



Transforming Family Businesses

INSIGHTS

SEPTEMBER **2025**

We bring you powerful ideas, practical tools, and the latest trends to help you grow your family business.

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Welcome!

Message from our Founder



"Family businesses are the past, present and future of the Indian economy"

India's economic journey has always been shaped by the grit and resilience of family businesses — from traditional traders to modern conglomerates. They will continue to be engines of innovation, employment, and wealth creation. At UK&Co, we are committed to helping family enterprises scale with structure, strategy, and purpose.

This edition is our effort towards bringing ideas, insights, and inspiration needed to help family business leaders succeed and scale. Through stories of leading family business owners, expert perspectives, and practical frameworks, we aim to create a platform for shared learning and growth. Because when family businesses thrive, so does the nation.



K Ullas Kamath,
Founder, UK&Co

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Prologue

Family businesses are the heartbeat of economies worldwide. They power industries, create livelihoods, and carry forward legacies built on vision and resilience. Theirs is a journey of balancing tradition with transformation, of managing relationships alongside operations, of planning for generations even as they compete in the fast-moving, unpredictable markets of today. These unique dynamics call for equally thoughtful and unique solutions.

The scale of their impact is undeniable. According to the 2025 EY and University of St. Gallen Global 500 Family Business Index, the world's largest 500 family businesses generated a staggering US\$8.8 trillion in revenues—up 10% from 2023—despite global GDP growth being only 3.3% that year. To put this in perspective, their combined revenues would make them the world's third-largest economy, behind only the US and China. On average, each of these companies generates US\$17.6 billion annually, with 80% reporting revenues above US\$5 billion.

In India too, family enterprises are not just custodians of heritage but engines of growth. They shape industries, support communities, influence culture, and often become trusted names woven into the daily lives of people. But this is also the era of scale and consolidation. Startups and disruptive models are challenging established norms, while global competition continues to intensify. Family businesses today often find themselves caught between the devil and the deep sea: the need to protect legacy on one hand and the urgency to reinvent on the other. Sustained success now depends on bold

leadership, strategic innovation, and deliberate efforts to ensure intergenerational continuity.

This quarterly is our small step in that direction - a platform to explore the evolving world of family businesses, their challenges, and the pathways to enduring success.



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Expert Corner

Industry's top voices

Legacy and Succession Planning

For inter-generational success



Shaishavi Kadakia
Partner,
Cyril Amarchand
Mangaldas



[Click here to listen to the conversation.](#)

Q: What are the biggest challenges families face in succession planning?

The first is simply lack of awareness. Succession planning isn't a topic that's often discussed openly, so many people don't understand what it truly entails or how to begin. Then, there's the emotional complexity. Decision-making can be delayed due to discomfort in thinking about mortality, fairness among children, or changing gender roles—especially as daughters now seek equal involvement. Add to this the practical hurdles—aligning divergent interests among active and passive members, navigating third-party stakeholders like investors or creditors, and managing cross-border legal and regulatory constraints—and the planning process becomes even more complex.

Q: Given these challenges, where should a family begin?

It starts with introspection: What are your goals? What are your assets, liabilities, and family dynamics? Are all members involved in the business or just a few? What are your plans for the next generation? Once there's clarity, engaging the right advisor becomes essential to build a customized strategy.

Q: What legal tools are available for family businesses?

At a foundational level, every individual should have a will and align their nominations across assets like demat accounts and bank lockers. This prevents unintended consequences where assets are distributed to family members not involved in the business. Beyond that, trust structures are highly recommended, particularly for business families. Trusts consolidate shareholding, streamline intergenerational transfer, and allow separation of control from economic interest. For example, one child may take on business responsibilities while others share in the economic benefits.

Then there's the family constitution, a governance document that captures family values, ownership principles, and management policies. When done inclusively, with input from all family members, it becomes a powerful framework for long-term harmony.

Q: How flexible are these tools—especially trust structures—for evolving family dynamics?

Great question. These structures are ideally built to last for generations, but flexibility is key. For

instance, one family we worked with had a patriarch who initially excluded daughters from the trust. A decade later, the family's views evolved, and because trust had built-in flexibility, we could amend it to include them.

You want to maintain guardrails to preserve intent but also create room for adapting to life events—births, deaths, marriages, cross-border moves, and changing legal frameworks.

Q: What innovations are emerging in this space, especially compared to global best practices?

Indian families are increasingly adopting global concepts like protectors in trusts—an oversight role not explicitly defined in Indian law but borrowed from jurisdictions like the UK. Family constitutions too, while relatively new in India, are becoming more popular. They're helping families align not only on vision but on communication, conflict resolution, and business continuity. Another evolving area is pre-nuptial agreements, especially relevant for business families. While not yet widely enforceable under Hindu law, they are gaining traction as a risk management tool.

