

Succession Planning

a process, not an event

A Workshop for Chartered Accountants

Eastern India Regional Council of ICAI

Kolkata • 29 May 2026

Dr. Nupur Pavan Bang



*Family Business is in my Blood
...and my Ikigai*

Dr. Nupur Pavan Bang

Founder, B.A.N.G (Bodhi Advisory & Nurturing Group)

Globally recognised scholar & practitioner of family business advisory



RESEARCH	TEACHING	PRACTICE
23 Research Papers 21 Conference Papers 12 White Papers 6,000+ Indian listed companies database	22 Teaching Cases (14 Harvard • 5 Ivey) 18 Years teaching FB & Finance Guest faculty at IIMs, Babson, SDA Bocconi, Tapmi	Advisor to leading Indian business families Workshops/Speaker: ICAI, CII, FICCI, PwC, Equalifi, YPO, Yi, Campden ~300 articles in newspapers, online media

RECOGNITION

Family Business Hall of Fame	2022	Top 100 Women in Finance	2020
Digital Women Award	2025	Global FECC FB Coach for podium finish teams	'23, '24
Papers in Journal of Business Research, IJEER, Vikalpa, Business Horizons	ABDC-A	Author- The Economy is Personal	2026

Roots • Renewal • Radiance • Reverence

The succession challenge

Why succession is a national-scale question.

Why succession is a national-scale question

Family businesses are not a category. They are the economy.

Region	Presence	GDP	Employment
Globally	65–80%	70%	60%
USA	80–90%	64%	50%
OECD	55–90%	40–70%	55–70%
Middle East	90%	80%	70%
Asia Pacific	85%	32–57%	50–75%
INDIA	93%	65%	75%

*Source: https://mpr.a.ub.uni-muenchen.de/55226/1/MPRA_paper_55226.pdf

If 93% of Indian firms are family firms, then succession is not a private matter, it is a public-interest question.

Why effective succession is vital: the numbers

Survival across generations

1st generation

100 / 100

2nd generation

30 / 100

3rd generation

3 / 100

Shirtsleeves to shirtsleeves

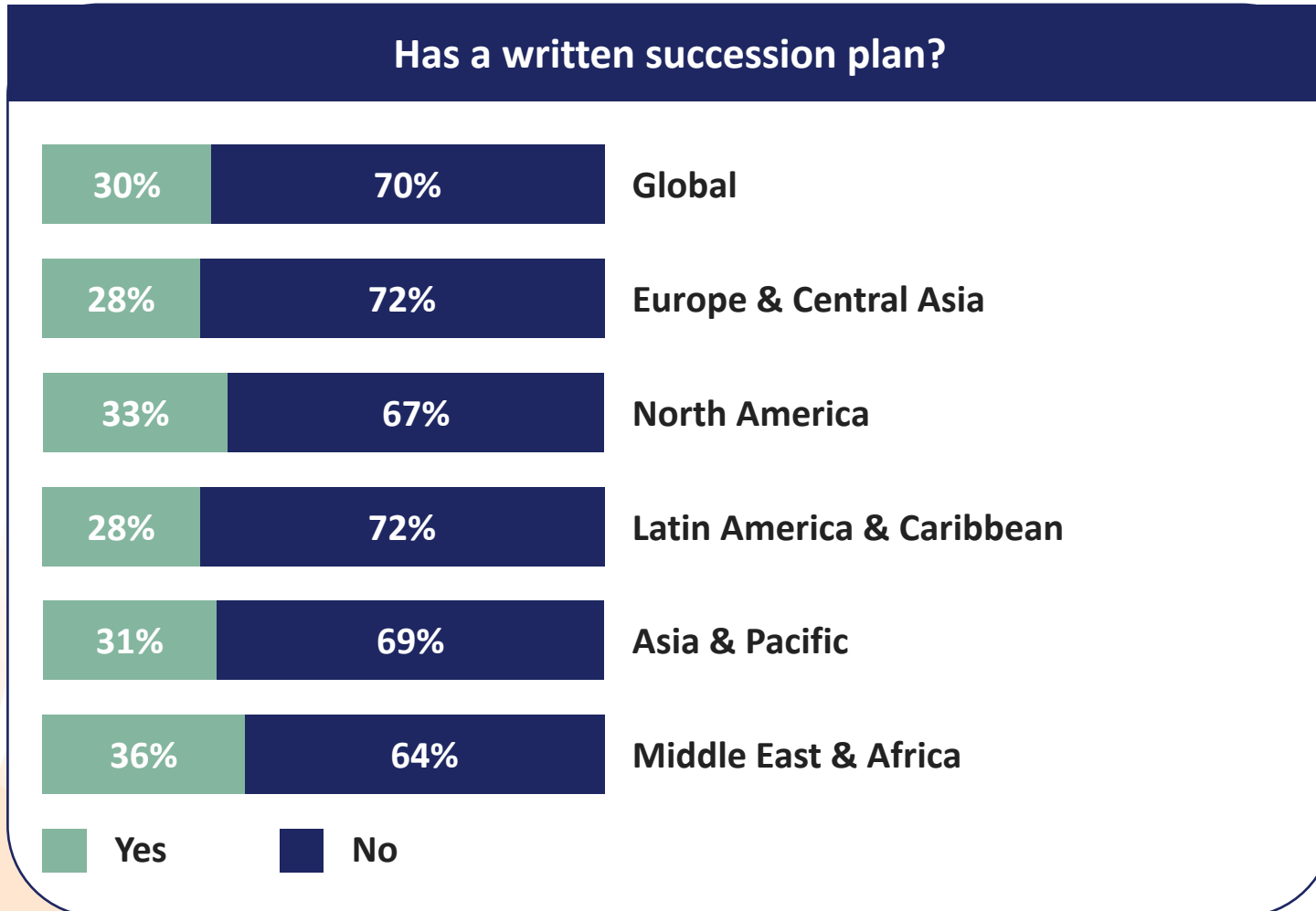
70% of 1st-generation firms fail to transition to the 2nd generation.

90% of 2nd-generation firms fail to transition to the 3rd.

Only ~3 of every 100 founder firms reach the great grandchildren.

Presence of a succession plan: region by region

Share of family firms with a written succession plan vs without.



India: the baton change ahead

“There are impending succession challenges moving forward.

Many founders who took advantage of the opportunities around liberalisation are staring at a baton change to the next-gen leaders in the near future.”

1991, India opens up.
First-generation founders ride the wave.
Many are now in their 70s and 80s.

“Baton change” is no longer optional, it is biological. The question is, ready or not?

Over the next 10 years, the majority of India's family businesses will face a leadership transition.

Impending succession challenges: Indian firms by age

Most Indian family firms are aged 26–50 years, the band entering succession territory now.



▲ **succession territory**

What this means

FBGF = Family Business Group Firms

SFF = Standalone Family Firms

The 26-50 year-old bucket holds the single largest mass of Indian family firms.

These are firms born 1975-2000, founders are now ageing into the succession window.

Next decade = the great Indian baton change.



B.A.N.G
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

What is succession?

[Truth-has-many-Angles.MP4](#)

Succession has four dimensions, not one

Ownership. Leadership. Management. Governance. Each transitions on its own clock.

B.A.N.G

Bodhi Advisory & Nurturing Group
Business Succession & Governance

OWNERSHIP

Who owns the shares

- Cannot be outsourced. Stays in the family unless the family chooses to sell.
- Trusts, HUFs, holding companies, shareholder agreements.
- Owners must learn to be owners.

Source: Ramachandran (2016); Pieper, Astrachan & Manners (2013); adapted by Bang.

LEADERSHIP

Who sets direction

- Can sit at the company or at the family level. Vision, values, capital allocation.
- Can come from inside the family or from outside.
- The chair, the CEO, the family head.

MANAGEMENT

Who runs the business

- Day-to-day execution. P&L responsibility.
- Can come from inside the family or from outside.
- CXOs and the operating team.

GOVERNANCE

Who provides oversight

- Independent directors, family council, owners' forum. Holds the others accountable.
- Binds family, ownership and business together.
- The architecture of trust.

These four travel on different clocks. A succession plan must address all four.

Pause & Reflect



Five minutes

Take ONE family-business client.

