

# Next-Generation Mentoring

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Sunil Kulkarni was in a pensive mood. In the last six months, the situation was improving and he was experiencing a positive change. He reflected on recent events. His son and executive team members were now communicating more constructively during management meetings. He, himself was less anxious.

Sunil was the founder of a mid-sized company manufacturing auto parts. His son had joined him three years ago. For the last two years the business was stagnant and he was facing crucial challenges of how to improve business performance and how to groom his son for the leadership position.

Six months ago, Sunil invited a family business advisor-mentor to help him and his business to untangle the knots of confusion, conflict, and develop a long-term roadmap. Involvement of the mentor was effective. He and his son had started interacting meaningfully and the executive team was charged up.

A large number of family-owned-and-managed businesses in India are going through a phase of transition just like Sunil. The next generation is taking over the reins of the business, business complexities are increasing, and successors though well educated, lack experience to lead the business. In such situations, prudent family owners realise the need for a hand-holder, a mentor who would understand the family dynamics as well as business scenario, who would coach younger generation to be future ready, and strengthen the communication bridge among family members and executive teams.



## **Why mentoring?**

The next-gen successors in family businesses in India usually occupy important positions because of being the owner's son or daughter. Such an entitlement may not earn respect from employees. However, if the successors are qualified, trained and possess competencies to lead, they not only earn respect from the employees but also make a mark in their industries as leaders. Here is where the mentors are needed. Mentors play roles of a doctor, a fitness-expert, and a friend-philosopher-guide for the family in business.

Up until now, external parties such as the family's chartered accountants and lawyers have been seen as trusted business advisors. However, as the family business scenario in India is getting more professionalised, the importance of a specialised family business advisor is being recognised and sought.



## **What does a mentor do?**

One of the most important functions that a mentor serves is to encourage and help communication between different generations of family members. A mentor provides attitudinal and behavioral counselling to family members and helps develop skills that are helpful in the long run. A mentor brings clarity of purpose, creates a family governance mechanism for transparency, and helps breaking down mental barriers that may be restricting the family's harmony and business growth.

## **Why mentors are important?**

Mentors come on a neutral platform and provide an outsider's perspective for the business. As business owners are generally busy micro managing their businesses, they may have blind spots not easy to recognise. Family business advisors/mentors

bring in a fresh perspective and objectivity to the issues in question. Since mentors are themselves professionals with domain specialisations and consulting/coaching experience, they also bring in cross pollination of ideas that will help develop out-of-box solutions for any disputes.

Mentors are particularly important in succession planning and preparing the next generation for leadership of their family businesses by giving them a comprehensive approach to running the business and to meet the future challenges they would face as business owners.

### **The trend**

Mentoring and coaching family business owners is an emerging trend in India. Large business families like Future group, Adani group, Videocon, VIP industries have groomed and trained their younger generation through family business advisors. Renowned management institutes like SPJIMR offer programmes for family business owners to develop their management and leadership skills and also have expert faculty as family business advisors and mentors.

By 2020, almost 37% of Indian family businesses would go through a generational change in leadership. For business owners aspiring to move to the next orbit of growth, planning and preparing the next-gen will be crucial and mentoring will be the need of the hour.

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