

# What Japan's Oldest Businesses Can Teach Us About Longevity

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Should longevity always be the goal? And if so, what exactly should endure—the operating company, a particular business model, or the family enterprise system itself?

In family business, a quarter often means 25 years, not three months. That long-term orientation—combined with deep owner commitment, institutional resilience, and a powerful instinct for continuity—has enabled some family enterprises to endure for generations, even centuries.

But longevity raises a more fundamental question: Should it always be the goal? And if so, what exactly should endure—the operating company, a particular business model, or the family enterprise system itself?

For many business-owning families, continuity is a natural aspiration. As Leon Danco observed in *Beyond Survival*, longevity has long been a central ambition of enterprising families. And for good reason. A business that survives across generations can preserve not only financial wealth, but also identity, purpose, and social contribution. It can anchor family cohesion, create opportunity for future generations, and provide stability for employees and communities.

With the right governance—family councils, shareholder agreements, leadership development, and clear policies on employment and ownership—family enterprises can translate that aspiration into long-term prosperity. Their economic significance is also substantial: family-controlled firms account for a meaningful share of global GDP and employment, and many of the world's largest companies remain under family influence.

Yet continuity has become harder to sustain. Families

grow larger and more geographically dispersed. Markets shift faster. Technology disrupts more aggressively. Geopolitical uncertainty has become a constant. In that environment, the real question is not why longevity matters, but how some families manage to achieve it.

## Japan as a Case Study

Japan offers a particularly revealing answer.

It is home to more centenarian businesses than any other country, most still under founding-family control. Research on long-lived Japanese firms suggests that many do not pursue longevity simply as an economic outcome. They pursue it as an expression of responsibility, identity, and service to society.

Consider Hoshi Ryokan, the traditional inn operated by the same family for more than 1,300 years. Its ambition has never been aggressive expansion. It has been continuity: serving customers well, preserving tradition, and transferring stewardship responsibly from one generation to the next.

Part of that orientation is cultural. Shinto emphasizes harmony, respect, and continuity across time. The business philosophy of *sanpō yoshi*—good for the seller, good for the buyer, and good for the community—reinforces a multi-stakeholder view of value creation. Together, these ideas encourage patient growth, durable relationships, and preservation of heritage.

From that perspective, survival is not mere persistence. It is evidence of sustained relevance and responsible stewardship.

But the Japanese model also points to an important limitation: longevity is not always the right objective for every family.

## **Longevity: Not the Be-All and End-All**

In our work with enterprising families around the world, the more useful question is often not how to preserve a specific business indefinitely, but whether doing so is the best way to serve the family's broader goals. The next generation may want to honor the legacy while also pursuing innovation, diversification, or entirely new ventures. And preserving the operating business does not necessarily maximize family unity, fulfillment, or long-term wealth creation.

That is where ownership strategy becomes critical. Families inevitably face trade-offs among growth, liquidity, and control. Maintaining tight control may support continuity, but it can constrain scale. Pursuing transformation may require the family to dilute ownership or share authority. Neither path is inherently superior. What matters is making the choice deliberately—and aligning it with the family's values, capabilities, and ambitions.

Some families have accepted diluted control in exchange for growth. Others have preserved a strong family core while diversifying beyond the legacy business. In such cases, the focus shifts from the longevity of one company to the continuity of the family enterprise as a whole.

That distinction matters. There is no single model of success. For some families, preserving a heritage business is deeply meaningful. For others, renewal and reinvention are the better path. The common denominator is intentionality: successful families define what continuity means for them and then build governance and strategy around that choice.

Japan's long-lived companies remind us that patience, values, and stakeholder commitment can sustain an enterprise for centuries. But longevity alone should not be the sole metric of success. Relevance, resilience, family cohesion, and the capacity to renew across generations matter just as much.

True endurance lies not simply in keeping a business alive, but in ensuring that both family and enterprise remain purposeful over time.