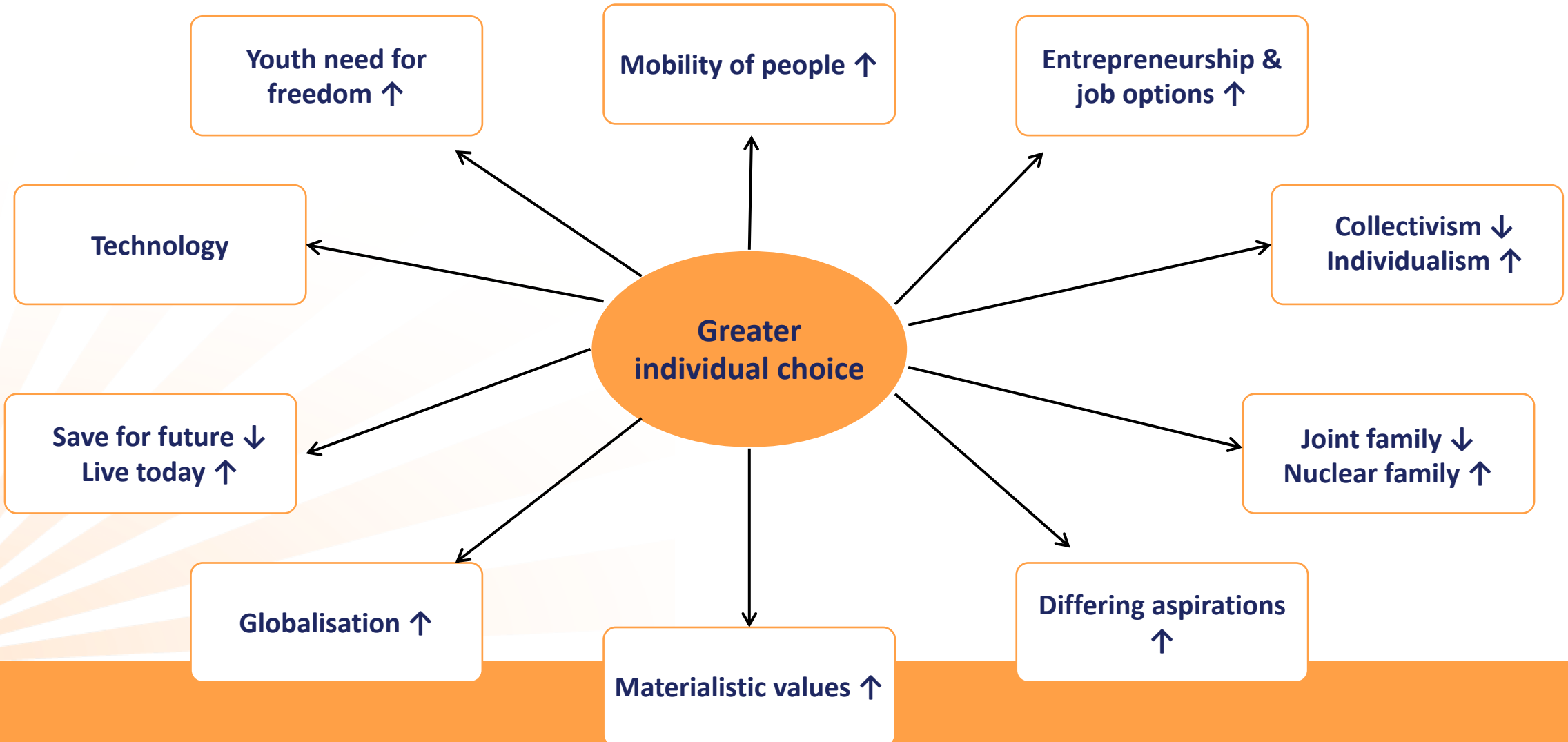
1. Across the four dimensions — OWNERSHIP, GOVERNANCE, LEADERSHIP, MANAGEMENT — which has the LEAST clarity?
2. Write down ONE conversation you will start in your next meeting with that family.

Why is it harder now?

I just joined the business. My father didn't plan for it. Nor did I.

Rapidly changing society

Factors driving greater individual choice, and weaker family pull.

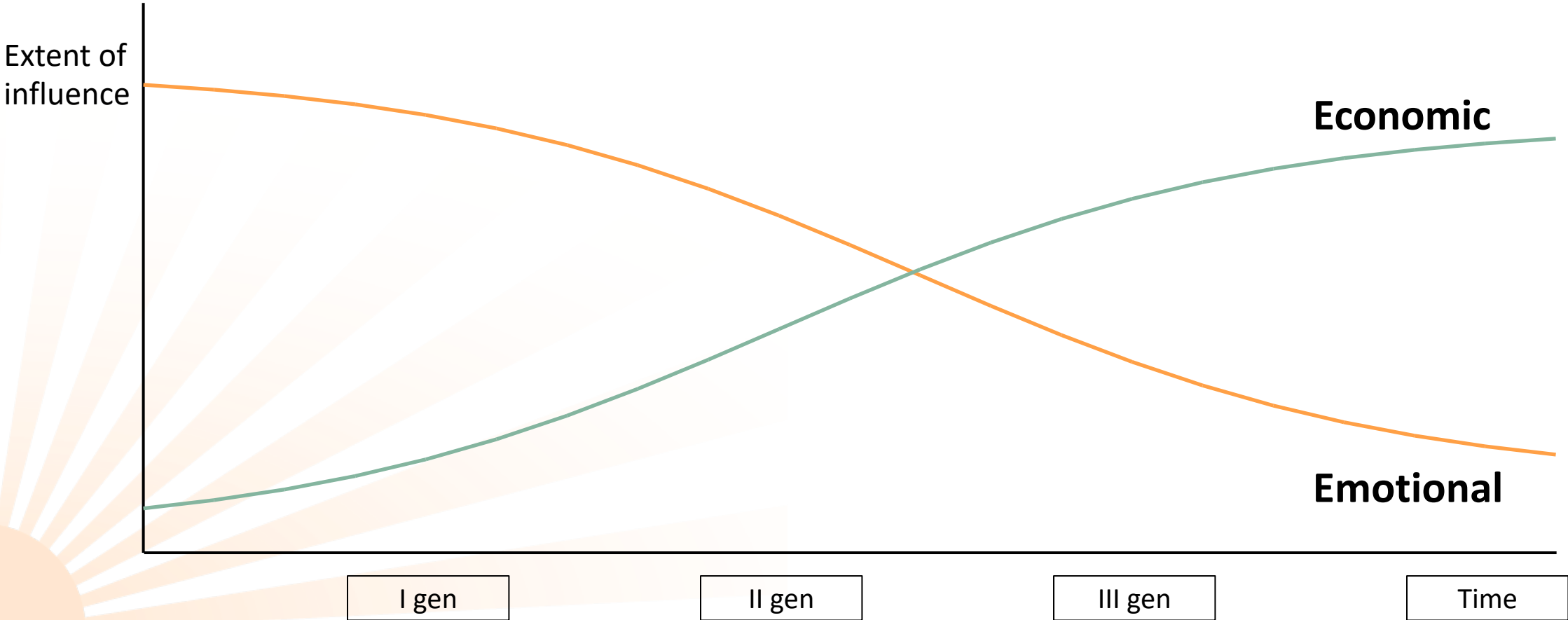


Generational differences



B.A.N.G.
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

How the dominant motive of the family shifts as generations pass.



As generations pass: emotional bonding falls | economic interest rises → succession risk grows.

Evolution of the family business

Stage 1

Controlling Founder

One leader. One vision. Speed of decision.
No structural complexity, but full dependence on the founder.



Stage 2

Sibling Partnership

Spouses from different families, backgrounds, experiences,
and possibly different values, enter the system.



Stage 3

Cousin Consortium

All of the above PLUS distance, competition, lesser bonding
and more diluted ownership across branches.

Effective family governance is what holds growing complexity together.

What each generation sees

*The next-gen view. The incumbent's view.
Where they meet and where they don't.*

Is there an issue?



B.A.N.G.
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence



Why next-gen should join the family business



Four reasons that, taken together, no outside job easily matches.

01

Opportunity to continue, build

A running, profitable platform that took the founder a lifetime to create, the next-gen starts on top of it, not at zero.

02

Opportunity to explore many new areas

Geographies, products, digital, ESG, philanthropy, new ventures, all under one financial canopy.

03

Rich resource basket not available easily

Capital, brand, networks, relationships, talent and patience capital, things an outside employer rarely offers in combination.

04

Fulfilling the family dream of continuity

Stewardship across generations is itself a source of identity, purpose and meaning, not just income.

Why the next-gen hesitates

Why they hesitate

Business is not glamorous.

Their skills, education are not applied.

Family is already overcrowded in the firm.

Unpleasant relationships, sibling rivalry.

Difficult to play “doubles” with the founder.

Interested in their own venture.

What changes their mind

A clear written CAREER PATH, not a desk.

A real ROLE with real targets.

OUTSIDE work experience.

Defined ENTRY & REWARD policies.

Mentor who is not their parent.

