ISB Thomas Schmidheiny Centre for Family Enterprise

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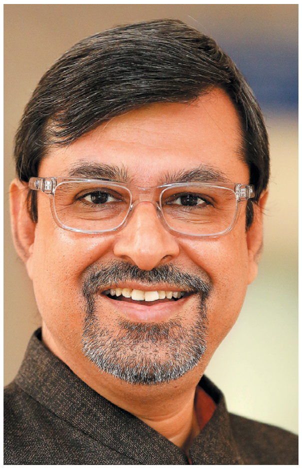
Family Enterprise *Quarterly*

Editor's Desk



Professor Sougata Ray,
Executive Director
Thomas Schmidheiny
Centre for Family
Enterprise, ISB

We are thrilled to bring you this edition of the Family Enterprise Quarterly. As we bid goodbye to 2024, we hope this year has been a good one for our readers and wish that the year 2025 brings more happiness, health, and harmony for everyone. The new year is a sign of the constant change around us and, as a family business, reminds us of the fine balance one has to maintain between staying rooted to our founding values while also evolving and growing with emerging trends and times.

Speaking of change, BVR Reddy, Founder-Chairperson and Board Member of Cyient, who is featured in the *C-Suite Wisdom* section, discusses, among other things, how handing over the reins of the business to his son allowed him to redefine his professional life and explore new avenues of impact. In the *Women in Business* section, Pratima Kirloskar highlights the role of women as cultural anchors in business, bridging tradition with modern expectations.

Our *Legacy Builder* spotlight is on the remarkable Balvantray Kalyanji Parekh, affectionately known as 'BKP' or 'Balubhai,' Founder-Chairman of Pidilite, whose leadership transformed Pidilite into a household name, and his vision continues to inspire generations. Another iconic leader, Jamsetji Tata, is the subject of our pick for the *From the Bookshelf* section. In their book, *Jamsetji Tata–Powerful Learnings for Corporate Success*. Authors R Gopalakrishnan and Harish Bhat examine how Jamsetji Tata's values created a multi-generational enterprise, institutionalising principles that have become the cornerstone of the Tata legacy.

Turning to the *Next-Gen* segment, Ankit Agrawal, Director of MDPH and Zed Black, shares his perspective on planning for succession and fostering professionalism in family businesses to ensure longevity. The hugely popular Mavalli Tiffin Rooms, or MTR as it is more commonly known, is the *Vintage Regional Icon* for this issue. As it celebrates its centenary, we look back on the journey of this iconic institution. In the *Global Perspective* section, Volkswagen takes centre stage. Chronicling its history of innovation, family business dynamics, and resilience amidst changing geopolitics, we learn how this leading global automaker navigated challenges to remain a powerhouse in the industry, making it a fascinating case study for businesses worldwide.

This issue also includes a summary of the case study, 'Kanwal: Navigating Uncertainty and Building for Tomorrow,' which examines how businesses contend with external and internal challenges. In the *Thoughts from our Alumni* section, Chirag Bhatia, Director of CLEANOVO—Dryclean Experts, discusses his journey. His narrative highlights the importance of leveraging new ideas while respecting the foundation laid by previous generations, a recurring theme for many family enterprises featured in this edition.

In our *Do You Know* section, we delve into Deloitte's 2024 report, 'Resilience and Growth: Perspectives of Indian Business,' offering valuable insights into how businesses are navigating a rapidly changing landscape. Last, we provide summaries of three research articles: *Going private: A socioemotional wealth perspective on why family-controlled companies decide to leave the stock-exchange* by Borje Boers, Torbjorn Ljungkvist, Olof Brunninge, and Mattias Nordqvist; *IPO in family business: A systematic review and directions for future research* by Emmadonata Carbone, Alessandro Cirillo, Sara Saggese, and Fabrizia Sarto; and *Performance, investment, and financing patterns of family firms after going public* by Ettore Croci, Silvia Rigamonti, Andrea Signori.

Before we conclude, I am thrilled to share some exciting news. It is my pleasure to invite you to the 9th Asian Invitational Conference on Family Business, taking place on 01–02 February 2025 at our Hyderabad campus.

The theme for this year is 'Revitalising the Entrepreneurial Spirit of Business Families'. We've carefully curated the sessions and speakers to address the unique challenges faced by family businesses today, with the goal of adding tangible value to your journey of transforming the family business you are part of.

We encourage you to register early to secure your spot! •

Contents

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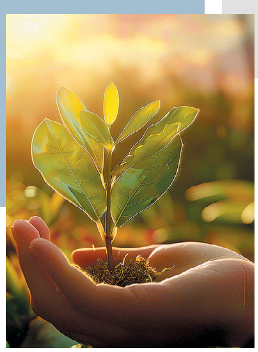


9th Asian Invitational Conference on Family Business

February 01 - 02, 2025
Indian School of Business,
Hyderabad Campus

We are sure that you will be delighted to know that our 9th Asian Invitational Conference on Family Business will be held on February 01-02, 2025 in Hyderabad. You may recall that we had eight highly successful conferences in earlier years each with great speakers and over 350 participants. The overall theme of the conference is "Revitalising the entrepreneurial spirit of business families". We have an excellent line up of 30 speakers to share their experiences on various related topics. We have chosen the themes and speakers very carefully based on our deep insight into the challenges faced by family businesses, all to achieve our goal of adding value to your efforts to further transform the family business you are associated with.

The conference is scheduled over a weekend to make it convenient for all to attend. We encourage you to register early!

Please visit www.isb.edu/ninthfbconference for further details, including the session and speaker line up, and registration as a delegate. We shall be obliged if you would:

- Participate with other family members if you belong to a business family.
- Forward this mail to others who may benefit.
- Please let us know in case you wish us to inform some others.

The myth of secrecy surrounding wills needs to be debunked

Inheritance disputes in wealthy families, like the Oberois and Kalyanis, often arise from poor governance, strained relationships, and vague wealth transfer policies. Delays in decision-making, fuelled by insecurity and secrecy, exacerbate conflicts after death. The lack of awareness about managing wealth in old age and the reluctance to involve beneficiaries during the planning stage further aggravate the problem. Transparent wills, shared with beneficiaries, alongside mediation by neutral experts, are key to resolving issues and preventing prolonged legal battles. Establishing clear policies and fostering family harmony through fairness and proactive planning are critical for avoiding such conflicts. ●

(Source: Outlook Business, October 14, 2024)

Viewpoint by ThS_CFE@ISB

Stewardship and governance are vital to successful family enterprises. True leadership involves taking responsibility to ensure fairness and transparency across generations. Disputes often arise from personal egos and mistrust, but sound governance and proactive planning can address these issues. By tackling root causes like poor governance and weak relationships, families can build trust, foster harmony, and ensure continuity for future generations.

Ratan Tata, beloved indian industrialist who made Tata a global business, dies at 86

Ratan Tata, the visionary leader who transformed the Tata Group into a global conglomerate, passed away at 86, leaving behind a legacy of innovation, philanthropy, and leadership. Taking over as chairperson in 1991 during India's economic liberalisation, he restructured the group, led international expansion with iconic acquisitions like Tetley Tea and Jaguar Land Rover, and championed bold ventures like the Nano car. Despite challenges, his commitment to fairness, corporate governance, and societal wealth over personal gain defined his tenure. His philanthropic focus on health, education, and animal welfare exemplified his ethos of serving society.●

Viewpoint by ThS_CFE@ISB

Ratan Tata exemplified leadership as a responsibility, not an opportunity for personal gain. His ethos of creating wealth for society, coupled with fairness and governance, set a benchmark for family businesses globally.

(Source: Wall Street Journal, October 10, 2024)

Billionaire Ali's record IPO spotlights India-born tycoons in the UAE

Yusuff Ali's $1.72 billion IPO for Lulu Retail, which boosted his net worth to $7.1 billion, highlights the success of India-born tycoons in the UAE. Beginning with a grocery store in Abu Dhabi in 1974, Ali built Lulu into a retail giant with 240 stores across six countries. His journey mirrors the rise of the UAE as a global hub, fuelled by a post-Covid boom and strong ties between India and the Gulf. Despite challenges like state-backed competitors and succession complexities, Lulu's public offering marks a shift in the region's IPO landscape, showcasing investor confidence in private-sector consumer-driven enterprises. ●

(Source: Bloomberg, November 9, 2024)

Viewpoint by ThS_CFE@ISB

Succession planning is a significant challenge, especially when ownership is shared between immigrant entrepreneurs and local partners. The next generation may not share the same relationships with Arab partners, necessitating proactive governance strategies.

Going private: A socioemotional wealth perspective on why family-controlled companies decide to leave the stock-exchange

● Study by Borje Boers, Torbjorn Ljungkvist, Olof Brunninge, and Mattias Nordqvist

A Family's Dilemma—Profit or Purpose?

Family-controlled firms often experience a unique tug-of-war between financial imperatives and their desire to safeguard family values and identity. This article delves deep into why family businesses sometimes decide to take their companies private after being listed on the stock exchange. The findings are built on detailed case studies of two family-owned firms that faced the challenges of operating as public entities.

Initially, going public is appealing, as it offers access to capital, more visibility, and increased credibility. However, for many family firms, this honeymoon phase doesn't last long. The harsh reality of public markets, quarterly earnings pressure, shareholder demands, and short-term decision-making often clash with the long-term vision and socio-emotional wealth (SEW) priorities of family-controlled firms. SEW refers to the non-financial aspects of a family business that owners value deeply, such as preserving family control, legacy, and identity.

For family businesses, the journey to go public can feel like losing a part of their DNA. Public ownership often forces family firms into a rigid corporate mould that doesn't fit their ethos. Shareholder scrutiny and market pressures dilute the essence of what made the business a success in the first place: its commitment to the family's long-term goals and independence.

Research shows that delisting isn't necessarily a retreat; it's a deliberate, strategic move to realign the business with what matters most. By going private, family businesses can reclaim their autonomy, focus on sustainable growth, and protect the legacy for future generations. Interestingly, the authors found that, while delisting liberates firms from public market pressures; it doesn't mean that professionalism is thrown out the window. Many family firms retain governance structures developed during their public tenure, blending the best of both worlds.

Ultimately, this decision reflects the family's deep-rooted desire to preserve harmony, avoid conflicts over external demands, and ensure that the business remains a pillar of family identity. Delisting, while challenging, often enables these companies to thrive by reinforcing the core principles that define them.

Practical Implications for Business Leaders

Align Decisions with Family Values: Before going public, assess whether the business can handle short-term market demands without compromising on long-term family goals.

