

FOUNDERS TALK 01

TRANSFORMING FAMILY BUSINESSES IN THE 21st CENTURY THROUGH CORPORATE ENTREPRENEURSHIP

Wednesday, July 08, 2020 | 5pm to 6pm IST

SPEAKER



Dr. Amarpreet Singh Ghura
Faculty - Entrepreneurship



July 8th 2020

Transforming Family Businesses in 21st Century through Corporate Entrepreneurship

Igniting Minds.



Time for Poll

- Does 21st Century belong to Family Businesses?
- Professionalize the Family firms.
- What is Corporate entrepreneurship?
- Factors conducive for CE in Indian Family Managed Business.
- Corporate entrepreneurship program in Indian Family Managed Business.
- Measuring organisations readiness for Corporate entrepreneurship.

DOES 21st CENTURY BELONG TO FAMILY BUSINESSES?

An oft-cited statistic is that:

- 30% of family businesses make it through the second generation,
- 10-15% through the third,
- 3-5% through the fourth.

These are disheartening numbers.

How many companies of any kind are still around after the equivalent of three or four generations?

A study of 25,000 publicly traded companies from 1950 to 2009 found that, on average,

- they lasted *around 15 years*, or
- not even through *one generation*.

DOES 21st CENTURY BELONG TO FAMILY BUSINESSES?

Five areas where family businesses have the opportunity to achieve sustainable advantages:

1. Talent: From Mass Employment to a Higher Calling
2. Investment: From Other People's Money to Captive Capital
3. Reputation: From Profit Motive to Sustainable Footprint
4. Organization: From Managing Complexity to Rapid Response
5. Governance: From Separation of Powers to Engaged Owners (Baron, 2016)

PROFESSIONALIZE THE FAMILY FIRM

- A firm move from a founder firm to a family firm, they go through three broad phases of Professionalization.
 1. **Product-driven:**
 2. **Process-driven:**
 3. **Planning-driven:**



Time for Poll

WHAT IS CORPORATE ENTREPRENEURSHIP?

- The term “Intrapreneur” was coined in the seventies.
 - “Intrapreneurship” was first introduced in the academic community by Gifford and Elizabeth Pinchot, in an article in 1978.
- Corporate entrepreneurship is a process through which different teams inside an existing organization conceive, foster, launch and manage the new business which is different from the existing business of the parent organization, but leverages the resources of the parents organization - Wolcott and Lippitz (2007)
 - **CORPORATE ENTREPRENEURSHIP DIMESNIONS:**
 - Proactiveness:
 - Innovations:
 - Self-Renewal:
 - Risk-taking:

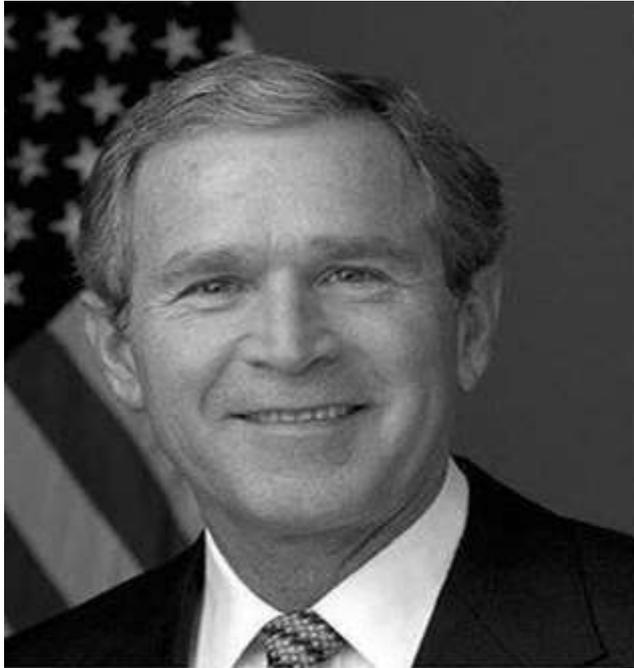
NEED FOR CE IN FAMILY MANGED BUSINESS

- Profit ! Profits! Profits!
- Gaining knowledge for future revenue streams.
- Strategic renewal.
- Fostering innovativeness.
- International success.
- Enhanced competing capability of the organization.
- Growth.
- Creating competitive advantage.