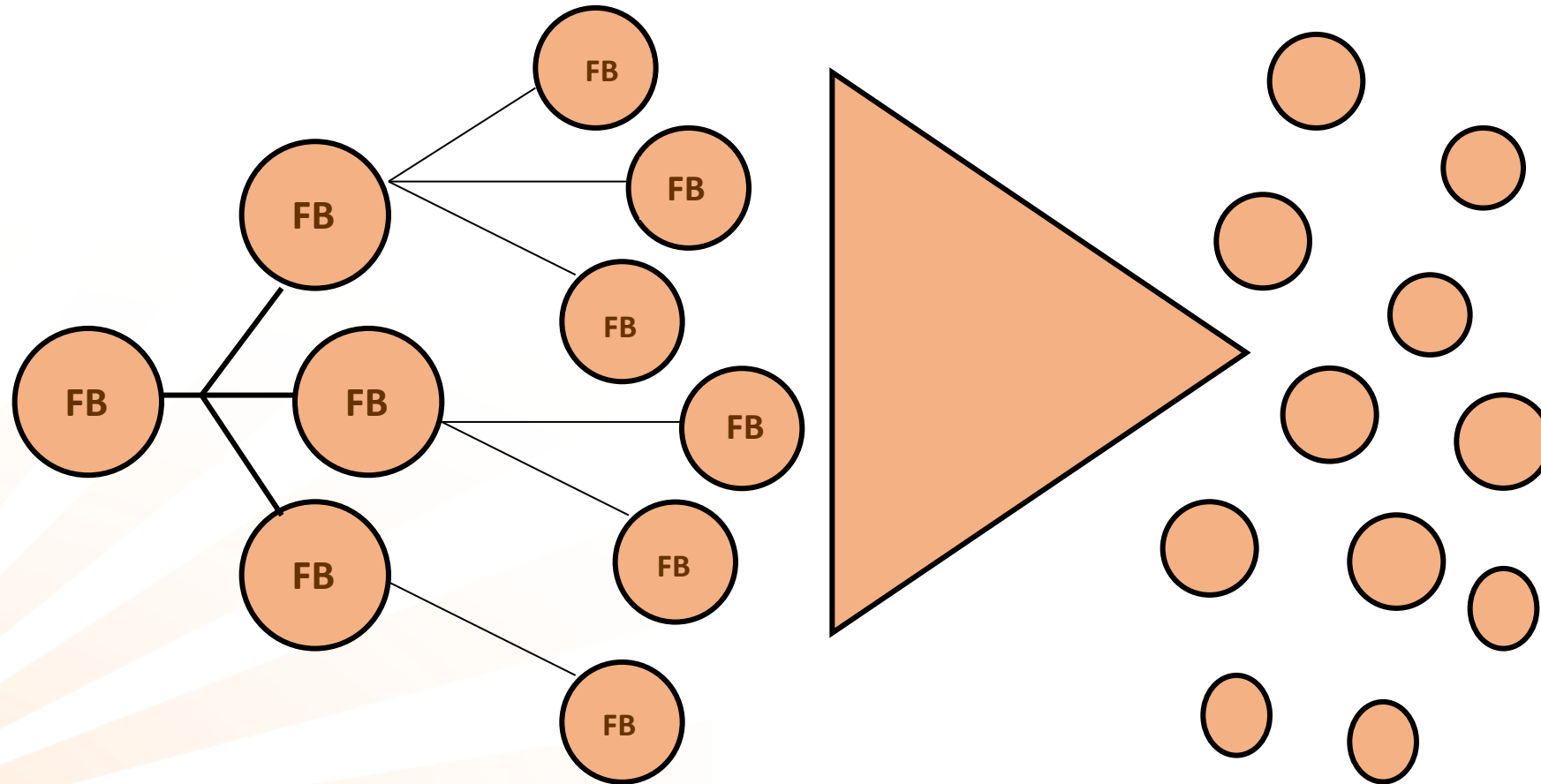
Room to RUN A NEW VENTURE inside the family.

Cases from families that didn't

The arithmetic of unplanned succession.



The classic amoebic model



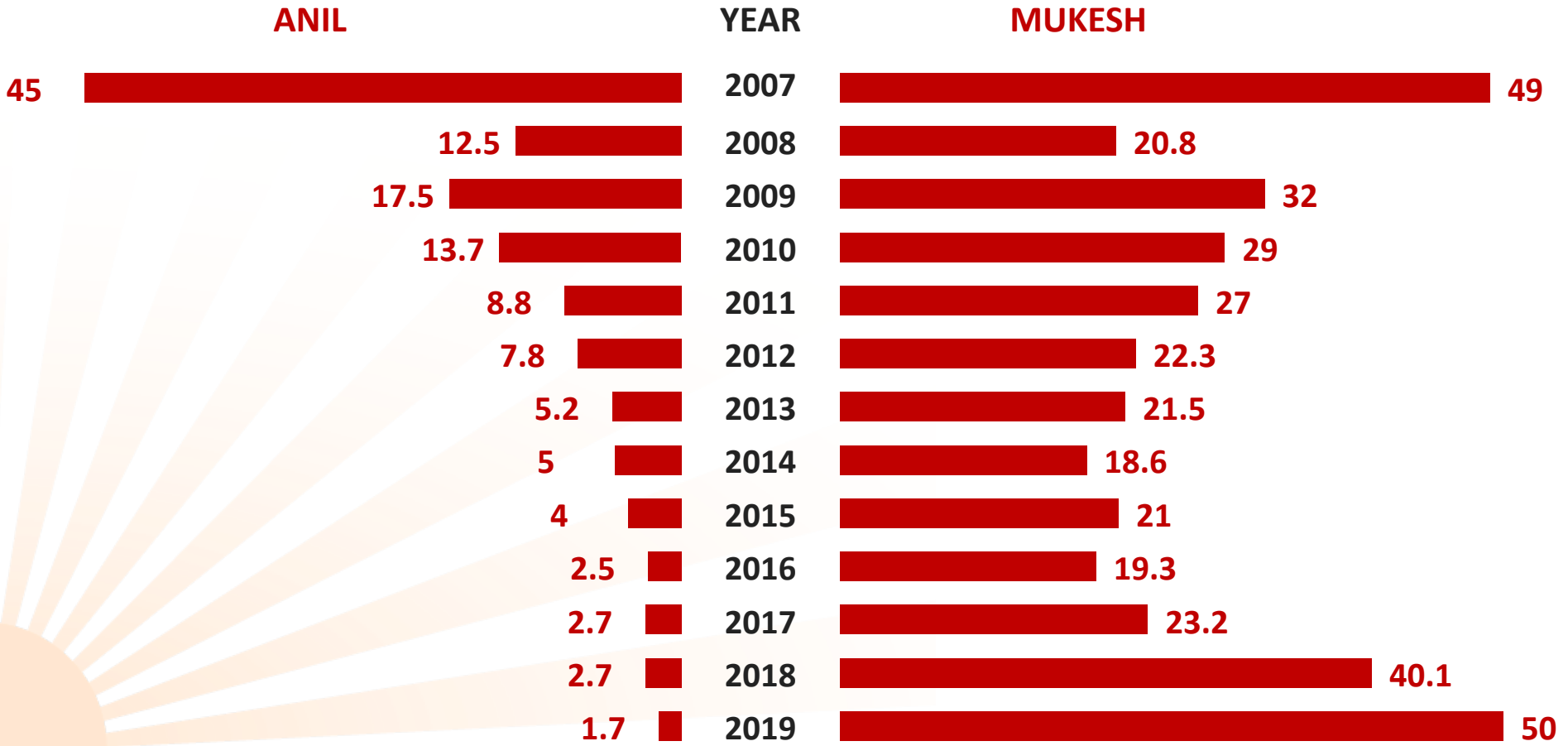
Without active governance, the amoeba divides, generation after generation.

Ambani brothers: the cost of an undisputed split



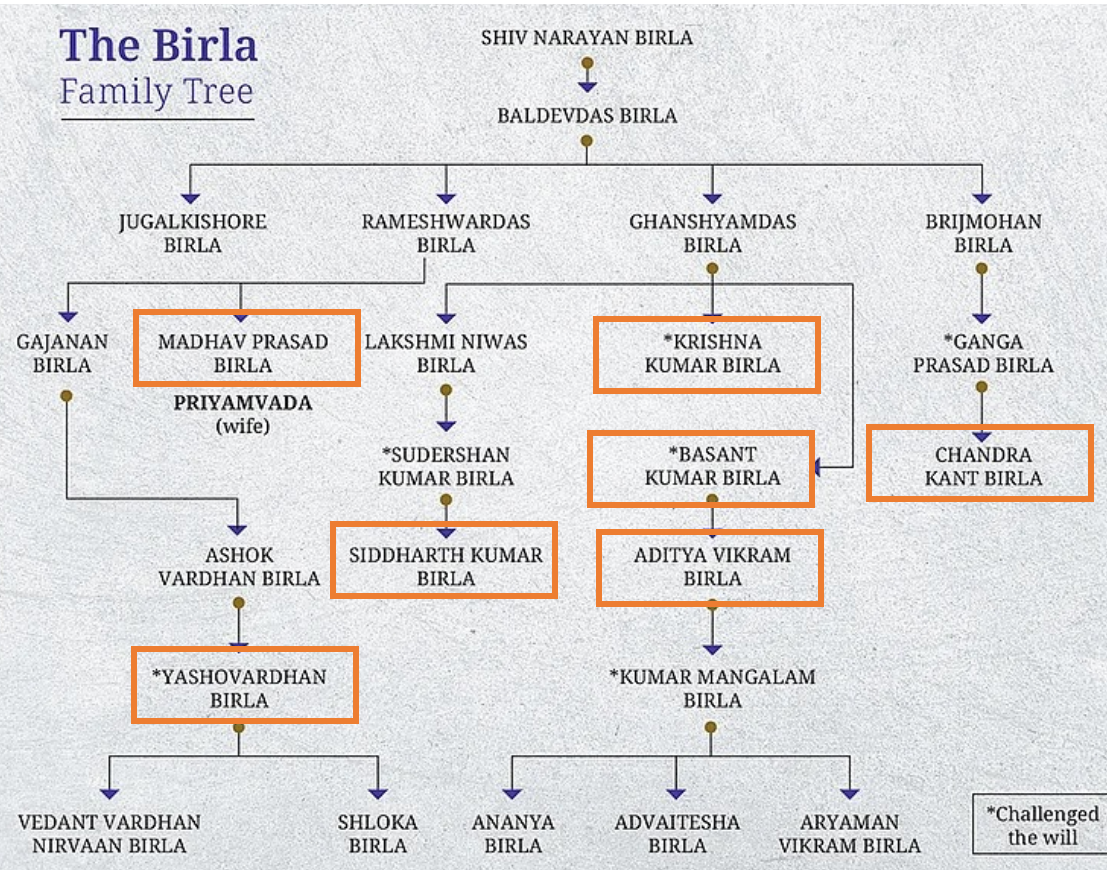
B.A.N.G.
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

