BUSINESS GROUPS AND FAMILY BUSINESS IN INDIA

- Meaning of family business
- Top ten family businesses in India
- Importance of family business:
  - (i) Contribution to economic development
  - (ii) Spirit of entrepreneurship
  - (iii) Quick decision-making
  - (iv) Philanthropy
  - (v) Lower transaction cost
- Role of family business in India:
  1. Rapid industrialisation
  2. Economic self-reliance
  3. Employment generation
  4. Development of backward areas
  5. Better standard of living
  6. Rise in national income
  7. Public revenue
  8. Social welfare

(6.2) (8A)

- Challenges faced by a family business:

(i) Attracting and retaining outside talent
(ii) Conflicting values
(iii) Different personalities
(iv) Expectations
(v) Role of female members in business
(vi) Compensation
(vii) Succession

- Key challenges facing family business in India:

Intra-family disputes, patriarch acting as a control freak, lack of professional management, absence of family constitution on the running of business and handling family wealth, lack of conflict resolution mechanism, lack of communication among family members, unsound and unfair employee policies, lack of quality controls, failure to keep pace with modern techniques and advancements (9)

(6.3)

- Factors to be considered before starting a small business:

1. Knowledge of the business
2. Passion for the business
3. Target market or customers
4. Location of the business
5. State of the economy
6. Capital requirement
7. Back-up financial plan
8. Timing of business and time management
9. Competitors
10. Profit in the business

P.T.O.