

Family owned firms offer the best value for shareholders?



In light of recent events concerning family businesses, such as News Corp, the value of family run businesses has been the focus of much discussion.

In a [video interview](#), Ajay Bhalla, Professor of Global Innovation Management at Cass & Associate to Thomas Schmidheiny Chair of Family Business at Indian School of Business, Hyderabad, argues that family owned businesses are more successful in the long term, pointing out that approximately two-thirds of S&P 500 businesses are family owned.

He discusses the difference between first, second and third generation ownership and how power is kept in the family through the distribution of Class A and Class B shares.

In addition, he points to the difference between Western and Eastern family owned businesses and suggests that for family owned businesses to have increased value for all stakeholders, not just those in the family, the eastern model is preferable.