Personal net worth (\$ bn, Forbes), 2007–2019. Same starting line, very different paths.



Birlas: One founder, seven groups

The Birla Family Tree



No.	Group Name	Approx . No. of Cos	FY 2024–25 Equity (₹ Cr.)	FY 2024–25 Sales (₹ Cr.)	FY 2024–25 Net Profit (₹ Cr.)	Current Market Cap (₹ Cr.)
1	AV Birla	45+	~4.5 L +	~7 L +	~35,000+	~9,3-9.8 L
2	BK Birla	15+	~1,000	~15,000	~600	~8-10 Th
3	CK Birla	20+	~4,000	~35,000	~1,200	~10-12 Th
4	KK Birla	35+	~5,000	~45,000	~1,500	~18-22 Th
5	MP Birla	13+	~6,500	~9,650	~558	~7.8-8.3 Th
6	SK Birla	10+	~500	~1,500	Marginal / mixed	~2-3 Th
7	Yash Birla Group	<10	Stressed	Limited ops	Negative / negligible	<500

Elder Pharma



- Founder Mr Jagdish Saxena died suddenly in 2013
- Battle amongst family members over the family bungalow
- Company went for liquidation in 2017
- Cases still ongoing

Saxena family, Elder Pharma, the canonical Indian “no-plan” cautionary tale.

Who has the maximum skin in the game?



105.00 ▼ -1.00 (-0.94%)

BSE : Apr 17, 09:38

103.00 ▼ -3.25 (-3.06%)

NSE : Apr 17, 09:38

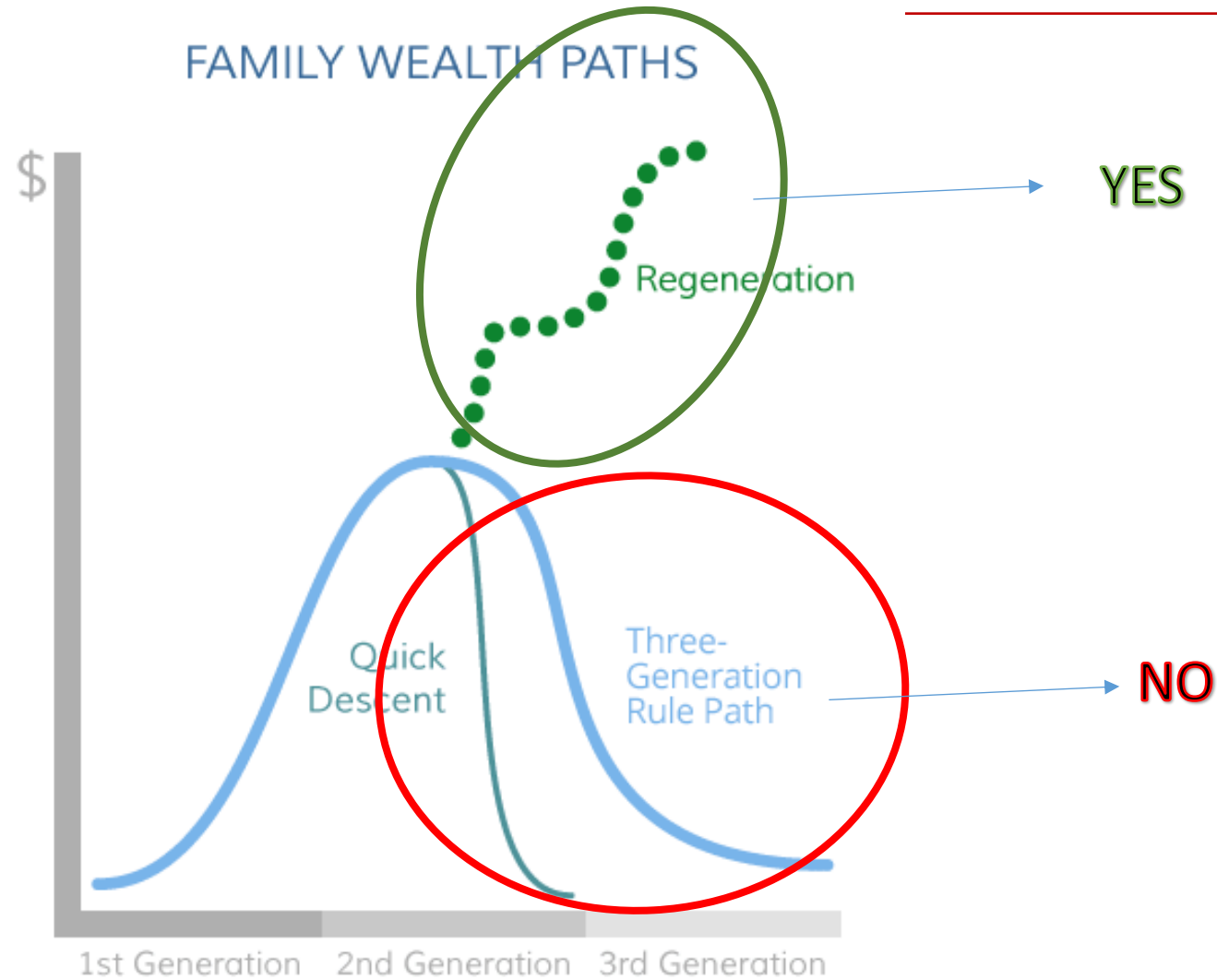
When family squabbles spill into the listed entity, minority shareholders, employees and customers pay first, and longest.



The Fragility of Family Wealth

Bad business decisions coupled with lack of structured succession, wealth management and family governance.

The Fragility of Family Wealth





B.A.N.G.
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

How to plan for Succession?

Succession is a process, not an event. The discipline behind the practice.

Succession driven by events: or by vision?

