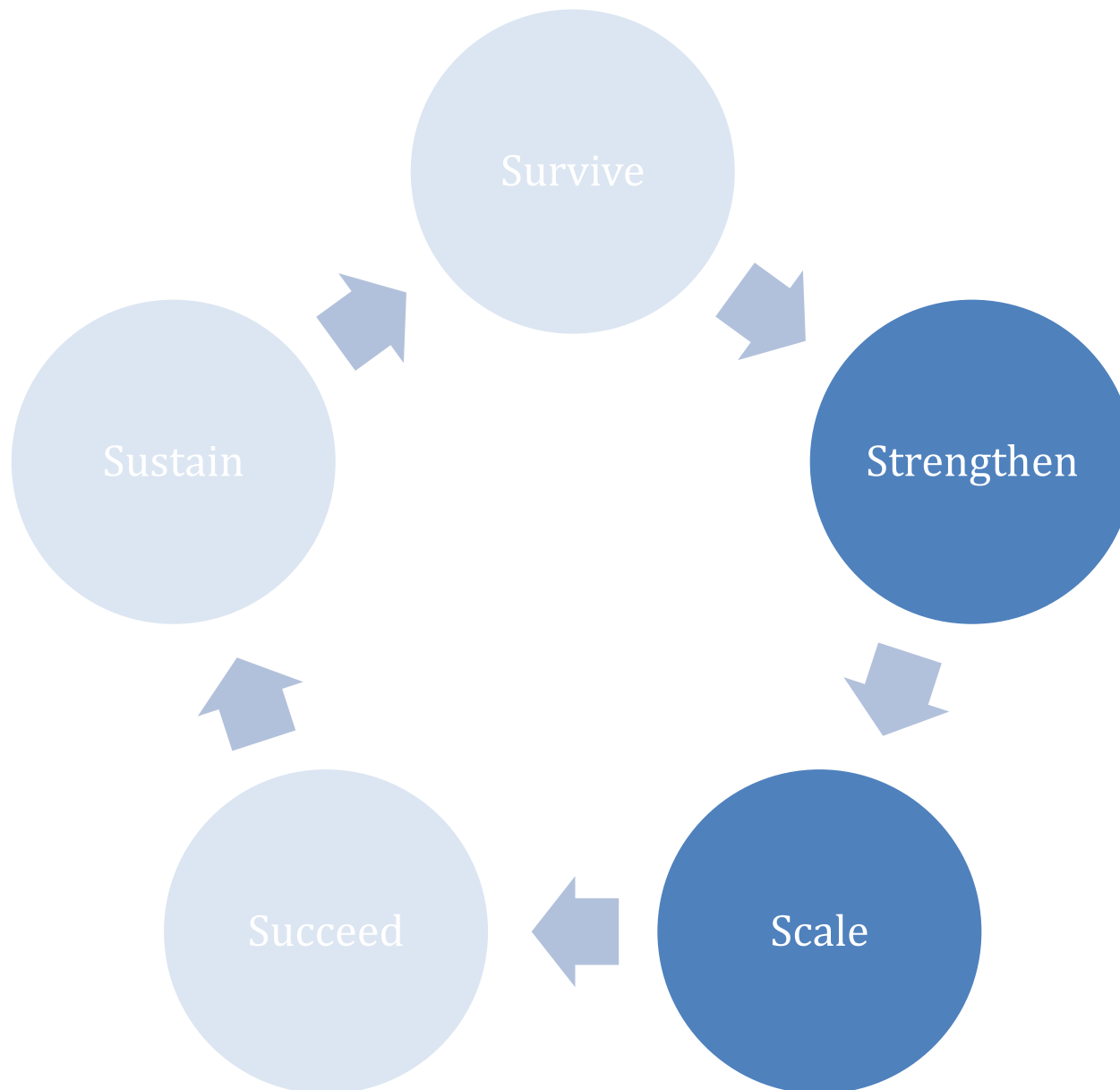
**Poor strategic
planning**

CONSOLIDATION



RESET VISION AND RE DEFINE EXECUTION PLAN

STRENGTHEN THE EXISTING FOUNDATION



STARTING

- 1st generation Technocrat
- Decision to start the business
Converge on the idea
- Bootstrapping the business