Leverage the Delisting Opportunity: Use the transition to private ownership to regain independence and implement strategies that align with family priorities.

Blend Professionalism with Family Control: Retain governance practices from the public listing phase to enhance decision-making while focusing on family-driven goals.

Plan for the Long Run: Delisting can strengthen succession planning and ensure the business remains a lasting legacy for future generations. ●

Source:

Journal of Family Business Strategy 2017, 8 (2), 74-86

DOI: https://doi.org/10.1016/j.jfbs.2017.01.005

IPO in family business: A systematic review and directions for future research

● Study by Emmadonata Carbone, Alessandro Cirillo, Sara Saggese, and Fabrizia Sarto

Family businesses are the backbone of economies worldwide, blending tradition, resilience, and entrepreneurial spirit. Yet, when it comes to raising capital and expanding their horizons, many family firms face a pivotal decision: whether to go public. The allure of an Initial Public Offering (IPO) is undeniable, it provides access to substantial capital, elevates market credibility, and opens doors to new opportunities. However, as a systematic review of forty-one studies from 1995 to 2020 reveals, the IPO journey for family firms is far more complex than it appears.

The decision to go public is fraught with tension between financial ambitions and family values. On one hand, an IPO offers the resources needed for growth, diversification, and even generational transition, on the other hand it poses risks to the family's control, legacy, and socio-emotional wealth (SEW) which is the intangible value tied to identity, independence, and legacy preservation. Family firms often find themselves in a position where they have to weigh these competing priorities during the pre-IPO phase and decide whether the benefits of public ownership justify the potential costs.

During the IPO process, the dynamics shift to managing market perceptions while safeguarding family interests. Strategic under-pricing of shares is common, signalling stability and attracting investors, but it often reflects a compromise to maintain family influence in governance. In the post-IPO phase, family businesses enter a new realm of governance and regulatory requirements. While public listing brings accountability and market scrutiny, it also demands adaptability to balance market-driven growth with long-term family-oriented strategies.

The review emphasises that family involvement in governance remains crucial throughout the IPO journey. Successful transitions rely on integrating professional management practices without losing the essence of what makes family firms unique. For many, the ultimate goal isn't just ensuring financial success but securing a legacy that spans generations.

Practical Implications for Business Leaders

Evaluate the Trade-Offs: Before pursuing an IPO, carefully balance the benefits of raising capital and expanding with the potential risks to family control and legacy.

Attract the Right Investors: Strategic under-pricing can enhance investor trust and create a solid foundation for maintaining family influence in governance post-IPO.

Adopt Governance Best Practices: Embrace professional management structures that align with market expectations while protecting family-driven goals.

Use IPOs for Succession Planning: Consider IPOs as a tool to facilitate generational transitions, ensuring both growth and continuity for the family business. ●

Source:

Journal of Family Business Strategy 2022, 13(1), 100433
DOI: https://doi.org/10.1016/j.jfbs.2021.100433

Performance, investment, and financing patterns of family firms after going public

● Study by Ettore Croci, Silvia Rigamonti, Andrea Signori

Family firms, renowned for their long-term orientation and focus on legacy, often face a significant dilemma when deciding to go public. This study investigates how going public affects family firms' performance, investment, and financing patterns, with evidence drawn from European IPOs between 2002 and 2014.

The research finds that, contrary to common perceptions, family firms' operating performance significantly declines post-IPO compared to that of non-family firms and private firms that remain unlisted. This deterioration in performance, which persists for up to five years, aligns with the 'negative view', suggesting families strategically take firms public during a performance peak to capitalise on high valuations before an expected decline.

In terms of investments, family firms exhibit no significant difference in capital expenditure compared to non-family firms post-IPO. However, they maintain higher cash reserves, reflecting a precautionary approach amidst declining performance. The study also reveals that family firms experience a modest reduction in leverage compared to non-family firms, further underscoring their conservative financial strategies.

Interestingly, despite these challenges, family firms tend to retain control post-IPO, with 61.5% of firms still being family-controlled five years after going public. This suggests that families use IPOs not as an exit strategy but to secure capital while preserving their influence.

Practical Implications for Business Leaders

Strategic IPO Timing: Family firms may benefit from carefully timing IPOs to maximise valuations, particularly during performance peaks, but they should also anticipate post-IPO performance challenges.

Cash Management: Maintaining higher cash reserves post-IPO can provide a safety net to navigate periods of declining performance and sustain operational stability.

Governance Considerations: Retaining family control post-IPO requires robust governance structures to balance market expectations and family influence.

Long-Term Planning: IPOs should align with long-term goals, ensuring that the trade-off between capital acquisition and the loss of control supports the firm's strategic vision. ●

Source:
Corporate Governance: An International Review 2022.
DOI: https://doi.org/10.1111/corg.12446

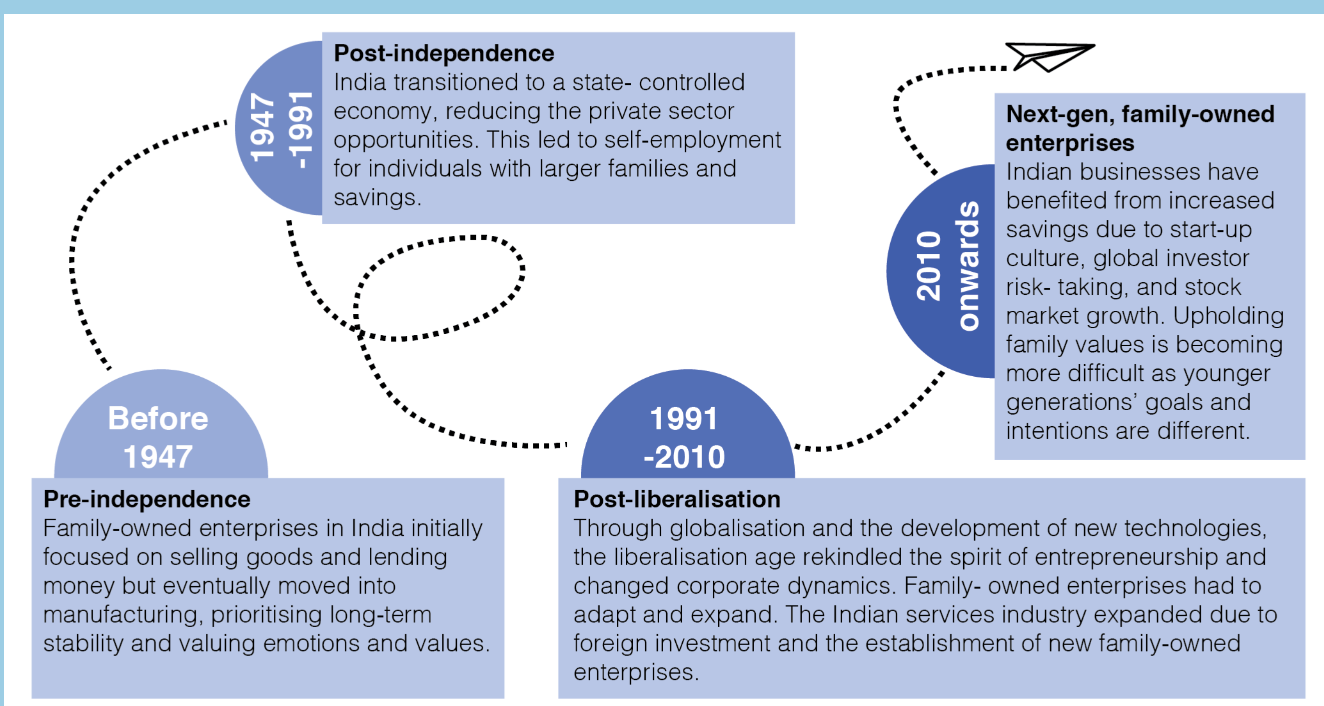
Resilience and Growth: Perspectives of indian business

Indian family-owned enterprises are essential to the fabric of the nation's economy, comprising 70 per cent of the top 500 companies and contributing nearly 79 per cent to the GDP. Rooted in tradition and often spanning multiple generations, these businesses have consistently demonstrated resilience and adaptability in changing socio-economic landscapes. By harmonising their rich legacy with innovative practices, they have emerged as crucial players in fostering stability, job creation, and growth within an ever-evolving global economy. Deloitte's 2024 report titled 'Resilience and Growth: Perspectives of Indian Business', presents a thorough examination of these enterprises through a robust methodology, which encompasses expert interviews, data analysis, and detailed case studies. The report investigates critical dynamics, including the enterprises' performance during crises, their embrace of digital transformation, the evolution of leadership roles, and strategies for balancing tradition with modernisation. A few key findings from the report are:

1) Indian Family Businesses: A Legacy of Change

Family-owned enterprises in India have transformed significantly over time. Before 1947, they focused on trade and moneylending, later moving into manufacturing with an emphasis on stability and traditional values. Between 1947 and 1991, a state-controlled economy limited private sector growth, leading families to rely on savings and self-employment. Post-liberalisation (1991–2010), globalisation and new technologies spurred entrepreneurship and expansion, supported by foreign investments. Since 2010, family businesses have thrived on start-up culture, investor risk-taking, and stock market growth, though aligning family values with the goals of younger generations has become increasingly complex. (See Exhibit 1)

Exhibit 1: Evolution of family-owned enterprise

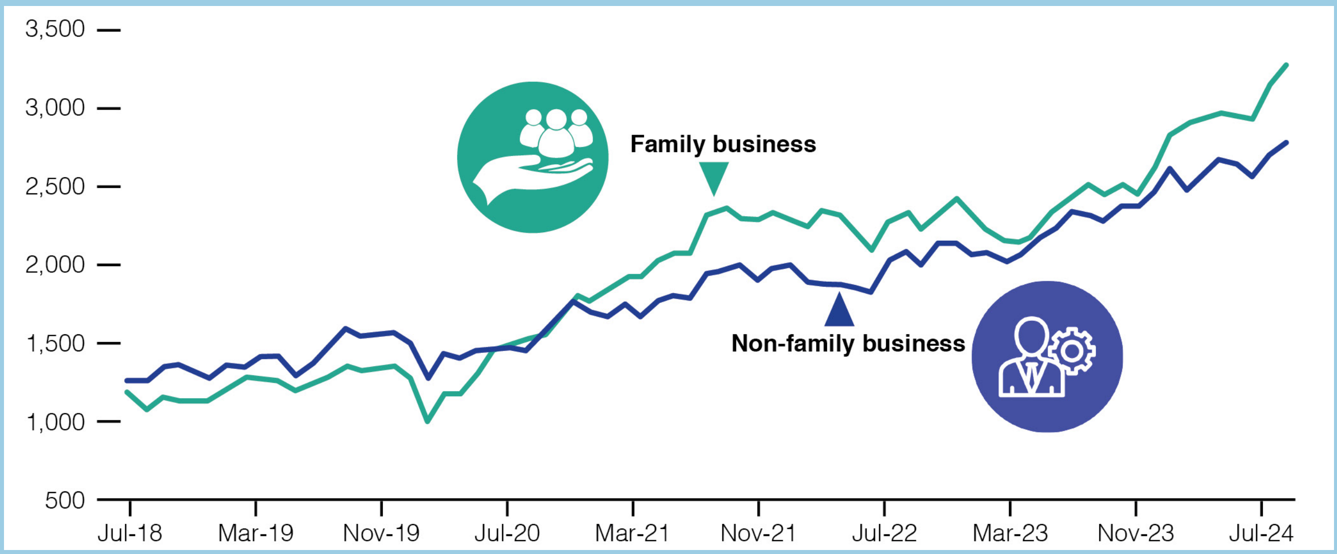


Source: Deloitte October 2024 Report: Resilience and growth | Perspectives of Indian business.

