

Indian Family Businesses Seeking Outside Mentors

Many of the Indian family businesses are entering a phase of generational shift in their top leadership. The likes of Future Group, Wipro, Adani Group, Videocon Industries, TVS Motor Company, Videocon Industries, VIP Industries and Piramal Enterprises have all brought on board their next generation family members in the recent years. Most of these business families are nuclear in nature, which means that they lack a traditional family patriarch to whom they can turn for guidance. Due to this, business families are increasingly employing the services of an external consultant to mentor their next generation members. Family businesses are increasingly realizing that coaching and mentoring is a crucial support for young business leaders. *"Mentoring is an end-to-end involvement that is focused on the world view transformation of the individual and his or her consciousness,"* says P. M. Kumar, Business Chairman, Institution Building and Governance, GMR Group. The preference towards an external mentor is the desire to be open to the new ideas that an external mentor brings. Also, it may not be easy for a father or family elder to suddenly change into a mentor, as his personal relationship with the mentee may pose limitations in opening up to each other.

Reji K. Joseph, Director of the Kerala based Rs 1,600-crore Paragon Footwear Group, has been an internal mentor for the next generation members of the family. However, the family soon realized the importance of an external mentor. Kavil Ramachandran, Executive Director of the Thomas Schmidheiny Centre for Family Enterprise at the Indian School of Business, has been the external mentor to the Paragon family for the last four years. *"It makes a lot of difference when Ram (as Joseph refers to Ramachandran), with his stature and calm and composed manner, backed by data, makes them (next generation members) see things in a different light. They listen to him,"* says Joseph.

"Increasingly, and especially over the last three to five years, Indian family business leaders are seeking outside mentors as they are becoming aware of the challenges ahead. Be it those relating to communication, consensus, ownership, transfer of ownership, retirement, succession or even building leadership," says Ramachandran confirming the rising trend. An unbiased objective advice of the external mentor carries weight and is listened to by family members. This, along with the broad exposure and experience of the mentor makes external mentoring an effective way to groom the next generation.

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