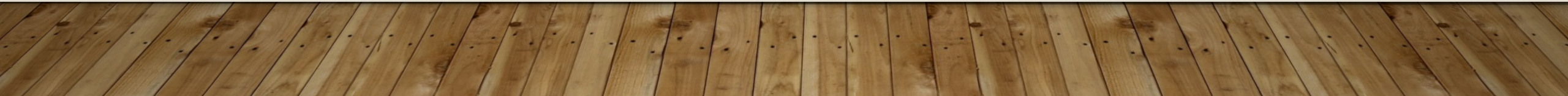


FAMILY BUSINESS



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- A family business is a business that is owned, operated and handled by two or more members of a family. These members should be blood-related, related by marriage or adoption.

QUALITIES

A family-owned business has to have the following qualities-

- A sole family has to own the majority percentage of the ownership
- Has to have control over the voting system.
- Possess power in strategic decision-making.
- Multiple generations of that single-family have to be involved in that business.

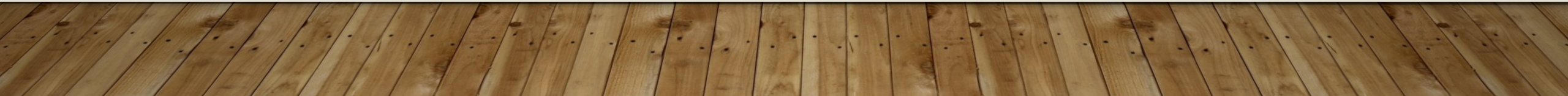
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- A family business is of utter significance in the economy of a country. It is one of the oldest economic systems with a substantial contribution to the GNP or Gross National Product of a country, total export, and total employment.

FAMILY BUSINESS EXAMPLES

Company	Country	Industry	Family Name
Walmart	USA	Retail	Walton
Tata Group	India	Conglomerate	Tata
Reliance Industries	India	Conglomerate	Ambani
Berkshire Hathaway	USA	Conglomerate	Buffet
Ford	USA	Automotive	Ford
Dell Technologies	USA	Computer Hardware	Dell

FAMILY BUSINESS CHARACTERISTICS

- **Members:** Family business management is conducted by a group of individuals who are also the members of a single family is the owner and runs the enterprise.
- **Position of members:** The role and position of the family members in the business enterprise depend upon the relationship between the members.
- **Control:** The family exercises control over the enterprise since the family is the major shareholder in the company.
- **Mutual Interest:** The family members who hold key positions in the business are supposed to influence the business policies as determined by the mutual interest of the firm and the family.
- **Involving Multiple Generations:** The family looks after the business management and operations, and thus the rein is passed from one generation to the next.
- **Mutual Trust:** All family members must have mutual trust in every involved member since they have a mutual origin, the same values, business orientation and ethics.
- **Integrity and Transparency:** These characteristics are built by strong moral principles and determination toward business goals and honesty in transparency in business.



TYPES OF FAMILY BUSINESS

- 1. Family Owned Business:** Family-owned businesses are considered one of the oldest forms of business. As its name suggests, a family-owned business is an entity wherein the controlling size of an ownership stake is owned by a family or by the members of the family. For example, Reliance Industries.
- 2. Family-Owned and Managed Business:** In a family-owned and managed business, its control and ownership belong to a single family or a single member of that family. In this business requires the active participation of a minimum of one family member at the top level of the organisation so that one or more family members can have ultimate control over management. For example, Godrej, Bajaj, Ford, Samsung etc.
- 3. Family-Owned and Led Business:** A family-owned and led business refers to a company where ownership and leadership are controlled by members of the same family. In such businesses, family members not only hold a significant stake in the ownership of the company but also play key roles in its management and decision-making processes. For example, Tata

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- While all three types of businesses involve family ownership, the level of involvement in management and leadership roles varies. Family-owned businesses may have family members as owners but not necessarily involved in management. Family-owned and managed businesses have family members actively managing operations, while family-owned and led businesses have family members in top leadership positions guiding the strategic direction of the company.