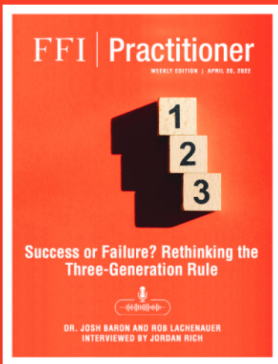


Success or Failure? Rethinking the Three-Generation Rule

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From FFI Practitioner

This week, we are pleased to share a conversation with family enterprise advisors, Josh Baron and Rob Lachenauer, who are co-authors of the article “Do Most Family Businesses Really Fail by the Third Generation?” published in *Harvard Business Review*. In their conversation with host Jordan Rich, Josh and Rob provide commentary on their recent article that explores the original context of the “three-generation rule” and explains why this once widely accepted perception may not be true.

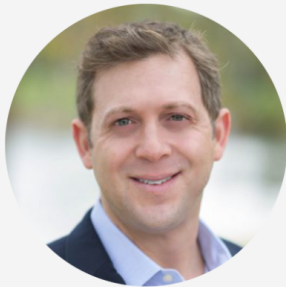
A screenshot of a podcast player interface. At the top, it shows the FFI Family Firm Institute logo and the title 'Rethinking the "Three Generations Rule" with Josh Baron and Rob Lachenauer'. Below the title is a play button, a progress bar at 0:00, and volume controls. At the bottom, there are four buttons: 'Shownotes' (blue), 'Download' (green), 'Subscribe' (orange), and 'Share' (blue).

Do Most Family Businesses Really Fail by the Third Generation?

by Josh Baron and Rob Lachenauer
Harvard Business Review

Perhaps the most commonly-cited statistic about family businesses is their failure rates. Most articles or speeches about family businesses start with some version of the “three-generation rule,” which suggests that most don’t survive beyond three generations. But that perception could not be further from the truth. The data suggests that, on average, family businesses last far longer than a typical public company does. Far from being doomed to failure, family businesses across the world will continue to be a leading source of jobs and economic growth for years to come.

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DR. JOSH BARON

Dr. Josh Baron is a cofounder and partner at BanyanGlobal Family Business Advisors and an adjunct professor at Columbia Business School. For the last decade, he has worked closely with families who own assets together, such as operating companies, family foundations, and family offices. He is co-author of *Harvard Business Review's* Family Business Handbook. Josh can be reached at jbaron@banyan.global.



ROB LACHENAUER

Rob Lachenauer is a cofounder and managing partner of BanyanGlobal. Rob is an expert in leadership, strategy, and governance for family businesses. He is co-author of *Harvard Business Review's* Family Business Handbook. He can be reached at rlachenauer@banyan.global.

INTERVIEWER: Jordan Rich is celebrating a quarter century at one of America's top legacy radio stations, interviewing thousands of celebrities, authors, actors and interesting personalities throughout his career. Jordan is co-owner of Chart Productions Inc, and also teaches voice-over acting. His main focus these days is in podcast creation and production, featuring conversations with the world's most creative people.

Related Article

If you enjoyed this week's podcast, check out this related issue that examines the data around family enterprise longevity in a different perspective:



"Family Advantage: Why all the doom and gloom" by Lloyd Steier

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