15 HOW TO MANAGE FEUDS IN FAMILY BUSINESS
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HOW TO MANAGE BUSINESS DURING FAMILY FEUDS

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Founders of all family businesses dream about continuity beyond multiple generations. The reality is different! Most family businesses break up in the second or third generation under a variety of circumstances. Unfortunately, most separations are painful leaving bitter memories. This amoeba type behaviour of family business affects mid-size firms much more than anybody else. Several family business leaders have started taking precautionary steps to avoid splits of family.

REASONS BEHIND DISPUTES
We need to understand that a family business is a synthesis of family and business systems. These are two entirely different systems with family, driven by compassion and togetherness while business represents competitiveness and objectivity trying to coexist. As a business grows in size and complexity, there are possibilities of ownership redefined with the entry of non-family investors.

Most members of family businesses are driven by family rules of equality, birthright to work and inherittance of wealth without clear restrictions. They lack policies for most such activities and also any platforms to express their views. The absence of any such structure, policies and processes lead to growing confusion.

Most family members and even key employees face various dilemmas about the way they should respond to situations and make assumptions about the behaviour of others. Assumptions that are not validated lead to deviations, further leading to growing differences among family members. The next step in this free fall from grace is disputes or family feuds leading to destruction of the family business and family relationships. These 3Ds are difficult to be spotted unless the family makes efforts to develop policies early on.

PREVENTION IS BETTER THAN CURE
Families need awareness about the natural progression of dilemma (the first D of 3D) to destruction (the last D) if preventive steps are not taken. Such a basic education can prompt families to take a holistic perspective about the multi-pronged challenges family businesses face. High quality family governance and practice of professionalism using appropriate structure, systems and processes are the two integrated vehicles required to avoid family feuds.

Families that have already moved beyond the dilemma stage, should organize introspective sessions with the help of experts to take stock of the situation. They will have to formulate policies based on wide consultations. Such an approach starting with alignment of family members on the same page is crucial. Finally, everything depends on effective implementation of the decisions that help manage feuds.