

Emami Founders Put GenNext at Helm

The founders of the Kolkata based Rs.9000 crore Emami group, RS Agarwal and RS Goenka, have established a family advisory board. Young generation members of the two families have been included in the board as part of a succession plan. The conglomerate has business interests ranging from consumer goods to real estate. Non-family professionals heading different businesses will report to the advisory board. Aditya, Harsh and Priti from the Agarwal family and Mohan, Manish And Prashant from the Goenka family are included in the advisory board, which will be responsible for the execution of the succession plan. The group has decided to rope in a US based consultant to help them in this process.

Formation of the advisory board comes as a result of the group changing its earlier plan of nominating one next generation member from each family as successors. Harsh Agarwal and Mohan Goenka were considered to be the front runners as successors according to the earlier plans. However, the group decided to form the board to avoid conflicts in future. *"Both families have equal cross-holdings across various group companies and will seek advice from experts to chart out a robust plan. We have ensured that the next generation in the family shares a close relationship similar to mine and Mr. Goenka's and all of them are not different from each other in their values, mindsets and approach to business,"* said Agarwal. The board of directors of each business of the Emami group will have one member from each family. The group has also laid down a strict formal code of conduct for family members that bars acts such as taking personal loans from business or speculating in stock markets and even restricts the number of holidays per year. *"Succession planning is an area we are looking at very carefully and seriously, and taking a lot of advice from experts to ensure unanimity in the family and working together to achieve business goals,"* said Agarwal.

Source: The Economic Times, June 25, 2015.