GROWING

- Expansion into new Business -Customers/ Products / Markets
- Need for additional professional talent and skill upgradation for loyal employees
- Tie up with Banks/ Financial Institutions

Transformation in mindset

PROGRESSING

- Family members joining
- Centralized Decision Making Style
- Recruit a small team – Friends and Relatives
- Financed from Internal accruals

INSTITUTIONALIZING

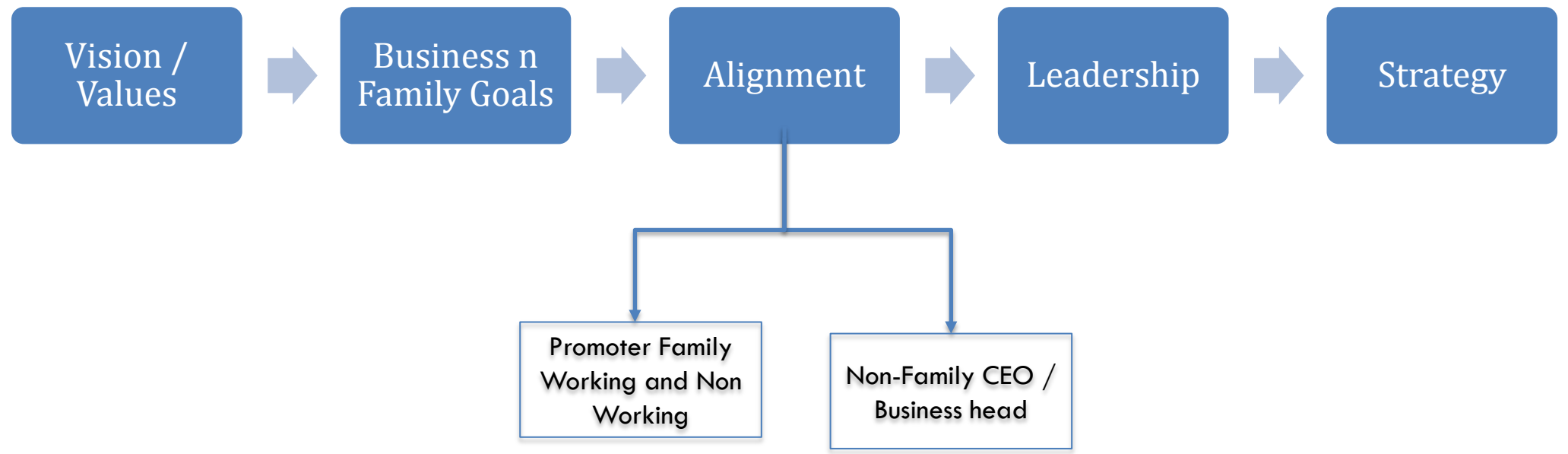
- Entry of new family members (Next Gen)
- Change in management style – Ownership versus Management issues
- Look out for External Capital – Equity to grow further
- Decentralized Decision Making Style
- Need for Restructuring etc

STRENGTHEN the entrepreneurial family



SCALE into professional family

Details	Entrepreneurial Family	Professional Family
Purpose	Create Wealth	Leave Legacy
Vision	Build Business	Build Institution
Values	To be taught	Imbibed
Behaviour	Emotions	Egos
Execution	Adhocism	System and process driven
Financial Management	Poor / Adhoc	Knowledgable & disciplined
Ethics	Flexible	Uncompromising
Decision making	Consensual but fast	Process driven & slow
Risk taking	After thought, gut feel, impulsive	Measured / Calculative/ Proactive
Transparency	Erratic	Balanced
Communication	Informal	Seamless
Sophistication/Exposure	Limited	High
Ability to spot opportunity	High	Limited
Perseverance	High	Low
Trust	Blind trust	Trust but verify
Passion	Unlimited	Defined
Driven by	Opportunities	Synergy



