

Asian Family Business Case Studies

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Asian Family Business Case Studies: The Role of Culture, Value and Identity in Succession and Resilience

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INVESTOR IN PEOPLE

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Foreword by Irwan Hidayat

Family businesses stand as enduring pillars of the global economy, with a profound presence in the Asian corporate landscape. *Forbes* recognises the prevalence of family-owned enterprises, particularly in Asia and Indonesia, where many of the most successful businesses proudly carry the torch of family stewardship. These businesses don't just contribute to economic prosperity; they also play a vital role in job creation and the preservation of cherished family legacies.

I am honoured to introduce this book as a third-generation member of Asia's largest herbal medicine company, PT Industri Jamu dan Farmasi Sido Muncul, headquartered in Indonesia. My journey within this family business began in 1970, overseeing our marketing operations among my five siblings. Over the years, I've witnessed the challenges and triumphs that have marked our family business's evolution, from the tumultuous years of 1969 to the financial crisis of 1997–1998, internal conflicts in 2004 and the unprecedented challenges of the COVID-19 pandemic from 2020 to 2022. Our family business endured and grew stronger, with the strength of our family ties proving to be both our greatest asset and challenge.

Siblings in a family business are like an unbreakable bond – integral to the family's essence, and their removal would cause immeasurable pain and loss. To maintain harmony and success, we have consistently upheld the values passed down through generations from our predecessors, encapsulated in the adage 'Ren Yi Li Zhi Xin'. Within this book, I resonate with the themes of values and identity, which mirror our family's journey.

I eagerly anticipate the stories in these pages, shedding light on how other Asian business families navigate their values, identities and cultural roots while steering their enterprises through reality's currents. The shared experiences will serve as valuable lessons for business families, offering insights to help them overcome challenges, avoid pitfalls and build lasting legacies.

This book provides an academic perspective on Asian family businesses, bridging a gap often filled with Western literature. By exploring real-world cases, it offers a fresh lens for academicians to understand the dynamics within Asian family enterprises. For students, these authentic accounts of family business experiences offer invaluable insights, enriching their knowledge and appreciation.

As we journey through the world of Asian family businesses, I am confident this book will enlighten and inspire, offering a wealth of knowledge and wisdom for practitioners and scholars. My hope is that the stories within these pages

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resonate with you, offering guidance and inspiration on your family business voyage.

Irwan Hidayat
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Foreword by Dato Loy Teik Ngan

It is an honor to write the foreword for ‘Asian Family Business Case Studies: The Role of Culture, Values, and Identity in Succession and Resilience’, a series of business cases curated by Dr Feranita and fellow editors. As a second-generation member of a family business based in Malaysia and President of the Family Business Network Asia, I have had a close-up view of the functioning of Asian family enterprises.

Over the decades, I have witnessed the ebb and flow and the rise and fall of family businesses in this region. From navigating cultural and political nuances to addressing the complexities of family and personal transitions, the journeys of business families in Asia have been challenging yet enriching. Fortunes have been found and lost, and many more will be built as this dynamic region leads the global economy over the coming decades. With the rise of family businesses comes high-profile cases of families torn apart by the challenges that wealth can bring. This comprehensive compilation of case studies explores the diverse challenges that business families face.

The book goes beyond being a mere academic endeavor; it is an invaluable repository of real-life stories representative of business families across Asia. The case studies not only delve into the diverse challenges faced by these enterprises but also showcase how family members can work together to overcome them.

The relevance of this book therefore extends across a diverse audience. Academicians will find it a useful resource to enhance their curriculum, students will come across familiar narratives and glean practical insights that transcend theoretical frameworks and business families and practitioners will discover ideas to navigate the unique challenges inherent in their own context.

In the pages of this compilation are reminders of my own family’s business journeys. Certain key messages resonate. The importance of cultural understanding in business dynamics, the critical role shared values play in shaping a family’s identity and behaviour and the resilience displayed by these businesses in the face of adversity all stand out as informed lessons that inspire as they educate.

This book is a worthwhile read for anyone seeking to comprehend the intricate interplay between culture, values and identity in the context of Asian family businesses. It is both a tribute to the indomitable spirit of business families and a testament

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to the enduring legacy they strive to build. I recommend this book for those studying and navigating the challenging terrain of family businesses in Asia.

Dato Loy Teik Ngan
Executive Chairman
Taylor's Education Group
Malaysia

Foreword by Alvin Yap

Over the past two decades, I have worked closely with about 200 Asian family businesses through my multi-family office, A.D. Financial Group. These family businesses are more than just economic entities. They are pillars of their communities and the embodiment of generations of hard work, values and dreams. Their contributions extend far beyond financial gains, encompassing the preservation of legacies, the nurturing of talent and the support of social causes.

Asian family businesses today stand as remarkable contributors to the global stage, weaving together tradition, culture and commerce. Yet, most research on family business is based on experiences of Western culture and values. As the founding generation of Asian economies reach retirement, it becomes imperative for family office advisors to deepen their understanding of Asian complexities in intergenerational wealth transfer.

I was introduced to the lead editor, Dr Feranita, by Dato' Loy Teik Ngan, the Executive Chairman of Taylor's Education Group. She is a senior lecturer at Taylor's University's Faculty of Business and Law and is also the founding director of its International Family Enterprise Centre, where she provides training, consulting and coaching business families and entrepreneurs.

Her latest work, 'Asian Family Business Case Studies', is based on first-hand accounts of real family businesses around Asia. The collection presents detailed case studies covering a wide range of topics, including succession planning, conflict resolution, the challenges posed by COVID-19, values and identity, corporate social responsibility (CSR), green innovation, sustainability, internationalisation, transformation, family relations, communications and entrepreneurship. Each chapter begins with a specific theme, amplifies lessons by diving into a real family's unique challenges and ends with questions that prompt meaningful discussions.

The first chapter, titled 'NGB: Keeping up With CSR and Succession During Pandemic', provides a compelling glimpse into the real-life challenges and triumphs of a Bangladeshi family business. The story of Kaber Ali's return home and his journey to take over his father's business during the COVID-19 pandemic offers invaluable lessons in family dynamics, cultural influences, succession planning and the role of family values in business. Chapter 10, titled 'The Ambitious Sister, the Veteran Brother, and the Father Who Should Have Retired', follows the challenges of an Indonesian patriarch from China who educated his successors in vastly divergent cultures. The one who grew up adept at

tapping into the opportunities of a developing economy became at odds with another who prizes the efficiencies of developed nations.

I encourage you to explore these pages, engage with the stories and insights shared and apply the knowledge gained to your own endeavours and challenges in family businesses.

Alvin Yap
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