EVENTS, the wrong reason

Death

Illness

Divorce or departure

Disaster or pandemic

Sudden exit of a key family member

VISION & PLAN, the right reason

Nurturing & growing the legacy

Building socio-emotional wealth

Providing entrepreneurial opportunity to family members

Shifting from operating a FB to building an ENTERPRISING FAMILY



B.A.N.G
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

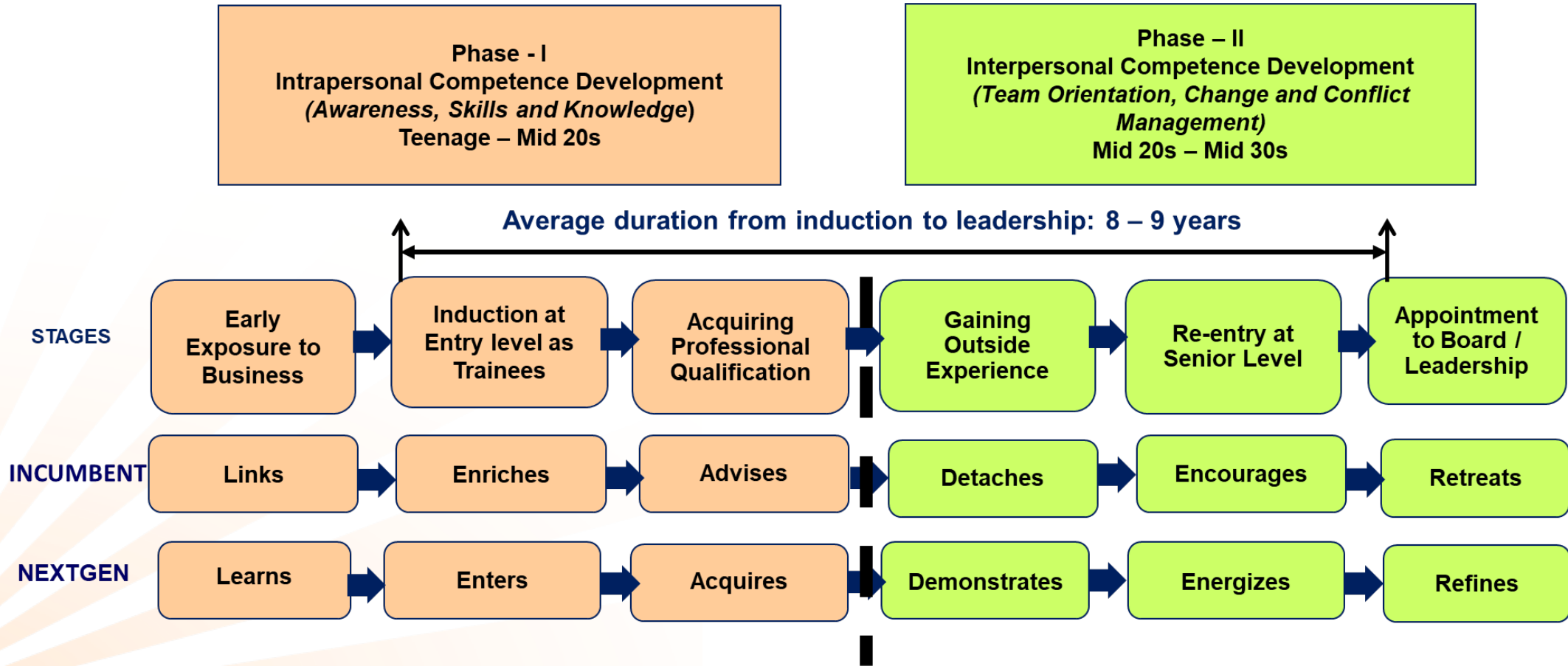
Leadership and Management succession

Grooming the next generation. From outside or inside, at company or family level.

The systematic pathway: how transitions succeeded in India

Next Generation Leadership Development Framework

Succession- Next-Gen



Critical Intermediate Phase of Transition

Pause & Reflect



Four minutes

Take ONE next-generation member you know.

1. Which Phase is she/he in?
2. How can you help the family groom this next-gen member?

Ability and Willingness, the two questions before naming a successor

Ability is teachable. Willingness is not. Diagnose both before deciding.



WILLINGNESS **High**
Desire to lead the business

EAGER BUT UNREADY

Low ability, high willingness

Develop. Invest in education, outside experience, mentoring.
Use the LEADER pathway; review every 6 to 12 months.

IDEAL SUCCESSOR

High ability, high willingness

Groom and signal. Move through LEADER stages on schedule.
Formalise the handover; protect with constitution and board.

LOOK OUTSIDE

Low ability, low willingness

Do not force. Bring in a non-family CEO.
Keep family in ownership and governance, not operations.

RELUCTANT SUCCESSOR

High ability, low willingness

Diagnose why. Sense of duty is not a vocation.
Offer alternatives: ownership role, family office, philanthropy.

Low

Low

ABILITY

High

Competence to lead the business

Note on outside experience

Cases of outside-first journeys: Mukesh & Anil Ambani, Krishna Reddy (Cyient), Lavanya Nalli, Manish Sabharwal (TeamLease).

1

Out of the shadow

Decisions are theirs alone. No family safety net. Real accountability for real outcomes.

2

Earn, not inherit

Credibility built on what they delivered, not on whose child they are.

3

Different culture

Exposure to different systems, leadership styles and management practices. Perspective widens.

4

Bring back change

When they return, they have the credibility and the ideas to upgrade legacy systems.

Reviewing the next-gen: make it formal

Just as you would appraise any professional executive, appraise the next-gen, but on the right dimensions.



Business results

P&L delivered against agreed targets in their area of accountability.

Strategic insight

Quality of analysis when faced with ambiguous, unstructured problems.

Leadership of teams

How non-family executives describe working with them.

Stakeholder trust

Suppliers, customers, bankers, regulators, earned credibility?

Values embodiment

Conduct under pressure. Decisions when no one is watching.

Family citizenship

Engagement in family forums, contribution to harmony.

Mechanics that work in practice

- Annual appraisal by an independent director, not the parent.
- 360° input from non-family executives.
- Tied to a written development plan, not bonus alone.

Compensation for family members: eight test questions

Designed so the family answers, in writing, the questions every non-family employee silently asks.

01 Is the family member's salary at, above, or below the market rate for this role?

02 If the family member left tomorrow, what would the open-market replacement cost?

03 Are non-family employees in similar roles paid the same, and do they know it?

04 Is there a separate "family dividend" component, distinct from salary?

05 Are perks (car, club, school fees, foreign travel) inside or outside CTC, and benchmarked?

06 Are bonuses tied to the appraisal score, or to the family relationship?

07 Does each family member have a written employment letter, like every other employee?

08 Who reviews and approves family compensation, HR, board, family council, or 'the founder'?

Four mistakes families make when naming a CEO

Families don't lack capable heirs. They confuse backward-looking proxies with leadership readiness.

1

Lineage over readiness

Choosing the heir who is most credible by birth, not most credible by capability.

Gucci, Aldo passed leadership to nephew Maurizio, who lacked readiness. Family lost the brand.

2

Seniority as shortcut

Eldest, longest-involved, most visible, treated as natural successor without rigorous comparison.

Reliance post-Dhirubhai, no explicit framework allowed assumptions to harden into conflict.

3

Legacy alignment > strategic need

Picking the successor who feels familiar to the founder, even when the firm has outgrown the founder's model.

Indian FMCG firm, founder's son-in-law (similar style) preferred over more professional son. Structural split followed.

4

Not laying out the next chapter

Debating names before clarifying what the next strategic chapter requires.

Tata, Cyrus Mistry, no agreed mandate before appointment. Capable leader set up to clash.

Four dimensions to assess a successor on

1

Institutional Courage

Capacity to act in the enterprise's long-term interest even when it disrupts family comfort.

Did this person redirect capital from a relative's underperforming division?

Did they replace a long-serving family executive when needed?

2

Strategic Fit

Match between the candidate's depth and what the firm's next chapter actually requires.

How would they handle a digital pivot when senior leaders resist?

Pattern recognition matters more than polished presentation.

Four dimensions to assess a successor on

3

Judgment Maturity

Ability to integrate dissent, weigh imperfect data, and move with conviction without impulsiveness.

Look at reasoning, not outcomes. Past episodes of capital allocation or crises reveal judgment under real pressure.

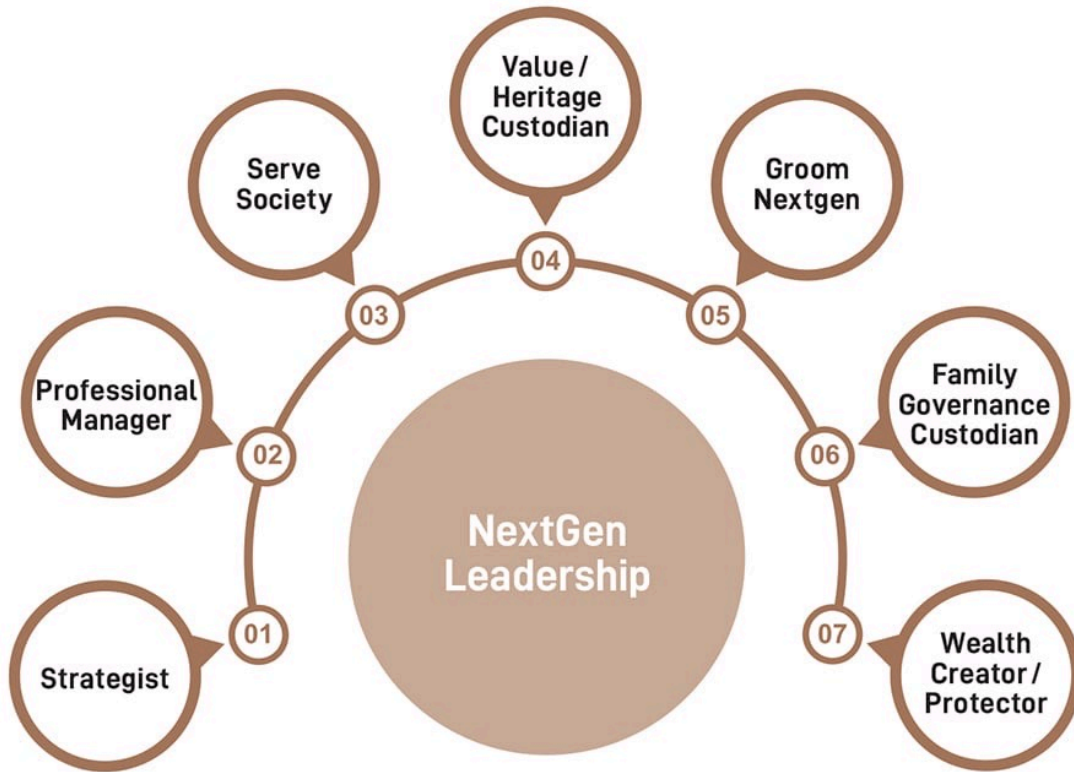
4

Boundary Authority

Clearly distinguishes family forum from board forum; leads independents and pros without feeling threatened.

