

One Family, Multiple Businesses: Preserving Harmony and Profits

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KEYWORDS: Leadership, Family Business, Succession, Help with a family business, Running a family business tips, Successful family businesses, Rania Labaki.

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For business or emotional reasons, sometimes one family ends up with more than one business under its umbrella. An entrepreneurial, ambitious family member may want to launch a new venture, or a problematic relative may need to manage his or her own turf to minimize conflict with others in the family.

Families with several business holdings face governance challenges that single-business families don't. In this interview with FamilyBusiness.org Editor Kimberly Eddleston, Professor Rania Labaki shared insights from her research, published in Family Business Review, about how to structure and manage such multi-business scenarios.

Professor Labaki, who is Director of the Family Business Center at EDHEC Business School, says it's very important to have people at the top of the business organization who can bridge the differences that naturally arise when the family runs more than one enterprise: the competition for resources, time and family attention. Along with business acumen, emotional management is an important skill, since these top managers must balance the natural tension between the businesses and the family members who run them. And multi-business families must also look to the future, and instill these business and emotional skills in the next generation of leaders.

References

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