FACTORS CONDUCTIVE FOR CE IN INDIAN FAMILY MANAGED BUSINESS

- Brain drain phenomena – US to India!
- Employment Engagement CRISIS.
- Young Indian Workforce – Demographic dividend!
- Changing work environment.

FACTORS CONDUCTIVE FOR CE IN INDIAN FAMILY MANAGED BUSINESS
- Brain drain phenomena - US to India!



George Bush:
People of US are unemployed!!
Why u r employing **foreign**
Engineers in Microsoft?



Bill Gates:
If we stop employing foreign engineers
especially from India.
Then, there will be another Microsoft born
in **INDIA.**

FACTORS CONDUCTIVE FOR CE IN INDIAN FAMILY MANAGED BUSINESS
- Brain drain phenomena - US to India!

- **Flipkart.com -**
- **Naukri.com [Info Edge (India) Ltd] -**
- **Infosys Limited -**

FACTORS CONDUCTIVE FOR CE IN INDIAN FAMILY MANAGED BUSINESS - Employee Engagement CRISIS

- In the human resource development field, employee engagement is a widely known concept.
- Kahn (1990) explained engagement as “utilizing of firms employees’ selves to their work roles; engaged employees while performing their work, not only employ and express them physically, but also cognitively and emotionally.”
- Employee engagement benefits the organization.
- Employee Engagement CRISIS - Gallup study
- The employee engagement crisis costing economies

NEED FOR CORPORATE ENTREPRENEURSHIP IN INDIAN CONTEXT - Young Indian Workforce – Demographic dividend!

- Millennials and Generation Z have entered the global workforce.
- Younger workforce have experienced a difficult environment.
- The younger workforce with good education, are considering an employment which offers-
- The younger workforce employees come with a new mindset.
 - (value work which offers them transparency, autonomy, offers flexibility, trust and opportunity to collaborate at workplace, get timely feedback, jobs which invest in their carriers)

FACTORS CONDUCTIVE FOR CE IN INDIAN FAMILY MANAGED BUSINESS - Changing Work Environment

- Changes at Economic & Social Front
- Skeptical about the employment
- Younger work force does not follow the idea of ONE JOB, ONE CAREER.

CE PROGRAM IN INDIAN FAMILY MANAGED BUSINESS

- M&M Financial Services Ltd.
- Essar Oil Limited.
- J&J India.
- RPG Group.
- Reliance Industries Ltd.

MEASURING ORGANISATION READINESS FOR CORPORATE ENTREPRENEURSHIP.

- Five Dimensions important determinants of an environment conducive to entrepreneurial behaviour.
- Top management support:
- Work discretion:
- Rewards and reinforcement:
- Time availability:
- Organizational boundaries:



Time for Poll

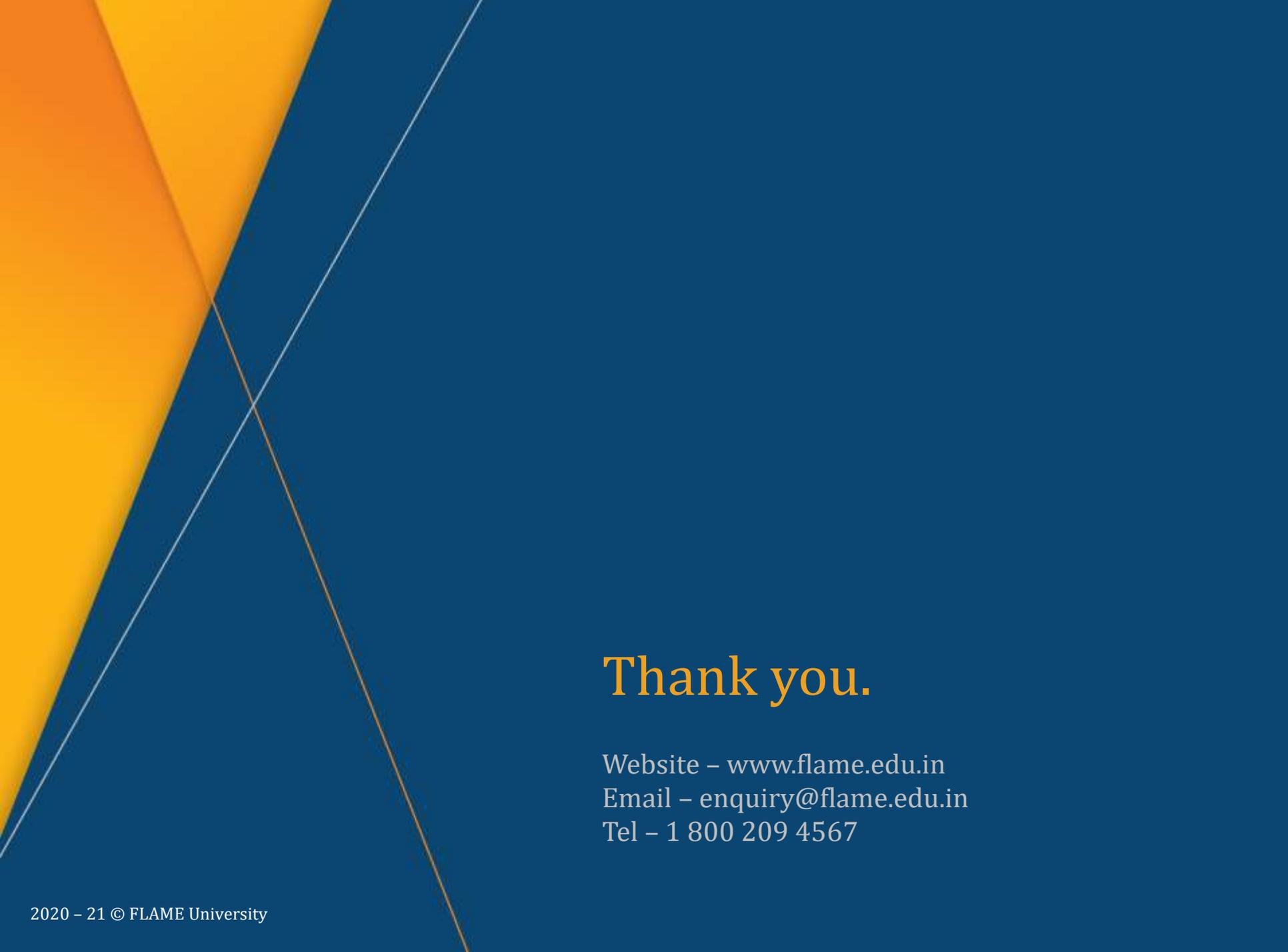
MEASURING ORGANISATION READINESS FOR CORPORATE ENTREPRENEURSHIP.

- **IMPLEMENTING CEAI**

1. Distribute CEAI instrument:
2. Individual Scoring:
3. Organizational Scoring:
4. Interpreting the scores:
5. Point of responsibility:

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1. Baron, J. (2016). Why the 21st Century Will Belong to Family Businesses. *Harvard Business Review*
2. Ghura, A. (2017). A qualitative exploration of the challenges organizations face while working with generation Z intrapreneurs. *Journal of Entrepreneurship and Innovation in Emerging Economies*, 3(2), 105-114.
3. Ghura, A., & Goel, A. (2018). *Working paper Series A Study of Antecedents of Corporate Entrepreneurship and Employee Engagement: A Conceptual framework. A Study of Antecedents of Corporate Entrepreneurship and Employee Engagement: A Conceptual framework.* "WPS No 809/June 2018."
4. Kuratko, D. F., Hornsby, J. S., & Covin, J. G. (2014). Diagnosing a firm's internal environment for corporate entrepreneurship. *Business Horizons*, 57(1), 37-47.



Thank you.

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Advisors and Mentors



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Co-Founder & CEO, Big Basket
Area of expertise: Consumer Tech, E-Commerce, Innovation



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Dr. Saras D. Sarasvathy
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Manish Chokhani
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Prasanna Krishnamoorthy
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Ravi Nigam
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Area of expertise: FMCG, International Business Development, Partnerships



Ajay Bhagwat
Founder, RENU Electronics
Area of expertise: Electronics, Investments, Manufacturing



Hemant Jalan
Co-founder & Managing Director, Indigo Paints
Area of expertise: Retail, Manufacturing, Brand Development

FLAME University has developed a unique model of creating next generation of high impact entrepreneurs



Tune in for our next talk

FOUNDERS TALK 02

THE ENTREPRENEURIAL JOURNEY - A GUIDE TO LAUNCHING YOUR STARTUP

Saturday, July 11, 2020 | 5pm to 6pm IST

SPEAKER



Dr. Bharat Damani
Faculty - Entrepreneurship