How has the candidate handled a family member's preference conflicting with a board decision? Can they hold the line?

Next-gen leadership: seven roles to step into



no priority order; every next-gen plays all seven across a career.

01

Strategist

Custodian of future growth, scan trends, allocate capital.

02

Professional Manager

Best practices, KPIs, process rigour alongside family leadership.

03

Serve Society

Philanthropy, ESG, community, reinforce social legitimacy.

04

Value / Heritage Custodian

Translate founding values into actionable norms.

05

Groom Next-gen

Don't wait to be groomed, take initiative as the change-maker.

06

Governance Custodian

Enforce transparent family-governance principles.

07

Wealth Creator / Protector

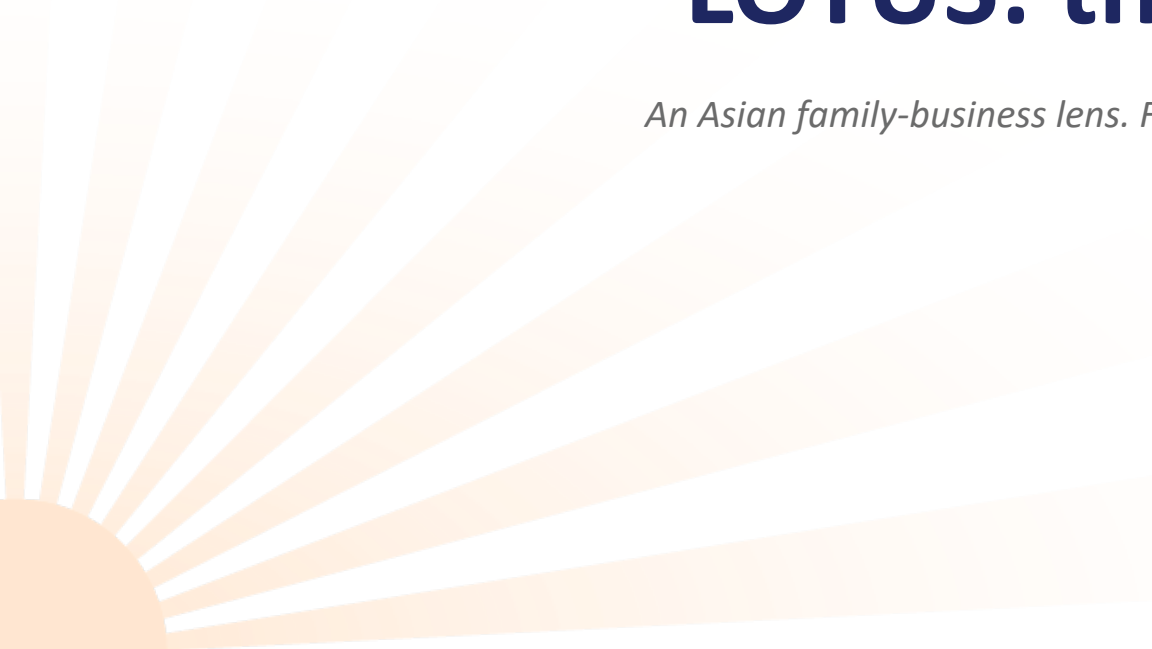
Balance growth investment with prudent diversification.

AN ALTERNATIVE FRAMEWORK



LOTUS: the five petals

An Asian family-business lens. Five movements that must travel together.



LOTUS: five petals, one bloom

Each petal is necessary; no single one is sufficient.



LOTUS

- L Leadership: Beyond the next leader**
The next CEO, chosen, prepared, transitioned.
- O Ownership: A strategic balancing act**
Shareholding plan across heirs, branches, generations.
- T Transforming the organization: Building solid business foundations**
Structures, talent, systems that outlive the founder.
- U Family Unity**
Shared vision, communication, conflict capacity.
- S Governance Strengthening**
Boards, councils, constitutions, formal rules of the game.

Using LOTUS on the next client conversation

A diagnostic an advisor can run in a single discovery meeting.

01

SCORE

Rate each of the five petals on a 1–5 scale with the founder, the next gen, and a senior non-family executive, separately.

02

VISUALISE

Draw the three lotuses side by side. The differences are the conversation.

03

SEQUENCE

Strengthen the weakest petal first; do not start with the loudest. Govern·Unity issues almost always precede Leadership decisions.

04

RE-TEST

Repeat annually, as the family transitions generations, what "strong" looks like on each petal changes.



B.A.N.G.
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

Can a plan, by itself, fail?

What the satisfaction research says about the limits of plans.

The puzzle: why a succession plan, by itself, falls short



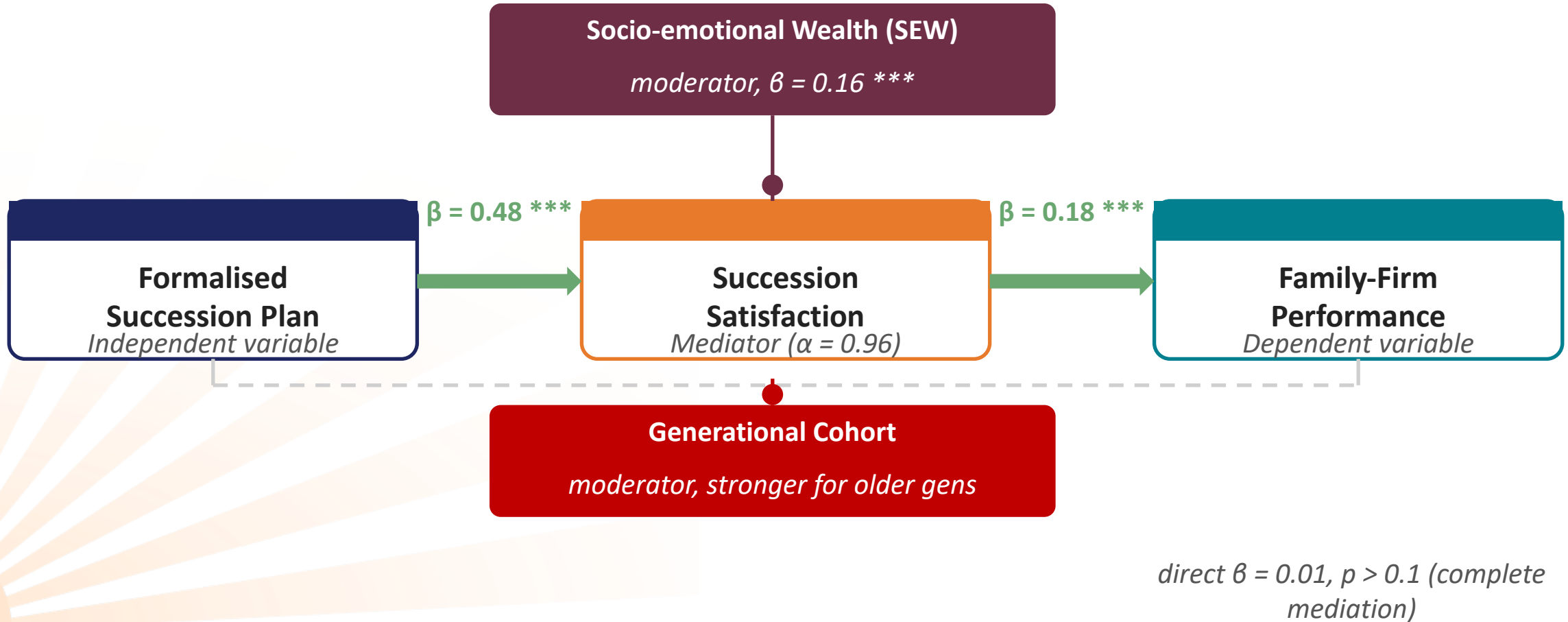
*1 in 3 family businesses survives to the second generation.
Yet most planned successions still fail. Why?*

The implication

A succession plan is necessary, but not sufficient. What converts the plan into firm performance is whether the family is satisfied with how the plan was made and executed. Satisfaction is the bridge.

The mediated-moderated model

Formal plan → Satisfaction → Performance. SEW and generation moderate the relationships.



Four hypotheses, plain English



B.A.N.G.
Group
Performance

**H
1**

A formalised succession plan is positively related to firm performance.

Confirmed. $\beta = 0.11, p < 0.001$

**H
2**

Succession satisfaction mediates the plan → performance link (plan alone has no direct effect).

Confirmed. Complete mediation; direct effect not significant.

**H
3**

SEW positively moderates the plan → satisfaction → performance chain.

Confirmed. Moderation $\beta = 0.16$ (sat) and 0.03 (perf).

