

“Implication of Digital transformations on Family-owned-businesses”

1. Introduction

Family-owned businesses in India account for 80% of India's GDP and in terms of number of family-owned businesses, India dominates the list with China and Hong Kong for Asiatic region. However, USA is center for the world's biggest family businesses with Germany the next largest center. The relationship between family-owned firms and the Digital economy is one of the least traversed fields globally. Our study seeks to explore this subject by examining (1) the impact of Digital transformations over the respective Governmental and societal norms policies on countries like India, USA or UK. Also, how impactful is digital India initiative on family-owned businesses; (2) vulnerability of family firms to technological disruption; (3) Digital transformation readiness and (4) strategy to leverage the Digital advantage. This research provides another unique perspective by highlighting the digital access divide between publicly listed resource rich Indian, US and UK family firms and capital limited family-owned SMEs. The findings of our research topic analysis shall then be used to draw out lessons for an effective digital transformation strategy for family owned businesses in these countries especially in the SME segment of India. Hence, through our research we shall contribute to the studies of family firms and Digital innovation by providing a base for an effective technical strategy. Research Objectives Not only India but globally, family-owned businesses form the majority chunk of all businesses in any economy (Bjuggren, 2000). Concurrently, the growing spurt of technological transformation phenomenon being experienced by India and the rest of the world is radically changing the industrial and economic landscape. Hence, there exists a need to investigate the impact and influence of this technological transformation phenomenon on the highly concentrated economic drivers called family firms.

To understand this complex relationship between technical / digital and industry the study relies on the following specific objectives: 1. To analyze the changes in the business practices of family firms, and in case of India, consequent to the launch of “Digital India” initiative and its effect on business operations and profitability. 2. To assess the impact of digital disruptions on family firms and their vulnerability to such disruptions. 3. To gauge the preparedness of family firms to adapt to these digital transformations while balancing this agility with their traditional business values. 4. To find out the strategic formulations of family firms of India and world for digital capability enhancement and adaptability with the new digital paradigm. 5. To find the differences in strategy for technological transformation between publicly listed resource rich family firms and resource limited family-owned SMEs. 6. Leveraging the findings for outlining effective generic technological strategies which can be utilized by various firms across the globe with their customized tweaks. Literature- Review It has been estimated by (Dreux, 1990) that approximately 65% to 80% of all business organizations are family businesses while (Malhotra, 2010) puts this estimate to around 4/5th of all global business enterprises. All business enterprises are affected by environmental factors such as globalization, technology etc. but the impact is more severe on family firms due to the added dimensions of family emotions and influence of family on business which in turn leads to issues with continuity of family firms (Salvato & Melin, 2008). However, in recent times technological / digital disruptions have become a key challenge for family firms across the world specially in India. As per a report by (PwC, 2016) 22% family firm participants had expressed concerns over threats from digital disruption and felt that they were extremely vulnerable to technological disruptions. A staggering 52% Indian family firms had not even discussed digital disruptions with either their board or professional management team. In the PwC's Global Family Business Survey 2016, which polled 2,800 family firms across 50 countries on their plans for the future revealed some alarming facts. In that survey, 64% of the respondents said that the most important challenge they faced over the next five years was the need to continually innovate. (pwc, May 2018) The report attributes this to a lack of awareness of families owning business firms with regards

to digital disruptions. In the year 2019 an updated report (PwC, 2019) mentions an increase in the number of firms concerned about their vulnerability to technological disruption which account for almost 1/3rd of the family firms. It also states that only 49% of the Indian family firms had a tangible, robust, costed and formal plan. It is also mentioned that among the business leaders i.e., big publicly listed Indian family firms 71% participants considered digital and technological challenges as major challenges. The issue becomes even more critical since this report considers only the publicly listed big family firms in India. Till date there has been no research in India which investigates this technological disruption phenomenon on the 28 million family-owned SMEs in India which is approximately 60% of all industrial enterprises in India. Also, these SMEs are not as resource and capital rich as publicly listed family firms. In addition to this while 49% publicly listed firms have some kind of strategy formulated for digital transformation, there is no clarity on strategy formulations by family-owned SME in the world. Family business must have a tactical strategy to build resilience and continuity, the success of them is depending on how well they are harnessing the benefit of digital technology to capture the competition at market. There is a critical need for a study that provides some insight on this subject. Proposed Research Methodology For the purpose of our research, we shall follow a mixed method approach. Following a snowball sampling approach (Noy, 2008), we will be focusing on some major parts of world like UK, USA and/or in Indian states like Maharashtra, Gujarat etc. to administer a survey questionnaire to various family-owned firms specially SMEs. In order to administer surveys to publicly listed big family firms, the services of a professional data collection service provider may need to be availed (Benstead, Hendry, & Stevenson, 2020). Each questionnaire shall be sent with a covering letter ensuring the ethical considerations like anonymity, voluntary participation etc. in accordance with the policy of the “Institutional Review Board” (IRB) of our institute. For these interviews we shall follow a semi-structured interviewing pattern through conversations (telephonic or over video meet) which will provide us with the flexibility for any follow-up questions (Harrell & Bradley, 2009). The experts shall be selected through purposive sampling (Etikan, Musa, & Sunusi, 2015) which is defined as a targeted choice of participants due to peculiar knowledge of the participant in a field or domain.

The analysis part will be discussed and decided upon under the guidance and supervision of the PhD. supervisor. Timeline of this research can be with the start of the subsequent semester as soon identifying the particular country or places from where the decision of collecting sample is done. Emphasis will be more to complete the research within time frame of three years. Future Scope with this research Topic •

The findings will also be leveraged to draw out lessons from the various strategies deployed by various family firms which will then be used in outlining a generic framework for digital transformation of family firms and organizations. • Further study can be done on the complex interaction between the traditional family setups and technological transformations. • Exploration of Organizational retaliatory behavior in the view of Digital transformation and methodologies to cope up with them. The proposed study clearly foreshadows its practical ramifications for the key research areas which includes People, place and performance since we may find that with the changes in market and business world, how and what factors are affecting the economy. The people who own family business, their employees and general public are the one who are the major drivers of change. Therefore, it is very interesting to research how the entrepreneurial mindset, organizational behavior and factors like changing economical conditions cause positive or negative effect on people place and the future of that particular society. References

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