2) Strong Recovery and Growth of Family-Owned Businesses

Family-owned businesses have demonstrated remarkable resilience and superior performance compared to non-family businesses over the past six years. During the COVID-19 pandemic in 2020, while both family-owned business and non-family businesses saw a decline in share prices, family businesses recovered significantly faster. By July 2024, their share prices exceeded 3,000 points well above non-family businesses. This strong performance highlights the strategic advantages of family enterprises, including healthier balance sheets, lower debt, and the ability to make swift, value-driven decisions. These factors enabled family enterprises to rebound quickly from economic disruptions and maintain a steady growth trajectory, reinforcing their pivotal economic role. (See Exhibit 2)

Exhibit 2: Share price performance of family and non-family-owned enterprises

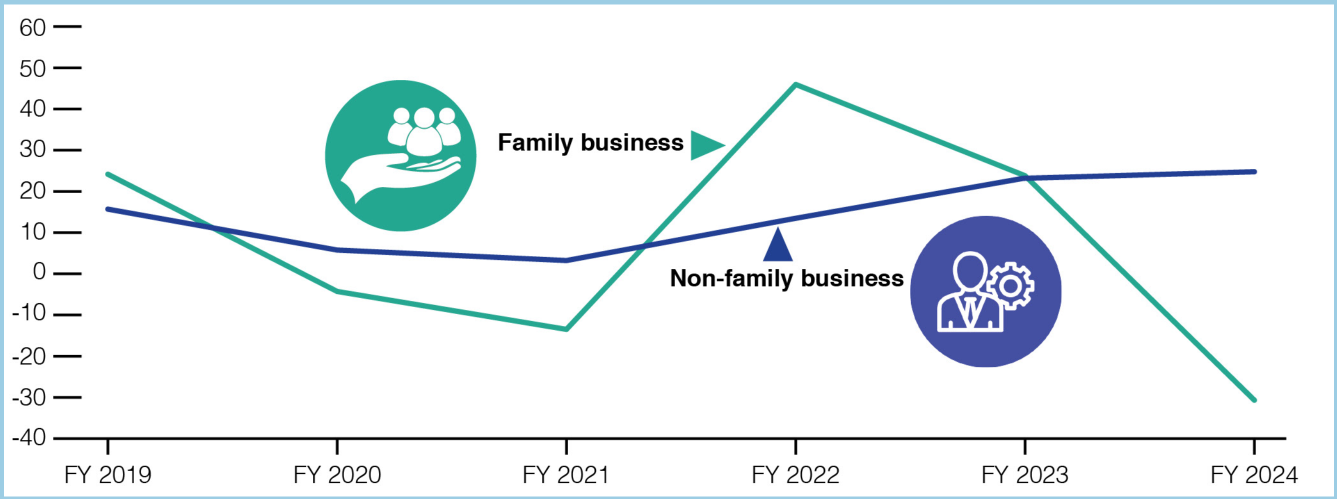


Source: Deloitte October 2024 Report: Resilience and growth | Perspectives of Indian business.

3) Contrasting Sales Trajectories: Rapid Recovery vs. Sustained Growth

The sales performance of family-owned and non-family businesses during FY2019–FY2024 reflects contrasting recovery dynamics. Family businesses experienced a sharp decline in sales growth during the pandemic, with growth turning negative in FY2020 and FY2021, hitting its lowest at approximately 30 per cent. However, these businesses rebounded dramatically in FY2022, achieving peak growth of nearly 50 per cent. (See Exhibit 3)

Exhibit 2: Sales performance of family and non-family-owned enterprises (Growth %)



Source: Deloitte October 2024 Report: Resilience and growth | Perspectives of Indian business.

Case Study

Kanwal: Navigating uncertainty and **building for tomorrow**

Mohd Amin Chadinoo, Chairman of Kanwal Foods and Spices, was no stranger to navigating the volatility of operating in Kashmir—the northernmost region of India, marked by wars, terrorism, and political instability. While the state had long grappled with simmering tensions, 2019 became a pivotal year with the abrogation of Article 370 and Article 35A, triggering a 214-day communication blackout. This severely disrupted supply chains, cut off customer access, and crippled businesses across the region. As Kanwal struggled to recover, the COVID-19 pandemic in 2020 delivered another devastating blow. Sales plunged by 40%, debts mounted, and salaries for 800 employees went unpaid, pushing the family business into an existential crisis. Amin, along with his sons Farooq and Nisar, faced cascading challenges, from immediate financial strain to deeper questions about their long-term resilience.

Amin, hailing from the village of Khanabal in southern Kashmir, spent his childhood cultivating crops like chilli and garlic. The first graduate in his family, he earned an engineering degree from Government Degree College Anantnag and secured a prestigious government position. However, he soon realised his true calling lay elsewhere. In the early 1970s, Kashmir still relied heavily on neighbouring states for spices. Recognising this gap, Amin, with a Rs.5,000 loan, his wife Haleema's jewellery, and his farming experience, established a small spice-grinding unit named Kanwal in 1971. The name symbolised Amin and Haleema's vision of their business blooming like a lotus (Kanwal in Kashmiri).

As envisioned, what started as a one-man operation delivering spices by bicycle blossomed into a company with 800 employees and 150 products by

> *With no formal crisis communication framework, the family relied on shared values, mutual commitment, and loyalty to their extended workforce to overcome adversity*

2018, earning accolades like the Gem of India award (1998) and the National Award for Entrepreneurship (2009). Amin's sons brought in fresh ideas, with Farooq becoming the CEO in 2000 and Nisar taking over as the Director of Operations in 2008. They prioritised R&D, technology, and quality control, leading to the launch of the first ready-mix Shahi Qawah in 2014, which soon developed a dedicated fan following worldwide. By 2018, Kanwal commanded 85% of J&K's spice market and exported to 30 countries, establishing a strong international presence.

Behind Kanwal's rise as a global brand lay a history of navigating relentless challenges. The volatile geopolitical scenario of Kashmir remained a constant source of disruption. From a devastating fire in the 1970s to the 1996 Anantnag riots, the 2000 Chattisingpora terrorist attack, and the 2014 floods, the family endured crises that tested their resilience. Within the family, differing perspectives added to the complexities, with Amin and Nisar's cautious approach often clashing with Farooq's growth-oriented strategies. These ideological divides frequently caused delays and internal friction, threatening the unity essential to the business's survival.

With no formal crisis communication framework, the family relied on shared values, mutual commitment, and loyalty to their extended workforce to overcome adversity . However, prolonged shutdowns caused by unrest and escalating violence prompted the mass migration of workers and customers, and at one point, every family member except Amin considered leaving Kashmir and abandoning the business.

Determined to persevere, Amin spearheaded a diversification strategy in 1996, moving operations to Delhi and establishing manufacturing units there. This mitigated risks, enabling Kanwal to maintain operations during frequent disruptions in Kashmir. By 2007, these units spurred a resurgence, with sales rebounding and losses steadily declining. Farooq built on this momentum, expanding operations across India and venturing into horticulture, tourism, and fishing to reduce reliance on a single industry. Farooq also implemented a robust human resource strategy to strengthen workforce efficiency and morale. This included an extensive upskilling programme, team optimisation measures, and introducing advanced information systems to ensure continuous connectivity and enhanced productivity. A dedicated unit was also established to promote open communication and employee well-being.

The second tier, a disaster management budget, provided a contingency plan for 100 working days, ensuring resilience and flexibility during disruptions

In parallel, Farooq collaborated with financial experts to devise a three-tiered budgeting system. The primary budget accounted for 180–200 working days, offering a standard operational framework. The second tier, a disaster management budget, provided a contingency plan for 100 working days, ensuring resilience and flexibility during disruptions. During prolonged unrest in 2016, Kanwal's productivity dropped to 5%, but proactive disaster budgeting ensured financial obligations were met. When closures struck again in 2019, these measures paid off, enabling the company to manage fixed expenses and sustain operations without resorting to layoffs.

By January 2020, as lockdowns and internet restrictions eased, Amin, Farooq, and Nisar realised that returning to business as usual was no longer viable. While their past strategies had effectively addressed immediate challenges, the shifting landscape of political instability, economic disruptions, technological advancements, and evolving consumer trends required a more proactive and forward-thinking approach. They faced critical dilemmas: balancing their close-knit family structure with the need for professionalisation, diversifying beyond regional reliance without forsaking community commitments, and adapting Farooq's crisis-driven leadership to global business complexities. Determined to secure Kanwal's future, they sought to transform the company into a resilient, innovative enterprise while honouring its core values and legacy. ●

- A formalised crisis management framework, agile financial strategies, and investments in human capital are indispensable for building a resilient organisational structure capable of withstanding sociopolitical challenges.
- Shared values and strong support networks enhance resilience, enabling families and businesses to navigate disruptions with unity and shared purpose.

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Legacy Builder — **Balvantray Kalyanji Parekh** (1924-2013)

When compiling a list of the most unforgettable Indian ad campaigns, one of the top spots would undeniably be reserved for Fevicol and its unforgettable 'bus' commercial, which was awarded the Silver Lion at the Cannes Advertising Festival in 2002. The man behind this iconic brand was the illustrious Balvantray Kalyanji Parekh, fondly referred to as 'BKP' or 'Balubhai', the Founder-Chairman of Pidilite. Under his visionary leadership, Fevicol not only gained widespread recognition in households but also raised the bar when it came to advertising, packaging and marketing of a seemingly banal product like an adhesive.

