

Application 2

Business, Management



Reliance Industries Q The role of parents in Reliance Industry was to maintain the family business values and to settle dispute between the business successors. They also prepared the sons to be successor of the business. The culture of the business was influenced by the conservative Gujarati culture. The brothers had a poor relationship in the business because of the leadership rivalry in the business. However, they had a good relationship with their parents. The succession problem resulted from a lack of succession plan. The father did not also write a will specifying the role of the brothers in the business.

Q. 2

The succession to next generation was not successful from the family point of view. This is because it led to splitting of the business shares among the family members. It was the family wish to run the business jointly. The mother viewed the splitting up as a devaluation of the family legacy. The brothers were also not happy after the splitting (Pt-1 49). However, from a business point of view the succession was successful since splitting shares between the brothers resulted into increased innovation and growth. For instance, the value of the company shares double in the two companies (Pt-2 355). The father would not be proud of the boys because of their rivalry and dividing the business ownership. However, he would be proud of their achievements since the each part of the industry grew after the division.

Q. 3

Fruitful business succession requires effective succession plan that lacked in Reliance Industry (Pt-1 45). In order to prevent dispute in the family business, the role of successors should be clearly defined in succession plans

(Saporito 1). In addition, succession plan should not negatively affect investors in the business. This can be done by creating an emergency succession plan which protects stakeholders' interests. This also helps in maintaining a good business reputation (Rothwell 57).

Works cited

Pt- 1. The Reliance story- The myth of Unity. ND. Web. 15 July 2014.

Pt-2. Case 14 Reliance industries: From Conflicts to Continuity. ND. Web. 15 July 2014.

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