Student's Name:

Professor's Name:

Course:

Date:

An analysis of the Ambani Family Business

Reliance industries is a famous multinational company located in India. It is ranked number 107 most successful companies globally according to the fortune global 500 lists. The essay seeks to analyze the company's administration. We will dwell more on analyzing family ties and how the family members significantly contributed to the success of the company (Crabtree, 36). The founder of the company was Dhirajal Hirachand Ambani, assisted by his brother Champaklal Damani. The partnership between these two brothers was what led to the success of the company. As the company continued to grow, Dhirajis's brother opted for the company to be split. However, this was not possible because Dhiraji believed that for any business to be successful, there must be unity (Crabtree, 104). Thus, he opted to give his brother a reasonable compensation on condition he was no longer going to be part of the business.

Dhirajial later brought his sons Mukesh and Anil to help him in managing the business. However, there were moments where the two brothers could not agree on a few issues but always tried to stay united for the company to move forward. For example, there was a disagreement that arose between Anil and Mukesh, making Anil take his brother to court. Anil came up with a deal and wanted Mukesh to divide the gas field (Crabtree, 13). This deal was initiated by their mother, where she and Anil wanted Mukesh to buy gas for about 17 years at a cost lower than that set by the government. Based on the details of this story, it is clear that parents sometimes create feuds in a family set up. Also, proper communication in a business is necessary (Crabtree, 276). In a family business, communication should be carried out face to face without considering much on family ties. Moreover, if many family members are heading a company, there should be a clear outline of who heads another (Parames, 276).

The Ambani family is also known to follow culture and traditions, which are meant for the wealthy families in India (Srinivas, 234). The business is run by members of the family and has only very few intruders. In most families, and according to the culture, succession is generally left in the hands of sons in the house (McDonald, 25). This is why Mukesh and Ambani inherited the reliance industries after their father passed away in 1986. However, there was a rise of sibling rivalry based on the ownership of the company. This was a horrible issue that made the company make loses, but the best thing is that the matter was solved successfully. At some point, Anil is said to go against the culture of their family based on his lifestyle and joining politics, which did not go well with his elder brother. Because of this, he became an assistant to his brother, something that angered him.

Based on the analysis given, I can confidently say that the succession battle was not successful. Mukesh is noted saying in an interview that they experienced hardships during that period of transition (Srinivas, 200). There were a lot of ownership and power struggle issues that led to the split of this company (McDonald, 104). This is attested by the fact that they hard to take one family member to court. It shows that the family structure had failed in solving their issues. It is also clear that they put matters of the company ahead of the family issues (Parames, 14). Also, the relationship between these two brothers was destroyed beyond repair. Mukesh is said to have won the case in court, which made his brother Anil label him as a ‘'cooperate greed''. Besides their farther never left a will for them, he never stated how the company was going to be run. Going by traditions, the elder son was supposed to take over the management of the company. It was clear that the succession was not going to be easy (Parames, 107). However, based on succession planning, his farther can be accredited for having tried to raise the two sons as active business managers even after his death. They had the experience and provided excellent leadership skills to the company. The sons can also be said to be good decision-makers since the department each headed was thriving. But the succession to the next generation was unsuccessful.

The company was split where Anil headed the finance arm and the phone company while Mukesh took over petrochemicals, gas, and oil (Srinivas, 107). Each brother came up with a different name for his company. From a business point of view, Mukesh was lucky than his brother Anil. This is because his business share had huge investments and made a lot of profits as compared to Anil. The splitting of the businesses was also essential to ensure the continuity of the company since they could no longer work as partners (Venkatesan, 77). The efforts to reunite this brother proved futile after, as Mukesh termed it as not relevant. Their farther, Dhirajlal, who was now deceased, would not be happy with the decisions made by his two sons because his company was based on family unity (Parames, 268). He would not be satisfied that his sons made private family issues public. Dhirajlal's central vision was to have a united family, driving the company towards a common goal, and not dividing the company to fit their interests.

Family stability and cohesion are essential to ensure closeness and understanding in a family setup. Family members need to respect each other's opinions and ideas and should have a common goal (Venkatesan, 189). This family needed to solve their issues away from the public. These issues affected the business performance as well as the strong sibling bond their father had tried to cultivate. It is crucial to come up with proper strategies while planning to solve family feuds.

Moreover, family issues should be solved in such a way that they will lead to unity and understanding (Venkatesan, 65). Parents should bring up their children with a strong bond and teach them not to be greedy (Parames, 218). Besides, when it comes to the family business, parents should delegate roles and state who heads another if in case something happens to them. They should also write a will of how their wealth should be managed. If Dhirajlal had left a will, the issues that arose after his death would no longer be witnessed. Family issues should not be taken to court; instead, there should be other means of solving them. Besides, culture needs to give room for women (McDonald, 576). Like, in this case, it was their mother that suggested the wealth of their father to be divided in a ratio of 30:30:40. Their mother seemed not to play a massive role in the business after the death of their father. This was because of the culture that does not allow women to play some roles in the society. However, she tried her best to sort out the issues between his sons.

**Work cited**

Crabtree, James. The Billionaire Raj: *A Journey Through India's New Gilded Age*., 2018. Print.

McDonald, Hamish. Mahabharata in Polyester: *The Making of the World's Richest Brothers and Their Feud. Sydney:* *University of New South Wales Press,* 2010. Internet resource.

Parames, Francisco. *Investing for the Long Term. John Wiley & Sons Inc,* 2018. Print.

Venkatesan, Ravi. *Conquering the Chaos: Win in India, Win Everywhere*. 2013. Print.

Srinivas, Alam. *Ambani Vs Ambani: Storms in the Sea Wind*. New Delhi: Lotus Collection, Roli Books, 2005. Print.