Parekh's origins trace back to the modest town of Mahuva in Gujarat's Bhavnagar district, where he was born in 1924 and completed his early education. Like many of the students of that time, Parekh temporarily interrupted his studies to join the freedom struggle, returning to complete his law degree at Mumbai's Government Law College later. Despite passing the bar exams, he opted not to pursue a legal career, and instead ventured into various odd jobs in the dyeing and printing industry, including working as a peon, before setting up his own company that imported cycles, areca nuts and printing dyes.

Parekh's pivotal career move occurred when he joined a firm that was in a partnership with the German company Hoechst, which also marked his entry into the chemicals and adhesives sector. Following the death of the firm's managing director, the German company decided to directly operate in the Indian market. Recognising the opportunity, Parekh, alongside his brother Sushil, established Parekh Dyechem Industries in Mumbai in 1954 at Jacob circle, Mumbai. In 1959, the business was renamed Pidilite Industries, an abbreviation of the original name. The company initially operated from a single factory producing a solitary product: Fevicol. The brand name Fevicol itself was derived from the German word 'col', which when roughly translated means together. This innovative white synthetic resin adhesive revolutionised the carpentry and woodworking industry, supplanting the unwieldy animal fat glue that was previously prevalent. Barely four years after starting the company, Pidilite commissioned its second manufacturing plant in Kondivita village in Mumbai. Today Pidilite is an industry leader with a presence across seventy-one countries and has a diverse portfolio that includes adhesives, sealants, waterproofing solutions, construction chemicals, and arts & crafts materials.

By the early 1990s, Parekh had transitioned away from the day-to-day operations of the company, handing over the reins to his son, Madhukar. A devoted reader and humanist, he founded the Balvant Parekh Centre for General Semantics and Other Human Sciences in 2009 to pursue his passion for semantics and its potential to instigate positive societal change. As a philanthropist, Parekh believed in using wealth to enrich social values and based his endeavours on a quote by Albert Einstein—'A hundred times every day I remind myself that my inner and outer life are based on the labours of other men, living and dead, and that I must exert myself in order to give in the same measure as I have received and am still receiving.' He established two schools, a college, and a hospital in Mahuva, and played a pivotal role in setting up initiatives such as the Darshak Foundation (for the study of the cultural history of Gujarat and India) and Bhavnagar's science city project. Parekh's contributions extend to providing endowments and invaluable guidance to organisations like the Gram Nirman Samaj, Gujarati Sahitya Parishad, Forbes Sabha, and Parichay Trust.

In 2011, he was conferred with the prestigious J Talbot Winchell Award awarded by the Institute of General Semantics, making him the first Asian to receive this honour. In 2012, a year before his death, Forbes placed him in the 45th position on its annual rich list for his family's seventy per cent stake in Pidilite, totalling almost $1.36 billion. However, simply calling him a successful billionaire businessman would be a grave injustice to this multi-faceted personality. Described variously as a man with a 'humane scientific temperament' and a man who was intent on 'creating a legacy of knowledge and virtue', he had an insatiable appetite for reading and a profound passion for books, evident in his extensive personal library which reflects his interest in literature, science, law, general semantics, medicine, and psychology. Revered like a father figure by his employees, Balubhai, who passed away in 2013, left behind a timeless legacy evident not only in the company or the institutes he built, but also in the profound impact he made on the people he encountered. ●

Despite passing the bar exams, he opted not to pursue a legal career, and instead ventured into various odd jobs in the dyeing and printing industry, including working as a peon, before setting up his own company that imported cycles, areca nuts and printing dyes

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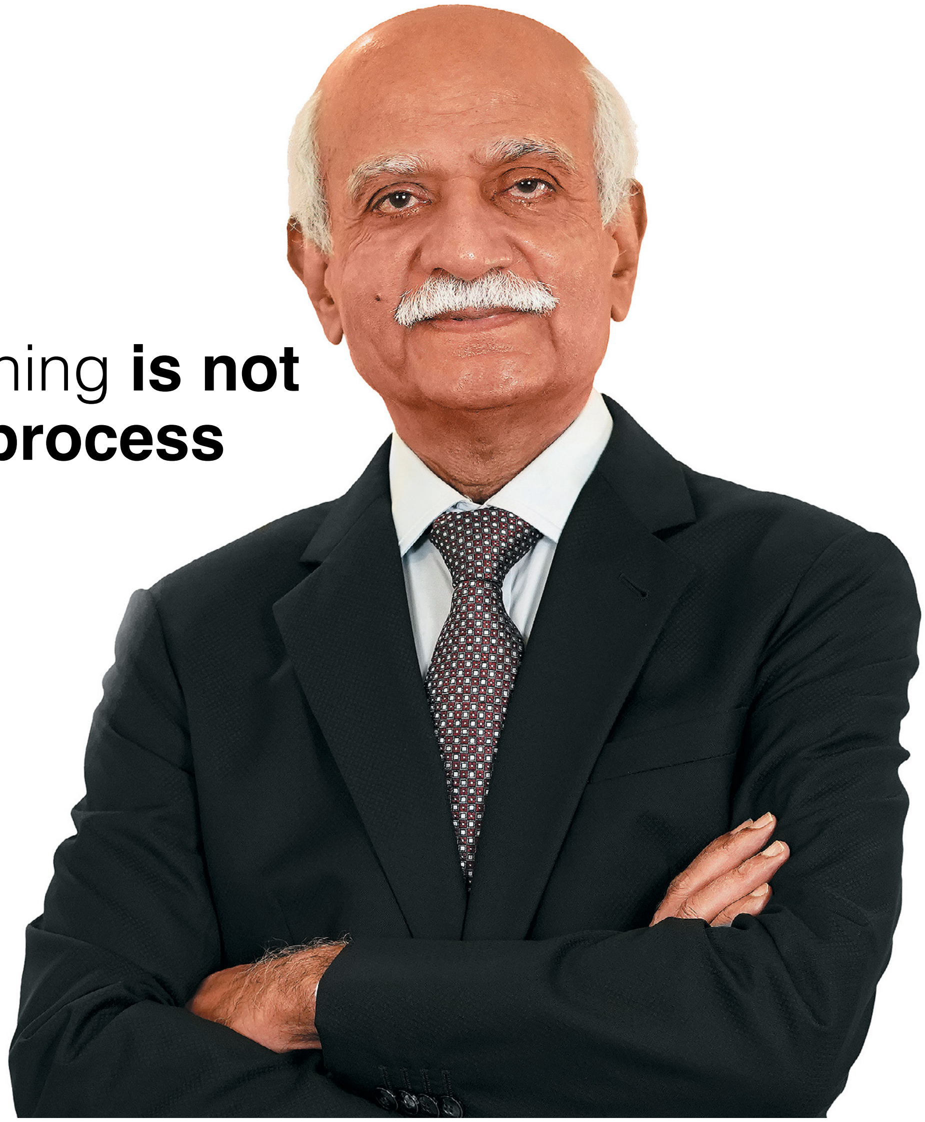

BVR Mohan Reddy, Founder Chairperson and Board Member of Cyient

Succession planning **is not an event, but a process**

Dr BVR Mohan Reddy, founder chairperson and board member of Cyient, is a visionary who pioneered India's presence on the global engineering, research, and development (ER&D) services map by establishing Cyient (formerly Infotech Enterprises) in 1991. Under his leadership, Cyient became a global digital engineering and technology solutions leader, contributing over $8 billion in cumulative exports by June 2024, serving global clients, including Fortune 100 companies, and creating the renowned 'Engineered in India' brand.

Dr Reddy has spearheaded higher education in India through various leadership roles. He is the chairperson of the board of governors of IIT-Hyderabad (since 2012) and IIT-Roorkee (since 2020). He has played a crucial role in elevating IIT Roorkee to rank among India's top five engineering institutions. He is also the founding director of T-Hub, India's largest startup incubation centre, and the co-chair of B20 Brazil for Education and Employment.

He has occupied key positions in prestigious organisations such as being the chairperson of NASSCOM (2015-16), the chairperson of CII Southern Region (2008-09), and the chairperson of the CII Education Council (2020-23), where he promoted the National Education Policy 2020, digital skills, and industry-academia partnerships.

Through the Cyient Foundation and Shibhodhi Foundation, Dr Reddy has established BVR Mohan Reddy School for Innovation and Entrepreneurship (BVR SCIENT) at IIT-Hyderabad. It is a first-of-its-kind school that aims to create an entrepreneurial ecosystem. He has adopted thirty government schools and provides quality education to over 20,000+ children every academic year across India.

He is the recipient of India's fourth highest civilian honour, the Padma Shri award (2017) as well as many Lifetime Achievement Awards. Dr Reddy has also received honorary doctorates from six universities. His maiden book 'Engineered in India: From Dreams to Billion-Dollar CYIENT' continues to remain on best-seller lists since its publication.

Dr Reddy holds postgraduate degrees from IIT-Kanpur and the University of Michigan, and has received the Distinguished Alumnus Award from IIT-Kanpur.

Cyient has become a prominent name in the industry, and your journey with the company is inspiring. Could you share some of the key moments that defined Cyient's path and your role as a founder over the years?

Cyient's journey has indeed been

a blend of vision, perseverance, and a commitment to excellence. When I founded the company thirty-two years ago with an initial investment of $80,000, I was driven by a desire to solve complex problems through engineering services and technology. Over the years, Cyient has grown into a more than $3 billion enterprise with over 16,000 employees worldwide. This journey has been shaped by key moments, challenges, and values that I hold close to my heart.

Several pivotal moments defined Cyient's growth and positioned it as a leader in the engineering services industry. One of the most critical decisions early on was to focus on engineering services—a niche that was relatively untapped at the time. This focus allowed us to differentiate ourselves from the IT outsourcing wave that was sweeping through India in the early 1990s. The vision behind Cyient was to create a new segment in the IT/ITES industry—ER&D services—and build the 'Engineered in India' brand.

Our first breakthrough came when we partnered with Pratt & Whitney, one of the three largest aircraft engine manufacturers. This partnership marked our entry into the global aerospace sector and taught us the importance of quality and domain expertise. It wasn't just a business deal—it was a moment of validation for our capabilities on the global stage.

Another defining moment was our IPO in 1997. This was more than just a financial milestone; it signified the trust that the market and our stakeholders placed in us. Going public allowed us to build a sound foundation for growth, attract top talent, and invest in cutting-edge technology and infrastructure.