Q: Is there a best-case example you've seen of a family doing this well?

Yes, a remarkable case comes to mind—a multi-generational family with multiple brothers in business and young children in the pipeline. They built a master trust to hold the business, supported by sub-trusts for each family branch, allowing flexibility in succession.

They also co-created a family constitution with full participation from every stakeholder—not just the patriarch. This participatory process fostered alignment, mutual respect, and a culture of open dialogue.

They institutionalized regular communication forums: a full family gathering every few months, and more frequent meetings for the active family business council. This ongoing engagement ensures that the structures they've put in place aren't static, they evolve as the family does.

Q: Any final words of advice for family business leaders?

Start early. Don't wait for a crisis to act. Think beyond wealth—plan for values, vision, and purpose. Succession isn't just a legal process—it's an emotional, strategic, and deeply personal journey that, if done well, strengthens both the family and the business for generations.

Research Spotlight

Must-Know Insights from Top Journals

Why and How Do Family Firms Go Public? A Socioemotional Wealth Perspective of IPO⁴

E Carbone, G Campopiano, A Cirillo, D Mussolino

In this insightful study, the authors explore the complex decision-making processes behind why family businesses choose to go public through an Initial Public Offering (IPO). Going beyond financial motivations, the authors adopt a Socioemotional Wealth (SEW) perspective to understand how family firms balance emotional and legacy-driven considerations with the demands of capital markets. The study identifies three pathways family firms take toward IPO: 1. Shine Path where firms aim to showcase family leadership, reinforce control, and ensure smooth succession. 2. Continue Path where IPOs are used to sustain family values, uphold stakeholder responsibility, and preserve family identity. 3. Challenge Path which is often driven by the next generation, and it reflects a desire to assert new leadership and shift internal dynamics while maintaining family influence.

The authors argue that socioemotional wealth—such as identity, legacy, and emotional attachment—serves as both a motivator and a constraint in the IPO process.

⁴ Carbone, E., Campopiano, G., Cirillo, A., & Mussolino, D. (2024). *Why and How Do Family Firms Go Public? A Socioemotional Wealth Perspective of IPO*. *Family Business Review*, 37(4), 400-430.

The Family Business CEO: A Review of Insights & Opportunities for Advancement⁵

V Skorodziyevskiy, JA Chandler, JJ Chrisman, JJ Daspit, OV Petrenko

Understanding CEO is important because of their vast influence on the strategies and performance of organizations. In this study, the authors provide a comprehensive review of research on CEOs in family businesses. Analyzing 175 articles published between 1984 and 2021, the authors use Upper Echelons Theory to explore how CEO characteristics affect strategic decisions and firm performance.

Family firm CEOs are not a homogeneous group—they can be family or non-family members, founders or successors, with varying motivations, capabilities, and authority levels. These differences influence how they make decisions on innovation, risk, governance, and growth. However, existing knowledge is fragmented across disciplines such as management, finance, entrepreneurship, and economics, leading to inconsistent findings.

The review highlights that CEO background (e.g., family status, tenure, succession route) significantly shapes firm behaviour and outcomes. It also notes that socioemotional wealth considerations—unique to family firms—play a critical role in CEO decision-making.

⁵ Skorodziyevskiy, V., Chandler, J. A., Chrisman, J. J., Daspit, J. J., & Petrenko, O. V. (2024). The family business CEO: A review of insights and opportunities for advancement. *Journal of Small Business Management*, 62(6), 2965-3015.

Stabilizing a Family Business: The Transformation of Family through the Adoption of the Family Constitution⁶

Vinod Thakur, Sabyasachi Sinhab

In this study, the authors examine how the adoption of a family constitution can transform and stabilize family businesses. Using family systems theory, the authors explore the emotional and structural shifts that occur when families formalize governance through written agreements.

The study, based on qualitative research, finds that family businesses initiate the development of a family constitution either proactively, in anticipation of future conflicts, or reactively, in response to ongoing tensions. The constitution-building process involves collective sensemaking, emotional unburdening, family rumination, and the clear definition of roles and boundaries for family members.

This process leads to a transformation of the family system itself—moving from a state of emotional stress and ambiguity to one of greater cohesion, fairness, and stability. The constitution serves not only as a governance tool but also as a vehicle for strengthening relationships and building long-term alignment within the family.

The article highlights that adopting a family constitution is not just an administrative step, but

a deeply emotional and relational journey that supports the longevity and harmony of both the family and the business.

⁶ Thakur, V., & Sinha, S. (2025). Stabilizing a family business: the transformation of family through the adoption of the family constitution. *Journal of Small Business Management*, 1–35. <https://doi.org/10.1080/00472778.2025.2461029>