

## **A Study of “Succession Planning” As a Factor in Contributing to the Success or Failure of Family Managed Businesses**

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### *Abstract*

*Family Managed Businesses are one of the oldest types of institutions of the world & are a dominant form of business organizations world over. According to some estimates, over 80% of world businesses are controlled by families and they employ around 50% of the world's work force. In the Indian context, Sixty-six of Business India's Super 100 companies are family-run. Family businesses have been described as unusual business entities. The description is due to their concern for the long-term over generations, their strong commitment to quality and its relation to their own family name, and their humanity in the workplace where the care and concern for employees is often likened to that of an extended family. Family businesses provide the only setting for an unusual social phenomenon, the overlap of family issues and business issues.*

*Though the statistics favouring family managed businesses make for impressive reading, statistics also reveal a distinctly opposite scenario as well, as far as family managed businesses are concerned. Amazingly, on an average, only 33% of firms have been seen to survive the second generation and only a paltry 15% have been found to survive over the third generation.*

*This study looks at Succession planning as an independent variable & examines the influence of this variable in contributing to the success or failure of a family managed business. The study examines the differences in perceptions, practices & attitudes of family managed businesses that are successful & failures and tries to bring out how this crucial factor needs to be managed to ensure success & continuity of the family managed businesses.*

**Keywords:** Family Managed Business, Succession Planning

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