A significant turning point was our rebranding from Infotech Enterprises to Cyient in 2014. This reflected our evolution from a services company to a solutions provider. It aligned with our vision of enabling clients to design innovative products, build smarter operations, and stay ahead of the curve.

Cyient has grown remarkably under your leadership. What have been the most significant challenges in the scaling up of the company, and how did you overcome them?

Scaling up Cyient was a journey filled with its share of challenges. One of the most significant hurdles was managing growth without compromising our core values of integrity, excellence, and customer-centricity. Rapid growth often brings the risk of losing sight of the cultural and operational principles that define a company.

One of the most critical decisions early on was to focus on engineering services—a niche that was relatively untapped at the time

Another challenge was navigating the complexities of globalisation. As we expanded into international markets, we had to deal with diverse regulatory environments, cultural differences, and varying customer expectations. This required us to be adaptable and innovative in our approach.

Talent acquisition and retention also posed challenges, especially in the highly competitive technology sector. We overcame this by fostering a culture of trust, collaboration, and continuous learning. By investing in our people and creating opportunities for growth, we built a workforce that was not just skilled, but also deeply committed to our vision.

Last, staying ahead of technological advancements was both a challenge and an opportunity. We embraced this by constantly investing in R&D, innovation, and exploring new areas like digital transformation, data analytics, and IoT. This ensured that we remained relevant and valuable to our clients.

What values were most important to you in grooming Krishna as a leader, and how did you instil these values over the years?

Grooming Krishna to lead Cyient was a deliberate and thoughtful process. Leadership succession in a family business is often complex, and I wanted to ensure that the transition was seamless and grounded in merit. The values most important to me were integrity, empathy, and a commitment to continuous improvement.

I involved Krishna in key decisions early on, allowing him to understand the nuances of leadership. Whether it was handling client relationships, managing teams, or navigating challenges, I made sure he gained hands-on experience. Over time, I encouraged him to develop his own leadership style while staying true to Cyient's core principles.

One practice I emphasised on was that decision-making be based on data and values rather than on emotions or assumptions. This approach has been instrumental in building trust within the organisation and with external stakeholders. I also stressed on the importance of humility and a people-first approach, which I believe are the hallmarks of great leadership.

Cyient provides a remarkable example of successful leadership succession to the next generation.

The most spectacular facet of this succession story is how you have shaped the next phase of your professional life to make a multifaceted impact beyond Cyient. What are the highlights of this phase of your life?

Transitioning leadership to Krishna allowed me to redefine my professional life and explore new avenues of impact. This phase has been deeply fulfilling as it has given me the opportunity to mentor young entrepreneurs, contribute to academia, and engage in policy advocacy and corporate social responsibility for impactful social good.

The highlight of this phase has been my role as the chairperson of NASSCOM, where I've had the privilege of working on initiatives that shape India's technology ecosystem. Whether it was advocating for policies to support startups or driving future skills initiatives, this role allowed me to contribute to the broader industry.

I have also been actively involved in promoting translational research and innovation through academic institutions like IIT Kanpur. Supporting young innovators and researchers has been a way of giving back and ensuring that the next generation has the resources to succeed.

Beyond Cyient, my family and I are deeply committed to giving back to society through initiatives that drive education and entrepreneurship. Through our family and the Cyient Foundation, we have undertaken impactful projects aimed at creating opportunities for the underserved and at fostering innovation. One of our most significant endeavours has been the establishment of the School for Innovation and Entrepreneurship (SCIENT) at IIT Hyderabad. This institution is designed to nurture entrepreneurial talent and to create an ecosystem where ideas can be transformed into impactful solutions.

How did your family support you in your journey of redefining your role after transitioning leadership to Krishna?

My family has been the bedrock of my journey, providing unwavering support and encouragement at every step. They understood the emotional and professional aspects of the leadership transition and stood by me as I redefined my role.

My wife Sucharitha, in particular, has been a pillar of strength, offering valuable insights and a balanced perspective. She played a crucial role in helping me navigate the personal aspects of stepping back from day-to-day operations. My children have also been incredibly supportive, embracing their roles with grace and responsibility. This family support has helped to ensure that the transition was not just smooth but also enriching for all of us.

> ***Rapid growth often brings the risk of losing sight of the cultural and operational principles that define a company***

Most family businesses struggle in leadership transition. What key lessons would you share with other family business leaders who are planning a succession?

Leadership succession in family businesses often comes with unique challenges, but it can also be a source of strength when approached thoughtfully. Here are some key lessons I would share:

1. Start Early: Succession planning is not an event, but a process. Begin the transition well in advance to ensure a smooth handover of responsibilities.

2. Focus on Governance: Establishing a strong governance structure is critical for long-term success. This includes separating ownership and management and ensuring that roles and responsibilities are clearly defined.

3. Prioritise Merit: Succession should be based on capability and commitment rather than on entitlement. It's important to ensure that the next generation is well-prepared to lead and has earned the trust of stakeholders.

4. Be Transparent: Open communication is the key to building trust and avoiding misunderstandings. Share your vision for the transition and involve key stakeholders in the process.

5. Preserve Values: While it's important to embrace change, never lose sight of the values that define your organisation. These values are the foundation of your legacy.

How do you maintain a balance between professionalising Cyient while keeping the family's legacy and values intact?

At Cyient, we've always strived to balance professionalising the organisation and preserving the family's legacy. This balance has been achieved through a combination of strong leadership, a culture of accountability, and a commitment to our core values.

Professionalising Cyient meant building a robust leadership team, implementing best practices, and embracing innovation. At the same time, we ensured that our family's legacy of trust, integrity, and excellence remained at the heart of everything we do.

Our focus has always been on creating an organisation that can stand the test of time. This means empowering people at every level, fostering a culture of innovation, and staying true to our mission of designing solutions that make the world a better place. ●

Chirag Bhatia,
Founder of CLEANOVO — Dryclean

Consistency in service quality is **key to winning and retaining customers**

An alumnus of the Indian School of Business and a trained audio engineer, Chirag Bhatia is a visionary entrepreneur who has redefined India's dry-cleaning industry. As the founder of CLEANOVO—Dryclean Experts, a multi-city retail laundry brand, he has expanded the business to thirty-two stores across six major cities, establishing CLEANOVO as a trusted name in the sector.

Chirag's journey in the industry began in 2010 as a laundry technologist and IT professional with 5asec, a global leader in textile care. Over the years, he deepened his expertise through specialised training by working with industry pioneers like Firbimatic, Alliance, and Metalprogetti. As a director in SB Fabcare Pvt Ltd and CLEANOVO—Dryclean Experts, Chirag champions technology, standardisation, and operational excellence.

Beyond his professional pursuits, Chirag is a singer-songwriter who occasionally performs at local shows and enjoys collecting unique musical instruments. Balancing his creative passions with his professional responsibilities keeps him inspired and energised.

What is your current role in the company? How has it evolved since doing MFAB at ISB?

Currently, I am a director at CLEANOVO, a leading brand in India's retail dry-cleaning and laundry services sector. My role has evolved from being a hands-on laundry technologist to overseeing the operations and strategy of thirty-two retail stores across six cities.

When I began my professional journey in 2010, I had just graduated and started working in our family business, SB Fabcare Pvt Ltd, founded by my father. Back then, we were the Indian master franchisee for 5asec, the world's largest dry-cleaning chain based in France.

This foundation taught me the importance of technology, operational efficiency, and standardisation, all of which I now leverage in CLEANOVO to ensure we deliver consistent, premium services.

Can you share an instance where you had to prove yourself in the business? What challenges did you face in earning the trust of your family?

One of the defining moments in my journey was proposing a shift from our live-cleaning model to a centralised processing system. Traditionally, our stores allowed customers to witness their garments being cleaned on-site, which built trust. However, as we scaled up, this decentralised model became inefficient and cost-intensive. I identified that establishing central processing centres in major cities like Mumbai and Bangalore would optimise capacity and reduce operational costs. My family, especially my father, was initially hesitant, as they feared this might dilute our brand's transparency and customers' trust in us. To gain my family's confidence, I prepared a detailed capital expenditure plan, demonstrating the ROI and how the transition would be managed with minimal disruption. I proposed reallocating underutilised machinery from individual stores to the central units, ensuring cost efficiency.

Today, this centralised model has significantly improved our profitability and operational efficiency without compromising on customer trust. It was a challenging yet rewarding experience, and it helped me earn my family's confidence in my ability to drive strategic decisions.

How did the leadership transition from your father occur? How are your mother and brother involved in the business?

The transition of leadership has been a gradual and collaborative process. My father, though still active in the business at the age of sixty-five, has entrusted me with most of the day-to-day operations. I took charge of individual functions one at a time, starting with operations and customer experience, while finance continued to remain under his supervision.

My approach has been to adopt a structured and inclusive decision-making process. For instance, I often use whiteboarding techniques to align stakeholders—my father, brother, and mother—on any significant changes. This ensures that decisions are well thought-out, having the benefit of the family's collective wisdom.

My mother, a trained fashion designer, plays a critical role in maintaining quality standards. She heads R&D for cleaning solvents and fabric care processes, ensuring that our customers receive the best results. I work with her to translate her expertise into standardised SOPs for consistent execution across all stores.

My elder brother, though not involved operationally, provides strategic insights based on his experience of working in the HR department of a global corporation. He's helped to facilitate leadership transitions and acts as a sounding board for my ideas.

Have you been able to bring any significant changes to the business or family? Could you share an example?

Bringing professionalism to a family-run business has been one of my key achievements. While working alongside family members, it's crucial to balance personal relationships with professional

> ***Traditionally, our stores allowed customers to witness their garments being cleaned on-site, which built trust. However, as we scaled up, this decentralised model became inefficient and cost-intensive***

decisions. This often requires honest communication and clear boundaries.

One of the significant steps I have taken is improving our operational model. For example, centralising our processing operations was not just a financial decision, but also a cultural shift for our family. Convincing everyone required patience and a collaborative approach.

On a personal level, I ensure any work-related misunderstandings or disagreements are resolved through open discussions, both in the office and at home. This ensures that emotions do not impact the business and vice versa.

By blending the efficiency of centralised operations with localised outreach, I want CLEANOVO to remain agile and innovative in a dynamic market

What new ventures or changes have you introduced to the company that has helped it grow?

In recent years, we have undertaken several initiatives to drive growth:

I. Expanding to Institutional and B2B Clients: We have expanded our services to cater to institutional and corporate clients, utilising the enhanced capacity of our central processing units.

