

Instilling an Entrepreneurial Mindset to the Next Generation Business Owners

By: Professor Alejandrino Ferreria

In a family-owned business, the next generation is trained to assume management positions when founders retire. However, training should not be limited to managerial functions, they must also be taught how to be entrepreneurs. Founders may use the current enterprise to build an entrepreneurial mindset for the next generation, and help them learn how to successfully generate revenue, manage cost and make profit.



To encourage the next generation to participate in wealth building and growth of the family business, it might be reasonable to start with cultivating their innate skills and talents. This way, it will be easy for them to partake in business activities and develop initiatives for the betterment of the family business.

Aside from innate and cultivated skills of founders and successors, sustaining business growth also relies on the following factors:

1. Passion

This is the next generation's hobby that must be discovered so it can be funded by the business. Passion may sometimes open doors of opportunities contributing to the bottomline of the enterprise.

2. Vision

Coming from their passion, what can be made to make the business an economically sustainable enterprise? Do they visualize a new system that will improve company processes or perhaps a new product development and test marketing. All of these entail trial and error process that may eventually lead to the commercialization of their passion.

3. Ambition

When passion and vision ignite into a viable business endeavor, then it may turn into a sustainable contributor to the family business' bottom line. What was once considered a passion can now propel the business to succeed further.

For every business owner, it is essential to keep in mind that next generation must not only be groomed to manage the business. They should also be molded to shape and lead with the objective of continuing growth and maintaining the legacy that the founder started.

(entrepguru@yahoo.com)

(Prof. Andy J. Ferreria teaches in the Master in Entrepreneurship program at the ACE Center for Entrepreneurship, Ateneo de Manila University Graduate School of Business and B.S. Entrepreneurship in The One School. He is also the Chairman of the Board of Avis Rent-a-car and sits as independent director in several other companies. He has been a professional educator and entrepreneur for over 40 years.)