Clarity in Roles and Responsibilities

Board and governance in place for well defined decision making

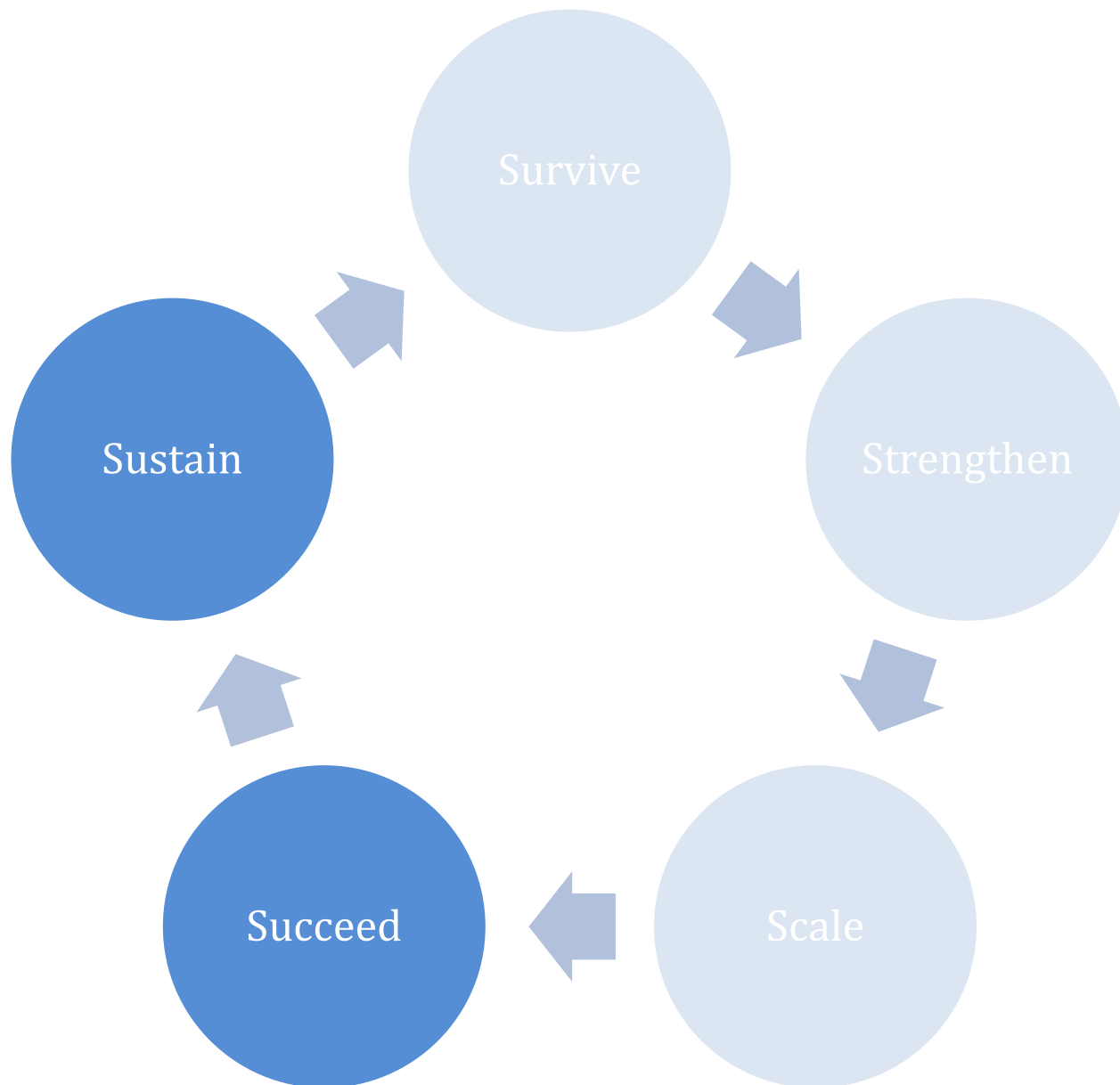


Continuous Skill Up gradation/ Coaching and mentoring

Performance Evaluation and recognition of working family members

Organized meetings to discuss family issues in business

Succession Planning mapped with aspirations

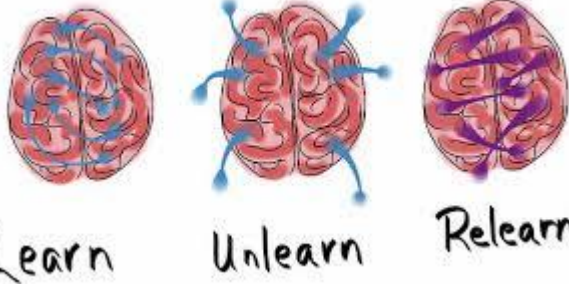


“Success is a lousy teacher. It seduces smart people into thinking they can’t lose.”