II. Establishing Hyperlocal Outreach: CLEANOVO has introduced smaller kiosk setups in large residential complexes and corporate parks, making our services more accessible to customers.

III. Introducing Mobile Service Model: Our sales agents now bring the CLEANOVO experience to customers' doorsteps, a process that is supported by mobile POS systems and a digital garment tracking solution. This enhances convenience while maintaining transparency in our processes.

These ventures have diversified our revenue streams and strengthened our position as a customer-centric brand.

How has the MFAB program at ISB helped you in your role and in managing the family business?

The MFAB program at ISB has been instrumental in shaping my approach to both business and family dynamics. The case studies and real-life examples shared by peers helped me reflect on and address challenges unique to family businesses. One of the most valuable takeaways was learning structured communication techniques. For example, the whiteboarding approach I use to align stakeholders is something I developed during my time in the program. It has been particularly helpful in managing disagreements and driving consensus in decision-making. The program also broadened my understanding of business strategy and management. The network of next-generation leaders I met during the course continues to be a source of inspiration and learning.

What is your vision for CLEANOVO's future?

My vision is to scale CLEANOVO while staying true to our core values of trust, transparency, and customer-centricity. With a focus on technology and sustainability, I aim to redefine the dry-cleaning and laundry experience across India. By blending the efficiency of centralised operations with localised outreach, I want CLEANOVO to remain agile and innovative in a dynamic market. As we expand, my priority will be to maintain the quality and trust that our customers associate with our brand. Through a combination of strategic foresight, family collaboration, and an unwavering commitment to excellence, I wish to lead CLEANOVO into a promising future. I believe that innovation and tradition can coexist while building a modern, customer-focused business. •

Pratima Kirloskar,
Kirloskar Brothers Limited (KBL)

Women are the cultural anchors **in family businesses**

A member of the Kirloskar family, promoters of the 133-year-old engineering conglomerate Kirloskar Brothers Limited (KBL), Mrs Pratima Kirloskar is a dynamic leader driving entrepreneurship, innovation, and social impact. She collaborates with startups to connect them with venture capitalists and industry leaders and serves as the president of the Innovations Society, fostering industry-startup synergies.

As the founder and ex-president of TiE Pune Chapter, she champions entrepreneurial growth through mentoring and networking. Mrs Kirloskar also chairs Vikas Charitable Trust, which has been running a primary school, a high school and a health care centre for the last eighty-seven years. She also works with forty schools in and around the Kirloskar Brothers Limited (KBL) factory in Kirloskarvadi. She has been a trustee in several NGOs working with women and children in the areas of health, education and livelihood.

Her past and present leadership roles in CII and FICCI span initiatives in innovation, entrepreneurship, and employment generation. An advocate for sustainable crafts, she continues to support weavers and promotes the use of natural fabrics in home furnishings. Recognised for her impactful work, she has received awards such as She The Shakti and the Pune Mirror Social Entrepreneur award. She is also a certified Pranic and Reiki healer.

As a female leader in a family business with a powerful legacy, how do you view the role of women in preserving and growing this legacy?

In most family businesses, the men often focus on work, while the responsibility of nurturing children and instilling family values typically rests with the matriarch and daughters-in-law. Each family has its unique ethos and way of conducting itself, which shapes its identity and reputation. For a new daughter-in-law, understanding these nuances takes time, patience, and keen observation. It's a subtle, often unspoken dynamic that can go unnoticed by those not immersed in it.

The values of hard work, ethics, transparency, and humility are best imparted through example. Children absorb these lessons by observing their parents. It's challenging to instil these principles if parents themselves do not embody them consistently. Women, as cultural anchors in family businesses, play a critical role in bridging tradition with modern expectations.

Family businesses often come with unique challenges, especially for women in leadership roles. Could you share some specific challenges you've encountered through various leadership transitions within the family and how you've seen these challenges shift over time?

Not all families encourage daughters-in-law to work or to join the family business. Many women, being independent, either focus on their own careers or embrace the role of homemakers. However, circumstances can change, and women may need to step into business responsibilities, which can be daunting without prior experience.

If daughters in law were to join or run a business; a family constitution about acceptable and unacceptable behaviours can provide clarity and support during transitions

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Early exposure and training are essential to help women evolve into capable leaders, especially when aligned with the family ethos. I strongly recommend formal training, as it equips women to handle challenges effectively. If daughters in law were to join or run a business; a family constitution about acceptable and unacceptable behaviours can provide clarity and support during transitions.

A clear distinction exists between daughters and daughters-in-law in family businesses. Daughters often have a smoother journey if they've undergone training, since they understand business nuances and embody the family's values. Many daughters in business families today are excelling—they're qualified, experienced, and command respect through their work.

In contrast, daughters-in-law typically take on family responsibilities during their initial years and may only get business opportunities later. This shift, though gradual, is best navigated with preparation, education, and family support. Family business programs offered by leading business schools are excellent resources for such transitions.

The difference between earlier generations and modern times is that earlier, women would get married in their early twenties and that would make it easier for them to assimilate the values of the families they married into, as they could be moulded. This is very important because it was these values that helped create and establish the business. For a family business, maintaining the integrity of the value system is very essential for both the unity of the family and the survival of the business.

But in modern times, women are getting married in their early to mid-thirties. They are already set in their ways of thinking and they do not necessarily assimilate or even appreciate the value system of the family they marry into. When these daughters-in-law are not able to assimilate with the new families, that is when we start to notice the separation of the family and splitting of the business.

In a field where traditional values are deeply embedded, how do you approach the balance between

respecting these values and fostering progress?

Progress doesn't mean abandoning values; values provide the framework for decision-making and growth. Some families inherently value their daughters, while others may be indifferent—it's a deeply individualistic perspective.

Traditionally daughters were never brought into business today they are. Specially if the daughter demonstrates excellence, passion, and commitment, she should have the opportunity to lead the business. Factors like upbringing, maturity, a touch of spirituality, and holistic development play a crucial role in shaping someone who is capable of carrying forward a legacy.

Leadership is about making decisions for the greater good, not out of selfishness or ego. It's about carefully weighing pros and cons, learning from mistakes, and correcting course when needed. Everyone faces challenges, but how one handles and resolves them defines that individual's character.

Ultimately, whether man or woman, the respect one receives as a strong leader stems from a foundation of values and integrity. These traits build the resilience and credibility needed to balance tradition and progress effectively.

What structured mentoring or grooming initiatives have you implemented or experienced that effectively prepare women in your family for leadership roles?

An all-round training through, various departments of the business plus business process. The most effective mentoring comes from going through the grind. A business revolves around sustainability, which requires understanding how money flows—how revenue is generated and reinvested to create value. Financial literacy and knowledge of accounting are fundamental for any leader.

Structured systems are key. For instance, implementing maker-checker mechanisms ensure accountability in transactions. On the legal side, understanding company secretarial work and issues compliance is critical. A vital lesson I emphasise is that 'trust' must be supplemented with robust systems and cross-checks. Wherever possible, processes should be automated to minimise errors and enhance efficiency.

> ***Traditionally daughters were never brought into business today they are. Specially if the daughter demonstrates excellence, passion, and commitment, she should have the opportunity to lead the business***

Building close relationships with financiers is another essential practice—they provide guidance and a clearer understanding of market perceptions. While it is possible to learn technical aspects from outside professionals and resources, true leadership comes from introspection and learning through experience.

Interactions with people offer invaluable lessons that no formal education can replicate. Leadership is a journey of continuous learning. Every challenge provides an opportunity for growth—we need to embrace it, stay curious, and remain an eternal student.

As you look to the future, what qualities do you think will be most essential for the next generation of women leaders in your family? How do you envision their role in not only upholding the family legacy but in also driving the business forward in new directions?

I value well-rounded individuals—those who excel in their work and maintain a balance of intellectual and personal growth. True leaders don't resort to playing 'games' to fill gaps; they focus on excelling in their roles.

I look for a warrior spirit combined with the vision of an eagle. Eagles, at the top of the predator pyramid, seize opportunities with clarity and foresight. Without vision, one risks being like a crow—short-sighted, scavenging, and cunning, with no long-term strategy.

Ambition is essential, but must be tempered with values and integrity. Success achieved within a framework of fairness and rules brings true satisfaction. Winning 'at any cost' often leaves one with a hollow victory.

I value authenticity over posturing and sycophancy. The next generation of women leaders in our family must blend professionalism with a strong value system, driving the business forward with innovation, vision, and ethical strength. With these attributes, I'm confident they can elevate the family legacy to new heights. ●

Ankit Agrawal,
Director,
Mysore Deep Perfumery House (MDPH) and Zed Black

When you prioritise succession and professionalisation, **you secure a sustainable future**

Ankit Agrawal is a Director at Mysore Deep Perfumery House (MDPH), India's second-largest manufacturer of incense sticks, and its flagship brand, Zed Black. He oversees sales, marketing, and exports for the company, which has recently ventured into the health and hygiene category with the brand Orva. A graduate of PIMR, Indore and SPJIMR, Mumbai, Ankit is also a Managing Committee Member of the All-India Agarbatti Manufacturers Association (AIAMA). He lives in Indore with four generations of his family and is passionate about travel, fitness, and cricket.

How did you build trust and credibility within your family while taking on a leadership role in the business? Were there any challenges specific to family expectations?

I joined the business not by choice, but out of necessity. Because of certain family circumstances, my father was left to manage on his own, and I stepped in to support him and contribute to the company's growth. Although I started as the son of the owner of a typical Indian family business, it took time to truly earn my place, as Mysore Deep Perfumery House was my father's passion, and he was deeply connected to it and treated the company as his first child.

Although I started as the son of the owner of a typical Indian family business, it took time to truly earn my place, as Mysore Deep Perfumery House was my father's passion, and he was deeply connected to it and treated the company as his first child

Over 14-15 years, I dedicated myself to gaining his trust, taking calculated risks that ultimately strengthened the company's position as a global brand. My efforts reinforced his confidence that the business continues to uphold the discipline, ethics, and values he instilled from the outset. Today, I carry those principles forward as he steps back to focus on new ventures.

How do you balance family relationships with business responsibilities? Have you encountered any conflicts, and how did you manage them?

My brother Anshul Agrawal and I jointly manage the operations of our parent company, MDPH, and its sub-brands like Zed Black, Manthan, and ORVA. While we are the primary decision-makers, major company-impacting decisions are made along with our father.

