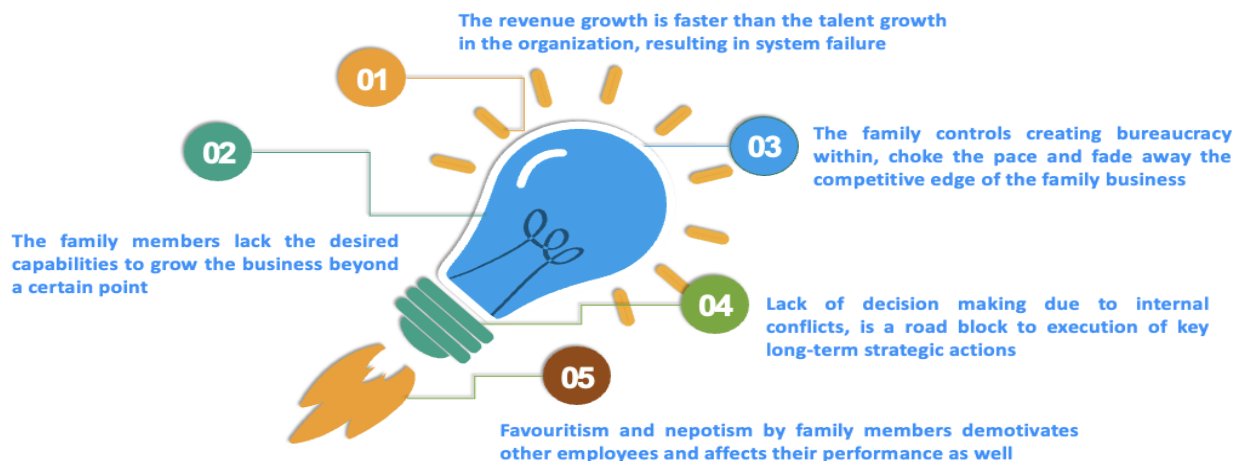


Transitioning a Family Run into a Successful Professional Run Business

Multigenerational family businesses often face a crucial moment where the current generation recognizes the need for a non-family leader.



Situations that the family business should consider to initiate the transition to professionalisation.

So what should family businesses do to get this transition right? We believe they need to take four crucial steps.

Define the Family's Role:

- Create an agreement among family members on the need to professionalize and clarify their vision for the company's future. They must align their aspirations for the business and for themselves
- Define each generation's specific role is essential. The family must articulate the sources of the company's distinctiveness and success. It should then identify which elements of that distinctiveness must be retained in order to ensure continuing competitiveness.
- Identify new ways to make the best use of family members skills, areas of involvement & leadership levels

Define the Company's Way:

- Articulating and institutionalizing the company's culture, values, and leadership behaviours is essential to successful professionalization
- Support the family to set out behavioural expectations for its leaders, top managers, and employees throughout the organization
- Set clearly defined expectations to help potential future leaders understand the requirements for success at the company



- Create a leadership behaviour charter that articulates clear dos and don'ts, which are sometimes integrated into the appraisal process for executives.

Strengthen the Company:

- The Leadership Team- Advise the family to decide who will lead the company, determine the leadership team's structure and composition, and set forth the expectations for the team's performance.
- The Organization Structure- Support in designing the structure to support the company's growth goals over three to five years. The structure should also reflect the company's culture and history. To ensure successful collaboration, role mandates within the structure should be clearly delineated and communicated.
- Business and Support Processes- Facilitate leaders to focus on defining cross-functional and critical business processes as well as key support processes
- Control Systems- Create systems & reporting mechanisms to provide visibility for family members into, or even control over, the company's performance thereby enabling family member to relinquish operational control

Strengthen the Governance:

- The Family Council- Enable the family to decide how it will be governed and how it will manage its relationship with the business i.e. family governance, family's role in business & how it will make decisions
- The Board of Directors- By inviting non family members to join its board of directors, a family business gains access to executives and specialists who can provide valuable insights that support decision making.
- The Corporate Centre- The corporate centre supports the family in running the business and helps the various business units achieve their objectives.
- The Executive and Management Committee- Facilitate the family to clarify the roles of the company's leadership team and how it will make decisions.

At Strategea, our recommendations include building a phased transition plan, developing role clarity & handover process, creating a governance & ownership structure as elements to create a successful transition to a professional run business.

Call us to know more about how at [Strategea](#) can help you to develop a structured goal-oriented approach to transition from a family run to a professional run business.

About Strategea:

Strategea is your trusted partner on the journey of transforming your business into a thriving and scalable enterprise. Our mission is simple yet profound: to guide business leaders like you to realize your growth ambitions, embrace transformation, and accelerate your path to success. We work with our clients to provide holistic and customised solutions in the areas of Organization Strategy,



Operations, People and Digital Transformation in order to enhance organizational performance and achieve their aspiration!

Business leaders in India face a favourable growth opportunity both in domestic market & globally. To be able to grow to the next level, business leaders need to find a way to replicate their success in new product categories which they need to enter to grow to next level, reduce their learning curve to develop profitable revenue streams in newer markets, achieve efficiencies while they scale their operations and rally their people around the growth vision & business initiatives.

Strategea brings in the required expertise to guide business leaders on solving the complexities that come their way while scaling and expanding their operations to realise their growth aspiration.

Playing the Business Game : Running a successful business is a high-stakes game. Your business journey has routes, detours, and all sorts of obstacles you have to work through. So you need a map. In this book “Playing the Business Game” we are addressing the construct & thinking i.e. what could be direction that you want to take, what model suits you etc. to put your business on a high growth trajectory.

Connect with Us: To Grow Your Business Faster & Better

We love to hear from you. If you are a business with a rapid growth ambition, don't hesitate to contact us. Let's begin a conversation about how we can help you achieve your goals and set your business on the path to success.

Call us on + **91 9702 875 475** or write to us on info@strategea.in and visit us on www.strategea.in

