

Executive Summary

Family companies play a crucial role in most economies around the world. This case study looks at how one such set of diversified family businesses were professionalised, became an exchange quoted group of companies and was made to focus towards growth in its strongest businesses.

The study is based on data collected through interviews with key individuals involved in the transformation process, and secondary data such as corporate publications. It attempts to compare theories associated with succession of family businesses, and corporate transformation with the findings made.

The case study centres around Expolanka group of companies which was started in the nineteen seventies as a group of family run businesses. Over a quarter of a century it grew to a large diversified set of businesses. In 2005, with the initiative of its Chairman the group was consolidated. Then, a professional management was brought in, and the group's processes were formalized. The new management tackling resistance from other founding members, resistance from subsidiary companies, debt burden and other economic challenges, continued to restructure and develop the group. In 2014 the founders disposed of a large portion of shares to a foreign entity realising part of their investment.

Findings from the case study are compared with a pre-developed case framework and differences and similarities with associated theories are highlighted. The success of the transformation is evaluated against the objectives of the founders who instigated it and overall sustainability of the group.

Recommendations are made to further develop the group by building relationships with the new owners, building leadership at subsidiary level, continuing to divest non-performing subsidiaries, being critical on evaluating investments prior to funding including sticking to strict return on investment criteria, improving on data gathering and analysis, and improving internal information gathering through research.