To maintain a clear division between the family and business, we leverage our individual strengths: Anshul oversees infrastructure, IT, HR, and innovation, while I focus on sales, marketing, imports, exports, and the perfumery department. This delegation optimises our workload, allowing us to balance family and business effectively.

Working in a family business inevitably brings challenges, especially generational differences. At times, our decisions do not align with our father's perspective as the company's founder. However, we remain committed to MDPH's best interests, guided by data and insights. An unspoken rule we uphold is that no individual— family member, customer, or supplier—comes before MDPH's interest, enabling us to navigate conflicts with integrity.

As a next-gen leader, what key strategies have you implemented to drive growth at Mysore Deep Perfumery House? How do you manage the constant evolution of the business?

We believe that data-driven insights are vital for growth, guiding our strategic decisions with precision. By blending real-time data monitoring with continuous feedback from our teams and customers, we ensure our actions reflect market needs and consumer expectations. Regular feedback sessions across the country allow us to gain actionable insights, refine our products, and strengthen our brand.

Flexibility and adaptability are central to our approach, enabling us to consistently evolve and innovate. For example, we expanded our offerings with the Samarpan Pooja Samagri range, from diya-batti to camphor, and introduced the ORVA reed diffuser & Orva handwash as part of our health & hygiene division involving perfumery. This commitment to diversification allows us to leverage synergies, setting a strong foundation for sustainable growth. Embracing change remains central to our vision, driving a competitive edge in an ever-evolving market.

Can you share an example which shows how you led a significant change in the business, and how it has impacted the overall growth or operations?

A game-changing example that transformed our business is the shift to an advance payment system in the agarbatti industry, traditionally a credit-heavy sector. When I entered the industry, 60–90-day payment terms were the norm, with almost no one demanding full advance payments. Yet, I found this system unsustainable; delayed payments not only disrupted our cash flow but also opened us up to potential misuse by customers. Inspired by larger companies that successfully operate with advance payments, I saw no reason why we could not follow suit.

I consulted industry experts across

the FMCG sector and our own markets to explore implementing this model. Soon, I realised the true barrier was not the payment itself but service standards. In 2014, we introduced a 48-hour delivery guarantee upon receipt of advance payments—a drastic improvement over the standard 10–15-day delivery window. To support this, we established depots nationwide, ensuring rapid fulfilment and the strengthening of customer relations.

The decision was quite bold, and it could have created an adverse impact on the business. But Anshul and the senior salespeople supported and managed the change effectively. This move vastly improved our cash flow and positioned us among the few companies in the industry operating on 100% advance payments, allowing us to set a new standard that continues to yield positive results across the board.

What challenges do you foresee for the next generation in your family business? How are you preparing to overcome these challenges and seize future opportunities?

When I joined the Family Managed Business (FMB) program at SP Jain Institute of Management & Research (SPJIMR) in 2006, we were asked how many of us were first-generation entrepreneurs. Out of a class of 130, only one hand went up. For the second-generation, about 100 participants responded while the remaining were third generation members. By the time we reached the fourth and fifth generation, there were no hands raised; only one person was a seventh-generation entrepreneur. This surprised me, and it underscored a pattern: family businesses rarely survive beyond the third generation, in India or abroad.

To give you an example, when I started travelling in 2003-04, I would travel in sleeper class on trains, then I moved to 3rd AC, then 2nd AC; eventually I moved to flights and finally to business class in 2012. My son who was born in 2014, however, has only known business class. Once, he even complained about his seat despite being in business class. This comfort and lack of struggle reflect why family businesses often don't endure. Success and established systems make the next generation feel secure, leading them to overlook risks. Without careful planning, this mindset can lead to losses and even closure.

> ***An unspoken rule we uphold is that no individual— family member, customer, or supplier—comes before MDPH's interest, enabling us to navigate conflicts with integrity***

For us, second-generation entrepreneurs, the challenge lies in planning for succession and fostering professionalism to ensure a smooth transition. My brother Anshul and I are nearing 40 years and have been in the business for almost two decades. For our company to thrive with future generations, we need to introduce structured succession and professionalisation strategies.

India's current business landscape is rich with opportunity. With hard work and forward planning, this can be a golden era for growth. If we prioritise professionalisation and succession, we can seize these opportunities and secure a sustainable future for our business.

How do you strike a balance between maintaining business traditions and bringing in innovative ideas for the company's future?

I think the best approach is to balance tradition with innovation while preserving values that define our brands. At MDPH, we lead in product innovation—from unique agarbatti scents like pineapple and camphor to trending fragrances like oudh. We remain committed to the values instilled by my father: honouring traditions, ensuring timely payments to suppliers and employees, and nurturing long-standing relationships. Building a strong future requires maintaining the company's best interests and finding the right balance between tradition and progress.

What message or advice would you give to the other next-gen members of family businesses as they navigate their journeys?

To the younger generation, my advice is simple: be patient, complete your education, and honour the family values and company principles that ground us. If you aim to join the family business, bring commitment and respect for your core values on which your elders have built the business. For us, one core value is to uphold strong customer and employee relationships and follow ethical practices.

While tradition guides us, new ideas are always welcome; where change is needed, we'll embrace it. Gain experience, prove yourself and your efforts will be rewarded. To every aspiring entrepreneur, whether first-generation or beyond, I would say: be honest, disciplined, open to fresh ideas, and ready for new challenges. Problems will arise, but a positive mindset and visionary goals will lead you to success. ●

Source for photos: volkswagen-newsroom.com

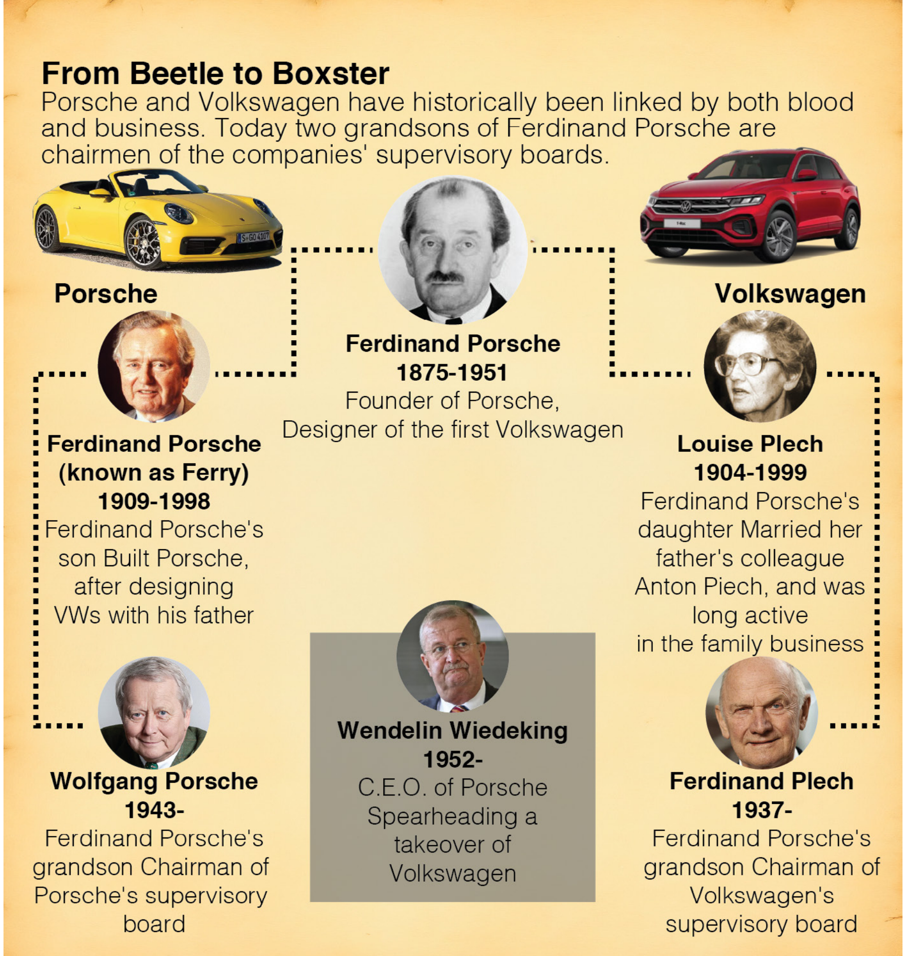
Volkswagen: A family business **driving through change and controversy**

Volkswagen, one of the world's leading automobile manufacturers, has a fascinating history shaped not only by technological innovation but also by its unique position as a family business. The company's origins, its familial dynamics, the influence of changing geopolitics, and its impact on the global auto industry present a compelling story of resilience, adaptation, and controversy. Volkswagen's journey began in the 1930s, under the political climate of Nazi Germany, when the company was founded by the National Socialist Party to produce an affordable car for the masses. Ferdinand Porsche, an influential figure in automotive engineering, designed the car, which would later become the iconic Volkswagen Beetle. At its inception, Volkswagen was not just a business but a tool of national pride, with the German government heavily subsidising its production to create a 'people's car' (Volkswagen AG, 2023).

The political context of the time significantly shaped Volkswagen's early years. Following the end of World War II, the company faced the daunting task of rebuilding its operations from near destruction. The war left Volkswagen's factories in ruins, and the company had to navigate the aftermath of a broken economy and a global shift in power dynamics. Despite these challenges, the company managed to stabilise and even thrive, thanks, in part, to the Porsche family's continued influence. Ferdinand Porsche's vision and the family's deep ties to the automotive world proved pivotal to the company's recovery.

As Volkswagen grew, so did the influence of the Porsche and Piëch families, who would play key roles in steering the company through turbulent periods. While the Porsche family initially laid the foundation, it was the Piëch family in the 1970s that gained greater control through its connection to Porsche, cementing its influence in the company's leadership. Under the Piëch family's guidance, Volkswagen made strategic decisions that would propel it to the forefront of the global auto industry. However, the close-knit nature of the family-run business also created a corporate culture where authority and decision-making were highly centralised. This centralisation ensured stability, and a unified vision, but sometimes also led to conflicts, especially as newer generations entered the business with their own ideas for the company's future. There were power struggles over inheritances, the position of women in the business, and other long-festering wounds.

