

Family Businesses

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A Recipe for Success

A successful family business is one that makes sure everyone is involved in their family business activities. Most importantly, a family business has the best chance of succeeding when family members believe in the product. If future generations do not have an interest in the family business, they won't possess the original passion that initially built the company.

The oldest family business is the Hoshi Hotel in Japan, which has been in business since 718 AD and has been run by the same family for more than 50 generations. The hotel is listed in the *Guinness Book of World Records* as the oldest hotel in the world.



The Murdoch family are a more modern family business and are owners of the titanic NewsCorp organization that is currently headed by the father Rupert, but the heir apparent, James, already has shown great business sense in running the UK arm BSkyB.



Wal-Mart Stores, Inc. (branded as Walmart) is an American public corporation that runs a chain of large, discount department stores. It is considered one of the world's largest public corporations based on revenue. It was founded in 1962 by Sam Walton and his son Rob currently acts as chairman.



Fiat, Italy's motor manufacturing giant was founded in 1899 by a group of investors which included Giovanni Agnelli, the Agnelli family have remained in Fiat since then, and the heir of Agnelli, John Elkann is the current vice chairman.

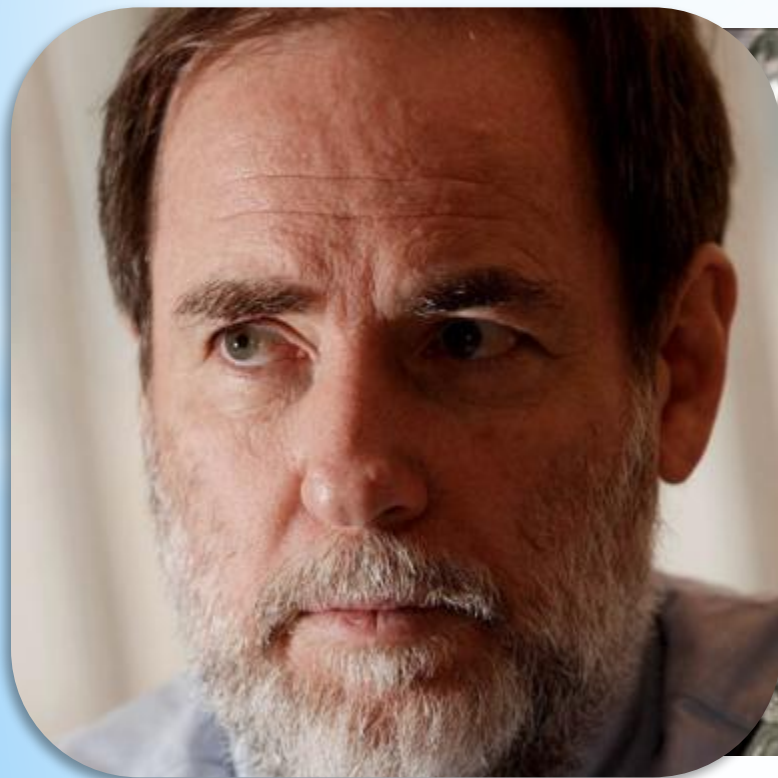
Fiat 500



South Korea's Koo family, owners of the diversified giant LG Group. Koo In-Hwoi, founded the company in 1947, Bon Moo Koo is the current chairman.



The Oppenheimer family have been in the forefront of the world's diamond production since Ernest Oppenheimer became Chairman of DeBeers in 1927. Nicky Oppenheimer, grandson of Ernest, is the current chairman of the group.



There are many other famous family businesses that are household names. Family businesses are estimated to contribute to over 70% of the world's GDP. The lists are endless, but here are a few more worth noting:

- Ford Motor Company: Automobiles – Ford family
- Novartis Group: Health & personal care – Landolt family
- Santander Central Hispano S.A. (NR) : Banking – Botin family
- BMW (Bayerische Motoren Werke AG): Automobiles – Quandt family
- Robert Bosch GmbH : Auto Parts – Bosch family
- ALDI Group: Food retailing – Albrecht family
- Samsung Electronics: Electronics – Lee family
- Ito-Yokado: Convenience stores – Ito family
- J Sainsbury: Retail groceries – Sainsbury family

The main rules in a Family Business

1. Divide responsibilities between the members
2. Recognize the advantages of family ownership
3. Treat family members fairly
4. Put business relationships in writing
5. Don't provide "sympathy" jobs for family members
6. Develop a succession plan for the next generations