
Will the Next Founders of Family Firms Please Stand Up?



By Balagopal Vissa , INSEAD

Family enterprises can rise to new heights by rediscovering their entrepreneurial DNA.

Family business is big business. By some estimates, companies including the likes of Walmart, LVMH and Reliance Industries account for **up to 80 percent** of global GDP and 60 percent of global employment. Yet the narrative around these market movers often revolves narrowly around the themes of succession and legacy. At INSEAD, we believe it's high time to broaden the conversation.

The reason is simple: Despite their size and dominance, family firms are not immune to the disruptions of our age. Some adapt and thrive; others sputter and decline. Take digitalisation for example. Although often perceived as a threat by incumbent leadership, digitalisation can also be a catalyst for growth and innovation.

But having a catalyst is not enough. What family enterprises need to *fuel* such growth and innovation is the very entrepreneurial DNA that spurred their founders. In many firms, this DNA is perhaps now stifled by layers of

tradition and bureaucracy. It needs to be rekindled.

The inaugural **INSEAD Family Enterprise Summit** aims to be the spark. To be held from June 24-25, the event will offer insights and strategies for rediscovering the founder's spirit, rewiring entrepreneurial DNA, and partnering private capital for innovation. It will also examine the critical role of governance in balancing the family and business domains.

Rekindling the founder's spirit in the age of disruption

There's a reason succession dominates the family business discourse. Choosing and grooming the next-generation leader from within the family is such a fraught process that some companies, like Spanish cosmetics group **Puig**, have all but given up. Handing the reins to able and willing outsiders is easier.

But as we will see at the INSEAD summit, succession can manifest in different forms. It is not just about passing the family jewels to the next generation; it is also about equipping them with the entrepreneurial tools and mindset that empowers them to create their own success and contribute to the family legacy. Teach them how to fish, to paraphrase the saying, instead of giving them fish.

Succession is less about inheriting a specific business and more about inheriting an entrepreneurial mindset.

In a family business context, this can be achieved in at least three ways: starting new businesses, transforming existing ones, or becoming active investors in the next generation of startups. Each will be discussed at the INSEAD summit.

Starting new businesses

In many cases, the next generation of family members may be reluctant to take over the reins of the business. What was new and exciting decades ago is likely to feel staid or archaic to millennials and Gen Zs. For instance, they may find the prospect of inheriting a plantation or factory unappealing, preferring instead to pursue digital ventures or ESG-related start-ups.

Family businesses can play a pivotal role in fostering this entrepreneurial spirit by providing resources, mentorship and financial support to their younger members. Succession, then, becomes less about inheriting a specific business and more about inheriting an entrepreneurial mindset.

Anthony Tan, co-founder of Grab, Southeast Asia's leading superapp, is a textbook example of an entrepreneur hitting the big league by leveraging family resources.

Tan's grandfather was the founder of Tan Chong Motor Holdings Berhad, a prominent automobile distributor in Malaysia. But instead of joining the family business, Tan co-founded a ride-hailing app while studying at Harvard Business School.

Tan's family was initially sceptical about his venture. However, his mother, Khor Swee Wah, played a pivotal role in its early success. Not only did the well-connected businesswoman invest millions in her son's start-up, she also introduced Tan to influential business and political figures in Malaysia, helping him gain credibility and secure crucial partnerships for both funding and regulatory approval.

With his mother's support, coupled with his own tenacity and nose for innovation, Tan steered Grab through initial roadblocks, including fierce competition and regulatory hurdles. Soon the company began expanding rapidly, venturing into new markets across Southeast Asia and diversifying its services beyond ride-hailing to include food delivery, financial and other services used by millions every day.

Learn more about leveraging family enterprises to start new ventures at the Summit:

- Academic session: Corporate Venturing – Rewiring the Entrepreneurial Spirit in A Family Business with **Claudia Zeisberger**, Senior Affiliate Professor of Entrepreneurship and Family Enterprise at INSEAD and founder of Global Private Equity Initiative (GPEI)
- Workshop: Family Businesses Innovating by Rediscovering the Founder Spirit facilitated by **Joachim Vandaele**, founding partner of Wright Partners; lecturer and Entrepreneur-in-Residence at INSEAD; and board member of Trusted Family.