-Bill Gates

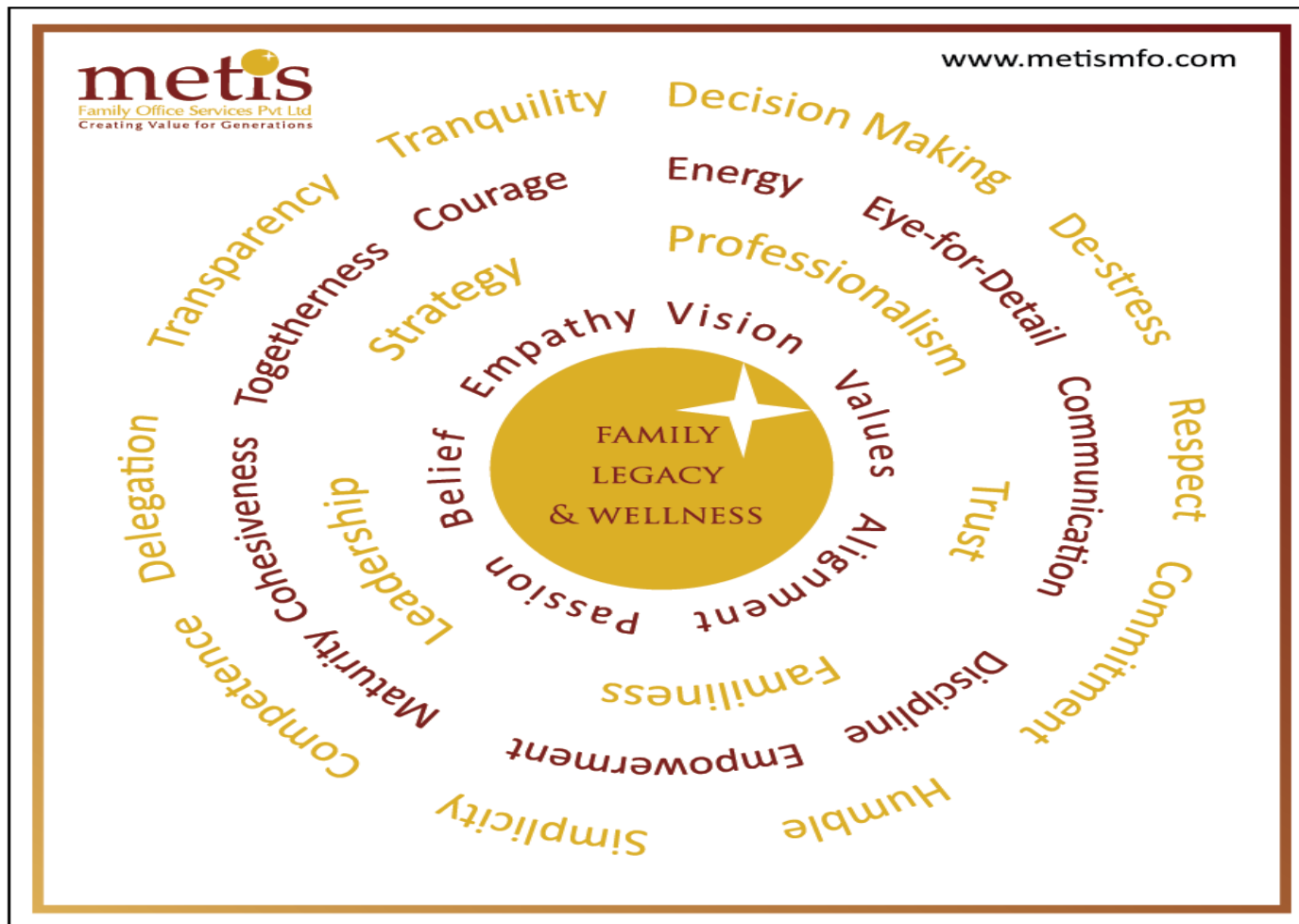
- What defines success
 - *Wealth*
 - *Health*
 - *Peace of Mind*
 - *Respect in Society*



- Stay current and move ahead to succeed
- Let success become your culture



- Sustain by
 - *Sticking on to core values*
 - *Best Practices throughout the organization*
 - *Early succession Planning*
 - *Clear family governance and constitution in place*



THANK YOU