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Context to the nugget conversation

Tarun speaks about what keeps the entrepreneurs going over the long term. He speaks about how family businesses have a fabric and provide a safety net that ensures that businesses endure over the long run.

Transcription

Deepak Jayaraman (DJ): And if we could stay with that Tarun, you said right, you looked at people who have run the marathon, proverbial marathon. What have you seen about how they have sort of managed to stay energised around the cause over the long term? Anything that you noticed them do to replenish themselves or refresh that why. Any empirical observations there?

Tarun Khanna EP2 (TK EP2): I mean, the only thing that comes to mind Deepak is that there is an inevitable sense of sort of a deep commitment to partnerships of all sorts and partnerships in the sense that I spoke about in my earlier work on trust where you build out the ecosystem collectively with others because you are compensating for institutional weaknesses that are endemic in developing countries. So, that's one kind of partnership. So, in the book we have a variety of stories from Rosario Boson in Colombia, amazing agribusiness entrepreneur, Jaime Ayala in Manila, Patrick Chalhoub in the Middle East, James Mwangi in Kenya and a whole host in India that would be more familiar to your listeners, Nandan, Kiran, Devi just to take Bangaloreans and they are all collectively creating ecosystems, they are building the institutions as they go along, right? These institutions of course are helping build their individual enterprises, but they are also leaving residues of institutions behind so that others can free ride on those efforts and that's what it takes. So, they are not small-minded to say, oh, I am not going to build this because most of the benefits will accrue to the society, they just do it because there really isn't an alternative. The alternative is to wait for the State and the State takes a while to get around to these things given the reality of political economies of these countries. So, there is that sense of partnership. But there is also, the book starts with a chapter on families and it just turns out that, by the way this is true in the U.S. also but more so in developing countries I think that almost all these enterprises have a deep sense of family as a stabilising mechanism behind the entrepreneurs. So, I often say in my own entrepreneur journeys or when I am working with my students or counselling them one way or another, I always ask them do you have a safety net if you want to be an entrepreneur because it's a rough and tumble kind of existence and it's a lonely business actually, but when I say safety net I mean two things, the easier safety net is the financial safety net. If you have a good idea, capital will often find a way to you but also a psychological safety net, maybe a spouse, may be an extended family, may be a network of friends, something like that. And you find that in the chapter on families. We start the book with that because families to us just loom large in not all the stories but in most of the stories that there's a subtext that the family is, not that the family is only positives. Anyone who is in a large family

knows that there are lots of negatives in any family, but people have learned to manage the downsides while accentuating the positives. So, Rahul bhai just passed away unfortunately, Rahul Bajaj, and he had nice quote in there on this just saying that, the brothers in a family are like the fingers on a hand, they are not all the same size and the same capabilities so you have to do the right thing for the right person. So, I would say the ethos of partnerships all the way from partnering with family members or networks of friends to partnering with the more conventional business partners to partnering with the State to collectively create, co-create something.

Reflections from Deepak Jayaraman

DJ: Tarun speaks about each finger of the hand being different. There are some situations where the family pulls along but I feel it is also critical to call out the quality of conflict management which often can pave the way for extraordinary value creation. Earlier on the podcast Harsh Mariwala (HM) of Marico speaks about how he went through a separation of business but strived to keep the relationships intact during the separation and subsequently as well.

HM: "It so happened that there were some issues which led to a lack of trust amongst the family and I think that forced us to separate. So, it was not something which was planned; it happened because of certain circumstances, which was I had never thought it would happen. But when that happened, I thought it better to separate because if there is no trust then you can't exist as partners. So, that event, those set of events, which happened after Marico was formed, immediately after from the first two-three years, led to this situation, where we also separated financially.

any family financial separation is painful. It's because there is some degree of bad blood at that particular point of time. So, you have a relationship which is very good at a social level but, you know, that phase you because it's financials are involved there tends to be some degree of bad blood. And then there a degree of uncertainty, what will happen, will it conclude properly, will it not conclude. So, impact of that on business is another thing. So, that could lead to a high degree of stress. Number three is, you are managing a business as well as you are doing these negotiations which are time consuming. So, there is that degree of stress. So, I would say a combination of uncertainty, stress and temporarily bad relationships is something you need to go through and there is no other alternative. I think one has to go through but looking back, I mean, those two-three years were painful, were stressful, were taxing, but I think it has paved the way of, the relationships are back to almost back to normal in terms of socially and things like that.

I think somebody has to take an initiative in terms of within the family and normally initiatives start around some events either sad events or happy events in like a marriage or somebody, you lost somebody in the family and that is the time when the family tends to unite because these are very important events. Either very sad events like a demise or a happy event like a marriage and that is the time when you start thinking, okay, now, let's we have to start feeling united and over a period of time I think it goes on and at least in our case it improved, in some cases, some families it, but I think it takes two to clap. So, both parties have to forget the past, let it be bygones rather than holding on to some event which was a cause of stress at a certain point of time and look at future and you may not be the best of friends, but the relationship is almost back on track."

DJ: Going back to what Tarun says earlier in the conversation, I guess this is where the humility of demeanour begins to matter in meaningfully resolving these sticky situations. For more, tune into the conversation with Harsh Mariwala.

End of nugget transcription

Nugget from Harsh Mariwala that is referenced: [Tactful separation](#).

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About Deepak Jayaraman

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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