Transforming existing businesses

Renewing the spirit of entrepreneurship is not just about starting new businesses. It is also about reimagining and transforming existing family enterprises in the face of external challenges.

Take Lego, Europe's largest toymaker. Facing declining sales in the early 2000s, Kjeld Kirk Kristiansen, the grandson of the founder, spearheaded a significant venture into digital entertainment like video games as well as educational products. Now led by Kjeld's son Thomas, the company has continued to reinvent itself by franchising hugely popular Hollywood movies and taking ambitious steps towards environmental sustainability.

Learn more about transforming family enterprises at the Summit:

- Academic session: Deep Dive on External Challenges – Digital Disruption with [Nathan Furr](#), Professor of Strategy at INSEAD
- Academic session: Deep Dive on External Challenges – Sustainability with [Ludo Van der Heyden](#), Emeritus Professor of Technology and Operations Management, and INSEAD Chaired Professor of Corporate Governance
- Fireside chat with [Dominique Moorkens](#), honorary chairman, Alcopa

Championing startups

Rather than founding and running new businesses, family enterprises may prefer to invest in promising ventures through family office vehicles. Call it regeneration by proxy.

The [Mulliez family](#) of France is well-known for this. Through their family office, Association Familiale Mulliez (AFM) and venture capital vehicle Creadev, the family invests in businesses that align with their existing interests in food, sustainable consumption and healthcare. Creadev typically invests in innovative start-ups from early to growth stage. The ventures stay relatively independent while benefiting from the Mulliez family's expertise and resources.

The family now owns or is linked to some 130 brands that touch the everyday lives of consumers in France and many countries around the world, from supermarket chain Auchan and sports retailer Decathlon to home improvement store Leroy Merlin.

Learn how family enterprises should invest in new ventures at the Summit:

- Fireside chat: Lessons on Leading Innovation in Family Businesses, with [Séverine Mulliez](#), supervisory board member of AFM, and [Séverine Tapié-Mulliez](#), board member of METI (Mouvement des Entreprises de Taille Intermédiaire) and President of SMT Consulting
- Panel discussion: Partnering with Private Capital to Enable Innovation, with [Andreas von Specht](#), family shareholder and non-executive director of Berenberg Bank and shareholder of Bergos Bank AG; [Kinga Stanislawska](#), founder of Experior VC and founder of European Women in VC; and [Chinta Bhagat](#), managing partner at L Catterton Asia

The glue holding it all together

Whether it's starting/backing new ventures or transforming the existing business, without sound governance, cracks can quickly emerge in family enterprises. For these firms straddle two separate but overlapping spheres: the family and the business. In the family domain, harmony, fairness and loyalty predominate; in the business one, efficiency and competence reign.

Reconciling and maintaining a balance between the two spheres requires constant, vigilant management. And it is on this subject the Summit will focus on in its second day.

- Workshop: Dualities of Governance in Family Firms: Governing the Business and the Family with [Stanislav Shekshnia](#), Senior Affiliate Professor of Entrepreneurship and Family Enterprise at INSEAD, and [Christine Blondel](#), Programme Director, Family Enterprises - Engaging Generations for the Long Term programme at INSEAD
- Fireside chat: The Need to Reinvent Family Governance in Accordance With Business Governance, with [Jens von Wackerbarth](#), sixth-generation executive in a German family business

The INSEAD Family Enterprise Summit will redefine our understanding of family businesses in the age of disruption. It will shift the focus from succession and legacy to wealth regeneration through entrepreneurship. It will empower the next generation of leaders to embrace their entrepreneurial DNA, transform their family businesses and invest in the future. By doing so, family firms can continue to thrive for generations to come.

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Balagopal Vissa is a Professor of Entrepreneurship and Family Enterprise and the André and Rosalie Hoffmann Chaired Professor of Family Enterprise at INSEAD. His research focuses on the people side of entrepreneurship, such as structuring effective venture teams, building entrepreneurial networks and enhancing corporate governance – particularly in emerging economies.