**H
4**

Moderating effect of SEW is stronger in older generational cohorts (silent & boomer CEOs).

Confirmed. Significant for older gens; not for Gen X & millennials.

Leadership and culture are intertwined

Culture is shaped by leadership,

and leadership is constrained by culture.

Why it matters

When the founder occupies the top position for decades, the organisation's culture moulds to her style.

The longer the tenure, the less flexibility the culture has to adapt to a different leader.

Succession often founders not on talent, but on the cultural lock-in left behind.

Three transitions that proved it

JRD → Ratan Tata

Half-century leadership left the group culture wedded to autonomous satraps.

Murthy → Sikka

Founders' passionate capitalism collided with Silicon Valley pay norms.

Rohinton → Anu Aga

Informal Thermax culture had to be reset by Anu after Rohinton's passing.

When to bring in a non-family CEO: the decision guide



Two axes: culture-fit certainty (vertical) and next-gen readiness (horizontal).

Strong next-gen + clear culture match

Choose the family successor.
The Ambani / Reddy / Murugappa
playbook.

Strong next-gen + culture must change

Choose the family successor,
but empower them to reset culture
(Ratan Tata, Anu Aga playbook).

Weak next-gen + culture fit OK

Bring in an internal
professional or insider-pro
(Aditya Birla model).

Weak next-gen + culture must change

Bring in an external
professional with explicit
mandate (Tata Sons recent moves).

→ *The wrong move is to leave both unaddressed and hope something works out.*



B.A.N.G
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

The founder's second innings

Retirement is the unlock, not the end. Redefine. Not Retire.

Baton change is not easy: Beijing 2008



Five questions before the handover.

Preparation

Who? Which lap? Why?

Timing

When does the incumbent step back?

Process

How is the actual transfer staged?

Exit route

What does the founder do next?

Goal alignment

Does the runner agree where the finish line is?

Finally: the push

The eagle metaphor

*The mother eagle does not coax,
she pushes the eaglet out of the nest.*

*Seniors need to manage their own
“anxieties” and “fears”,
to provide the PUSH the next gen
needs in order to take charge.*

[Gr8 Motivational Clip - Even Eagles needs a Push..avi](#)

*A leader who doesn't hand over to an able successor is not, finally,
a good leader.*

Retirement planning ≠ succession planning

RETIREMENT PLANNING

How will I LIVE?

Financial independence from the firm

Lifestyle costs covered

Healthcare ring-fenced

Estate distributed

Family office in place

SUCCESSION PLANNING

How will the FIRM live without me?

Successor identified & groomed

Authority transferred in layers

Governance bodies working

Constitution & wills aligned

Founder's new role defined

The long-tenure trap



Long-serving leaders shape the culture to their style.

After a point, even capable successors struggle to operate inside it.

JRD Tata (~50 years)

Tata Group culture wedded to autonomous satraps. Ratan Tata fought boardroom battles to reset it.

N R Narayana Murthy (~30 years)

Infosys culture of compassionate capitalism proved hard to reconcile with Sikka's Silicon Valley pay norms.

Rohinton Aga (decades)

Thermax's informal, people-first culture became a hurdle for Anu Aga in reviving the company.

→ *Successful tenure is not its own reward. After the peak, leaders maintain status quo but may not stay relevant.*

The 10–12 year tenure norm



Dabur Group

Chairman's tenure: roughly 10–12 years.

- Long enough for the individual to set strategic direction.
- Short enough to avoid entrenchment.
- Family stays in ownership; leadership rotates by design.
- Successor pipeline is built into the structure.

Murugappa Group

Same governance discipline. Same outcome.

- Multi-generational leadership rotation across family branches.
- Independent boards with real authority.
- Acknowledged conflict early, used mediation, not litigation.
- Family unity preserved alongside business growth.

Bottom line: design tenure caps before you reach them.

Avoid no-man's-land: the most common post-handover failure

1

The handover looks complete

On paper, the CEO has changed.
Announcements have been made.
The team has a new boss.

2

...but the founder hasn't left

Stays involved in 'a few key matters.'
Keeps approving big decisions.
Bypasses the new CEO in conversations.

3

Result, No-man's-land

Areas where no one takes a decision because roles are unclear.
Good people quit. Strategy stalls.

The cure: explicit role definitions for both the outgoing leader and the new CEO. Put them in writing.

From Singles

to

Doubles



B.A.N.G.
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

<https://www.instagram.com/reel/DEJ0Kokv9Wy/?igsh=YmlidXRjdHo4ZGJz>



B.A.N.G
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence





B.A.N.G
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

Ownership succession

The dimension that cannot be outsourced. Preparing owners to be good owners and to govern well.

A decorative graphic in the bottom left corner consists of a semi-circle on the left, from which several rays of varying lengths extend outwards and upwards, creating a sunburst effect. The rays are a light orange color and fade out towards the right. The bottom of the slide is a solid orange bar.

Ownership succession is different from the others

It does not retire, it does not get promoted out. It transfers, dilutes or stays put.



1

It cannot be outsourced

A non-family CEO can run the company. A non-family member cannot own the family's shares.

2

It outlasts the individual

Leadership ends with retirement. Ownership ends with sale, death or division.

3

It is legal, not behavioural

Demands instruments: trusts, HUFs, holding companies, shareholder agreements, wills.

4

It is silent until it isn't

Most disputes that destroy families are ownership disputes, not management ones.

5

It is the seat of governance

Owners appoint the board. Owners hire and fire the CEO. Owners set dividend policy.

Five challenges of ownership transition

Where ownership succession quietly goes wrong, and where the advisor can help.



Equal vs equitable

Same shares to every child looks fair. It rarely is. Active managers, passive owners, in-laws, step-children, daughters: each needs a different conversation.

Voting vs economic

Voting rights and economic rights can be separated. Dual class shares, trustee voting, family holding companies. Get the architecture right early.

Liquidity for those who exit

Family members who do not want to stay invested need a route out that does not break the business. Buy-back, sinking fund, valuation method, lock-ins.

Tax-efficient transfer

Gift, trust, HUF partition, family settlement, will. Stamp duty, capital gains, transfer pricing. The CA's home territory.

In-laws, NRIs, minors

Each category triggers FEMA, FCRA, succession act, and tax provisions. Plan before the wedding, the move, or the inheritance, not after.

Preparing owners to be good owners

Ownership is a role, not a birthright. Owners must learn the role, just as leaders do.



BUSINESS LITERACY

Read a balance sheet. Understand cash flow. Know what their business actually does.

OWNERSHIP CONTRACTS

Shareholder agreement, family constitution, dividend policy, exit mechanism.

CAPITAL STEWARDSHIP

Long-term capital allocation thinking. Patient capital. Reinvest vs distribute.

THE FAMILY VIEW

Their share is held in trust for the next generation. Owners are temporary custodians.

THE OWNERS' FORUM

How to convene as owners, separately from family dinners and board meetings.

WHEN TO STAY SILENT

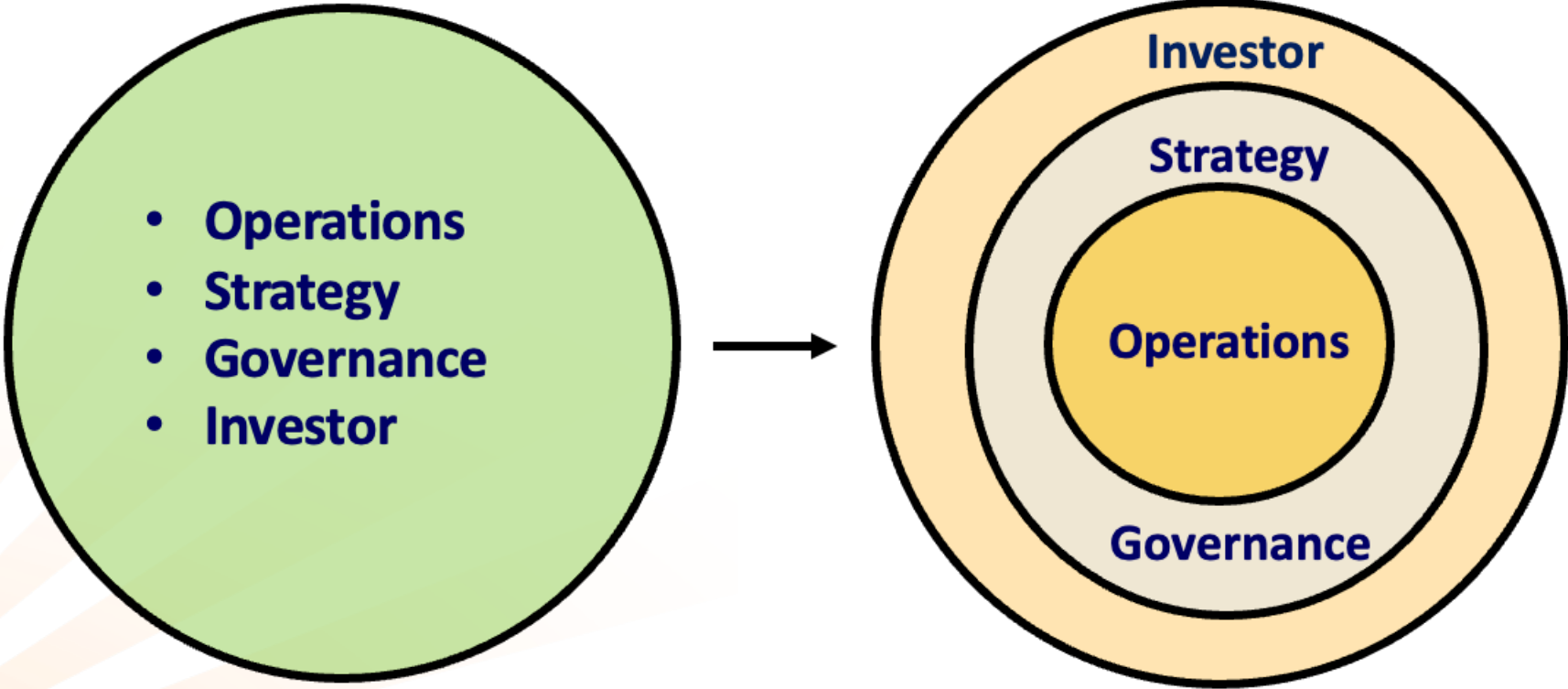
Owners hire and supervise the board. Owners do not manage the business.