Throughout its history, Volkswagen has had to navigate not only internal family dynamics but also external geopolitical shifts that shaped its business. The end of the Cold War and the opening of Eastern Europe in the late twentieth century created new opportunities for Volkswagen to expand into previously untapped markets, most notably China. As globalisation accelerated, the company adapted by creating localised models suited to these new markets while maintaining its engineering excellence. Volkswagen was also able to adjust its strategies in response to global challenges, such as the oil crises of the 1970s and the growing environmental concerns of the 1990s. However, the company's rise to dominance was not without its setbacks. The emissions scandal of 2015, in which Volkswagen was found to have manipulated emissions tests, became one of the biggest controversies in the company's history. This scandal was a stark reminder of the risks involved when family businesses prioritise short-term gains over ethical considerations to secure competitive advantage. The fallout from the scandal reverberated not only through Volkswagen but across the entire auto industry, leading to stricter emissions regulations and a shift toward electric vehicles (Parab et al. 2022).



Source: Porsche and Volkswagen Web sites

Volkswagen's international expansion and focus on innovation have played a critical role in sustaining its success over the decades

Volkswagen's position in the European automobile sector is unique, particularly given the dominance of other family-run companies like Ferrari, BMW, and Daimler. What sets Volkswagen apart is its sheer scale and the level of its diversification. Unlike many other European automakers, Volkswagen boasts of a vast portfolio of brands under its umbrella, including Audi, Porsche, Bentley, Bugatti, and Lamborghini. Its ability to cater to different market segments—from luxury vehicles to more affordable options—has allowed it to maintain a dominant position in the industry. Additionally, Volkswagen's international expansion and focus on innovation have played a critical role in sustaining its success over the decades. While other family-owned companies have remained more localised or have struggled with global competition, Volkswagen's ability to diversify and grow internationally has been a key factor in its longevity.

However, Volkswagen's family dynamics have not always been smooth. The struggle for control between different factions of the Porsche and Piëch families has been a significant source of tension. In the early 2000s, the Porsche family attempted to take over Volkswagen, leading to a tense battle with the Piëch faction. This internal strife, coupled with the emissions scandal, has at times overshadowed the company's public image, causing uncertainty among shareholders, investors, and employees. These controversies highlight the challenges faced by family-run businesses, particularly when personal ambitions and business goals collide. ●

Key takeaways:

1) The importance of adaptability: Despite the many external challenges—wars, economic recessions, and scandals—the family leadership allowed the company to focus on long-term goals.
2) Balancing tradition with innovation: While Volkswagen has deep roots in its founding principles, it has continually reinvented itself to meet changing global demands. Its ability to adapt, innovate, and expand globally has allowed it to remain competitive in an ever-evolving industry.

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Vintage Regional Icon

Source for photos: localsamosa.com

Mavalli Tiffin Rooms (MTR): **A century of taste and tradition**

The term 'legendary' is not one to be used lightly, but for Mavalli Tiffin Rooms (MTR), a century-old culinary gem nestled in the heart of Bengaluru, its use does not feel like an exaggeration. More than just a restaurant, MTR is a cultural mainstay and an integral part of Bengaluru's identity. Famed for its iconic dishes such as masala dosa, bisibele bhath, rava idlis, badam halwa, khara bhath, and the indulgent Chandrahara, MTR attracts thousands of loyal patrons and enthusiastic newcomers every week. Each day, approximately 20 kilograms of bisibele bhath is prepared and sold, while 600 to 700 idlis are freshly made every morning—all of it vanishing by 9 am.

The journey of this much-loved icon started with three brothers—Ganappaya, Parameshwara, and Yagnanarayana Maiya—who left their village near Udupi, armed with little more than their cooking skills, to seek a better life in the city. Their first venture, Brahmin Coffee Club, was a modest eatery serving coffee and idlis. But after Parameshwara's passing, the youngest brother, Yagnanarayana (fondly called Yagnappa), took up the reins and brought a spark of innovation that transformed the business.

In 1951, he travelled to Europe to study restaurant practices and returned with big ideas. Inspired by the hygiene and discipline he observed, he introduced steam sterilisation for utensils and even opened MTR's kitchens for public scrutiny, setting a new standard for cleanliness. He replaced traditional tumblers with china cups, distributed booklets on dining etiquette, and renamed the eatery Mavalli Tiffin Room in a nod to where it was located. While inspired by Western practices, Yagnappa's true genius lay in his ability to adapt these ideas with ingenuity and a deep understanding of his customers' tastes and expectations. For example, in 1945, during the rice shortage caused by the Second World War, he created the recipe for the now-ubiquitous rava idli. By 1960, MTR had moved to its famous Lalbagh Road location, solidifying its place as a much-loved local institution of Bengaluru.

When Yagnappa passed away in 1968, his nephew Harishchandra Maiya took over the reins of MTR, ensuring that the innovative spirit that defined the business endured. During the Emergency in 1975, when the Food Control Act forced the restaurant to shut down, Harish acted decisively to protect the livelihoods of his employees. He encouraged his nephew Sadananda to launch MTR Foods, a small store selling ready-to-eat mixes and masalas, located right next to the restaurant. By the time the restaurant reopened in 1980, MTR's range of packaged foods had carved its niche in the market, making its way to prominent Bengaluru stores like Nilgiris and Vijaya Bakery.

Source for photos: johorkaki.blogspot.com

In 1994, MTR underwent a major reorganisation, when it split into two entities. Yagnappa's son, Sadananda Maiya, took charge of MTR Foods, the ready-to-eat food division, which he later sold to the Norwegian company Orkla in 2007. Harishchandra retained the restaurant business, which eventually passed on to his daughter, Hemamalini, following his death in 1999.

As the Managing Partner and third-generation custodian of this iconic brand, Hemamalini upholds the 'spirit of MTR' in every decision. Alongside her brothers, Vikram and Arvind, she has led the brand's expansion to twelve locations across India and has opened seven international outlets, including those in London, Seattle, Singapore, Dubai, and Malaysia. Yet, amidst this global success, the Lalbagh Road branch remains the heart of MTR—a timeless emblem of tradition and authenticity.

To preserve the signature MTR experience, the family ensures strict adherence to its original recipes, which have been carefully standardised over the years. Even at the international locations, family members oversee rigorous staff training, and the family handpicks key cooks to maintain culinary integrity.

This focus on authenticity is reflected in how they source talent, rooted in the traditions of Indian kitchens, where specialisation defines hierarchy. For instance, in Udupi kitchens, the sambar cook is regarded as the most skilled artisan, akin to the revered sushi chefs of Japan. True to this legacy, every new MTR restaurant worldwide employs a sambar cook and other key staff directly from the Maiyas' ancestral village of Parampalli.

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This commitment to heritage extends beyond food. Hema and her brothers have decided against franchising within India, thus keeping full creative control over their restaurants. For the Maiya family, authenticity is not just a value—it is the foundation of MTR's enduring legacy. ●

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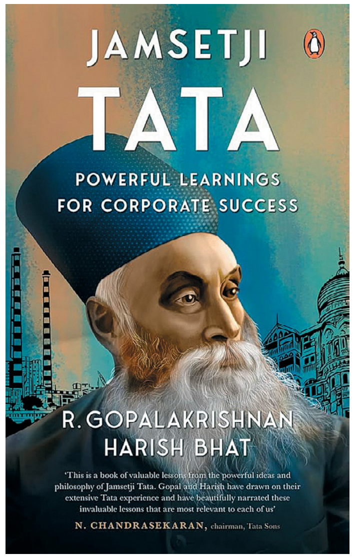
The title of this book by R Gopalakrishnan and Harish Bhat might suggest that it is a biography of Jamsetji Tata or a historical account of the Tata Group. However, the authors clarify at the outset that their focus lies elsewhere: they delve into what they call the 'secret sauce' behind the Tata Group's long-standing success. Over 150 years, the Tata Group has survived wars, colonial rule, economic downturns, partition, and global financial crises. This book examines the values that Jamsetji Tata instilled to create a multi-generational enterprise and how these values were institutionalised by his successors.

The core framework proposed by the authors is the PIRN model—Philosophy, Icons, Narratives, and Rituals—which they believe underpins the Tata culture. According to them, Jamsetji's philosophy laid a simple yet profound foundation, which was carried forward by iconic leaders, rich narratives, and deeply embedded rituals that remain part of the company's ethos today.

The book is structured around the '10 Ps'. The first P introduces Jamsetji's philosophy, followed by seven core aspects: Purpose, Pioneering, People, Progress, Persistence, Principles, and Profit. These aspects are brought to life through engaging stories that illustrate each theme. The final chapters provide perspectives on the Tata Group's legacy and there is a thoughtful postscript at the end.

For instance, the principle of Persistence is exemplified through the creation of the Indian Institute of Science (IISc) in Bangalore, India's first higher education and research institution in science. Jamsetji's relentless pursuit of this goal—despite bureaucratic delays, financial challenges, and technical obstacles—highlighted



Source for photos: Google

Jamsetji Tata – Powerful Learnings for Corporate Success

R Gopalakrishnan and Harish Bhat

Jamsetji's relentless pursuit of this goal — despite bureaucratic delays, financial challenges, and technical obstacles — highlighted his vision for India's self-reliance and intellectual empowerment

his vision for India's self-reliance and intellectual empowerment. Even though he did not live to see this dream realised, his son Dorabji Tata ensured its fruition, underlining the Tata family's shared commitment to long-term goals.

Similarly, the principle of People is explored through the story of Darbari Seth, a young chemical engineer whose talent was recognised by JRD Tata. Going against the advice of consultants advocating the closure of the soda ash plant at Mithapur, JRD trusted Seth's enthusiasm and leadership. Seth's efforts transformed the plant and turned Tata Chemicals into a resounding success, showcasing the Tata Group's ability to nurture exceptional talent and provide them with opportunities to create lasting impact.

The book holds special relevance for family businesses, offering insights into how tradition can be balanced with progress. It demonstrates how the Tata Group has managed to retain, renew, and reinvigorate its legacy over more than a century. Lessons on institutionalisation, separation of ownership and management, and sustainability are particularly valuable for businesses striving for longevity.

Although the book primarily focuses on Jamsetji Tata's business philosophy, it also rewards readers with stories of iconic companies within the Tata Group such as Tanishq, Tata Power, and Indian Airlines, along with inspiring accounts of leaders such as Bezonji Mehta, Xerxes Desai, Nani Palkhiwala, and Sumant Moolgaokar. These stories, enriched with thought-provoking essays and anecdotes, are narrated with simplicity and elegance by the authors, both veterans of the Tata Group.

The most profound takeaway for individuals and organisations alike lies in Jamsetji Tata's guiding principle: 'For a free enterprise, the community is not just another stakeholder but is, in fact, the very purpose of its existence.' This philosophy continues to define the Tata Group's enduring legacy, making the book an essential read for anyone seeking insights into building sustainable and purpose-driven businesses. •

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