

Founders: Let Next-Gens be Entrepreneurial

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A family firm's longevity depends on fresh approaches to doing business, but all too often these fresh insights can clash with the family's entrenched way of doing things. Founders especially can have a hard time letting the next generation of managers be entrepreneurial and have their say. Not surprisingly, entrepreneurship at family businesses declines with every successive generation.

[Link to video](#)

Rania Labaki, a professor at the EDHEC Business School in France and director of its Family Business Center, says that founders must allow their future leaders to have an entrepreneurial spirit. In this interview with FamilyBusiness.org Senior Editor Kimberly Eddleston, she said four strategies help make this happen in a family firm:

- Reduce the founder's centrality to the business.
- Let the next generation gain some business experience outside the family firm.
- Allow for experiential learning, which lets them make mistakes.
- Promote their individuality, and allow them to bring their own personalities and perspectives to the job.

Prof. Labaki stresses that founders must take the lead in this process. "Founders are a source of inspiration," she says, "but they have to let go."

References

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