An Owners' Education Programme is as important as a Next-Gen Programme. Most families have neither.

Changing role of owners



B.A.N.G
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence



Collectivism
Shared professional goals by all

Individualism
Diverging professional goals



B.A.N.G
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

Governance

The architecture that hold succession together when emotions take over.

Succession Planning Meets Resistance at Multiple Levels: Individual, Interpersonal, Group, Organisational, etc.



Succession related conflicts in the family and business are more likely due to issues of *ambition, control, power, and authority.*

**Need better Family Governance Framework & Mechanisms to
manage succession challenges**

Why a written constitution at all?

1

Pre-empts the issues

Most disputes begin as unspoken dilemmas. A constitution forces them into the open early, before they become destruction.

2

Frees the founder

The rules of the game live in the document, not in the founder's head. Decisions get faster; the founder gets to step back without abandoning order.

3

Welcomes new entrants

Spouses, in-laws and the next gen don't have to guess at the family's norms. The constitution onboards them the way an HR manual onboards staff.

A constitution doesn't end disagreements, it changes how they get resolved.

Inside a family constitution



Not a legal document. A living agreement on how the family chooses to be a family.

FAMILY

History
Vision & Values
Code of conduct
Family fund
Philanthropy

BUSINESS

Business vision
Strategy
direction
Dividend policy
Shareholders'
agreement

MEMBERSHIP

Family
employment
Next-gen entry
Rights &
obligations
Role of in-laws

GOVERNANCE

Family Assembly
Family Council
Family Business
Board
Family Office

CONFLICT

Managing
differences
Mediation clause
Amendment
procedure
Named mediator

***Drafted by the family. Witnessed by trusted advisors.
Reviewed annually, never frozen.***

Three forums every family business needs



FAMILY SIDE

Family Council / Family Assembly

Manages family relationships,
values, vision and conflict.
The softer architecture.

OWNERSHIP SIDE

Family Business Board / Owners' Forum

Articulates owner expectations,
dividend policy, capital
allocation across businesses.

BUSINESS SIDE

Operating Company Board

Strategic oversight, executive
performance, statutory
compliance, risk.

And underneath,
The Family Office

The execution arm. Investments, philanthropy, family services,
administrative coordination across all three forums.

The Owners' Council: expanded mandate for the BANI era

The traditional remit

*Capital allocation across businesses;
dividend policy; major investments.*

- Sets owner expectations for the business.
- Reviews group-level performance.
- Approves major M&A and capex.
- Owns the dividend policy.

The expanded mandate

For the new BANI environment.

- Incubates next-gen ventures like corporate-venturing arms.
- Transparent venture-financing guidelines.
- Clear ownership stakes in new ventures, performance-linked rewards.
- Lets I-Me-Mine ambition stay inside the family vision.

Pause & Reflect



Four minutes

Take ONE family-business client.

1. Do they have a written constitution?
If yes — when was it last reviewed?
2. Does their board have at least ONE genuinely independent director?
3. What is the smallest first step you could suggest at the next meeting?



B.A.N.G.
Bodhi Advisory & Nurturing Group
Roots, Renewal, Radiance & Reverence

When disputes happen anyway

Even with structure and planning, tensions surface.

Recent India headlines say it all

Every one of these disputes is rooted in succession decisions made, or postponed, by an earlier generation.

Singhania (Raymond)

Iconic brand mired in disputes over leadership of Raymond. Inheritance, control and identity tangled.

Lodha brothers

Public, acrimonious tussle over use of the Lodha name and overlapping business interests.

Kalyani siblings

Multi-pronged legal battle over distribution of family wealth and control of group companies.

Hinduja

Years of quiet disputes, patriarch's passing triggered the family to finally pursue unity.

Ambani

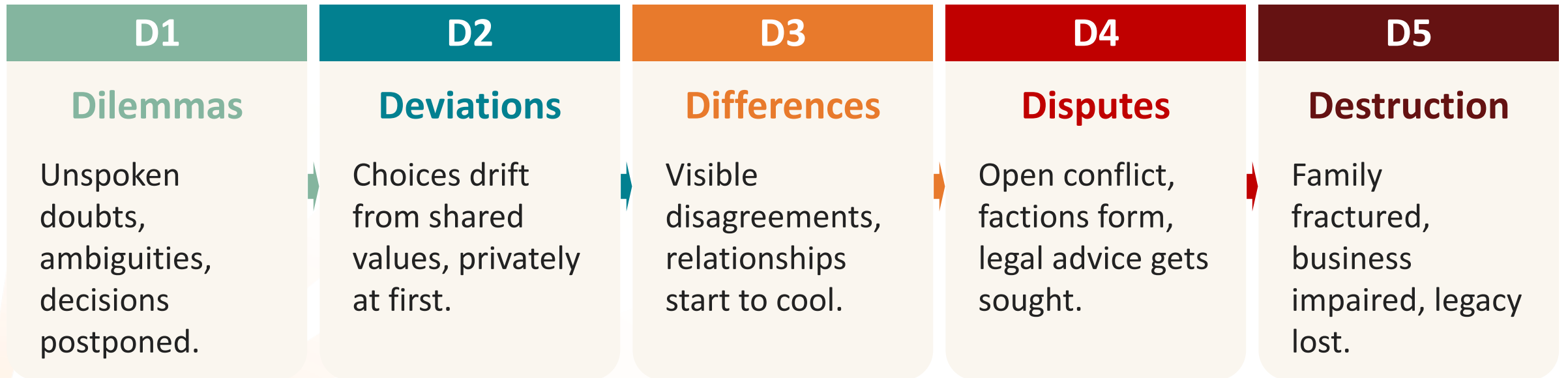
Initial discord after Dhirubhai; settled out of court via mediation (Kokilaben, KV Kamath).

Murugappa

Acknowledged sources of friction and acted early, mediated outcomes preserved both family and business.

The Five Ds: how families slide into destruction

Most family disputes don't erupt overnight. They follow a recognisable five-stage drift.



Each transition is an opportunity to intervene. The earlier the better.

Spot D1 and D2 early. By the time a family reaches D3 or D4, options have shrunk and costs have multiplied.

The Conflict Resolution Ladder



Communication	Talk to the person directly <i>Cheapest · fastest · preserves the most</i>
Negotiation	Two parties, no outside help
Mediation	Neutral third party facilitates dialogue
Neutral Evaluation	Third party assesses merits
Settlement Conference	Third party encourages settlement
Arbitration	Third party decides, binding
Litigation	Courts decide, public and slow <i>Most expensive · slowest · destroys the most</i>

→ Inside the family, follow the same ladder: talk to the person → family council → mediation → litigation as last resort.

Why mediation works: and the Indian shift

Five virtues of mediation

- **Confidential**
No public airing of family disputes.
- **Structured**
A process, not freewheeling argument.
- **Objective**
Mediator helps test the strength of each position.
- **Voluntary**
Both sides choose to participate, and to settle.
- **Relationship-preserving**
Designed to leave the family intact, not just the contract.

INDIA

Mediation Act 2023

Settlement reached through mediation is now enforceable as a decree of the Supreme Court.

And, it is not appealable.

This finally puts mediation on the same legal footing as adjudication in India, while preserving its core advantages.

Closing Reflection



Two minutes: silently

Pick ONE family-business client.

On Monday morning, what is the ONE conversation you will start?

Write it down.

Keep it on your desk
until the conversation happens.

Thank You

Dr. Nupur Pavan Bang

Founder, B.A.N.G (Bodhi Advisory & Nurturing Group)

Roots • Renewal • Radiance • Reverence

Questions?