SUCCESSION PLANNING IN FAMILY BUSINESS AT PT. AMADEA DEVINA FARMA

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ABSTRACT

Family business have an important role in supporting the national economic and even global. 95 percent majority businesses in Indonesia are mostly owned by the family. The continuity of a family business is a goal that must be achieved by a company. To maintain the continuity of the family business in the long-term is to do Succession. Succession has a meaning of “Transfer The Baton” from the first generation to the second generation and so on. The timing could not be determined. It could be predicted by the developmental stages of family business concerned.

The research analyzes about succession planning in family business which running in the medical equipment with a few of stages which are pre-succession and succession process. This research using qualitative descriptive method. Researchers collected data through the interviews and observations. The results showed about the phases of planning succession, pre-succession and succession process with indicators on each stage. The company has already entered the stage of the succession process in which the second generation or successors is already entered and working in the company. Indicators were being focused in this study, including: the structure of the company, genogram, succession issues, exploration and exploitation of the products and markets and types of conflict.

Keywords: Succession, Succession Planning, Family Business

INTRODUCTION

Based on the results of a recent survey conducted by PWC.com in November 2014, a majority of 95% of businesses in Indonesia owned by the family. Almost 95% of companies in Indonesia are a family Business. (Susanto, 2013). Other facts also prove not only in Indonesia the majority of the company is a family company. According to the book entitled Family Business said that 90% of companies in the United States is a family company including the sole ownership of as many as 17 million. (Ernesto J. Poza, 2010: 1). He also said that the family company in the United States created 64% of GDP.

A Firm can be called as a family business if a majority is in the hands of the founder or the person who acquired the company (parent, spouse, child or heirs) and at least one of family member involved in the company. Modern management view has a distinct line of business dealings with family matters so that a family business considered to have no significance for the global economic.