

## **ABSTRACT**

*Family companies has an important role in economic growth and are the main form of business organization in the world. In Indonesia, more than 95% of organizations are controlled by families including business companies in Indonesia. Family companies are proven to be able to get through the monetary crisis that occurred in Indonesia in 1997 and 2008. The growth of the family business cannot be separated from problems that occur among family members, for example a crisis of trust among family members, conflicts in decision making, conflicts in leadership succession (successor to the throne), differences in managerial mindset between the first generation (founder) and the second generation (successor). Socio-Emotional Wealth (SEW) is one of the non-financial factors that can affect the sustainability of the family business, both during the transition process and business continuity. In addition, strong leadership, family values, organizational transformation, succession, culture and attractive talent are needed to build longevity from generation to generation and the development of a family business.*

*This study focuses more on discussing family business succession, SEW, and family business diversification. The purpose of this study is to examine the success of the succession process in business continuity in family companies, as well as to examine the role and commitment of family members in business diversification in family companies. This study uses a qualitative method with a case study approach. Techniques in collecting data are observation and in-depth interviews. The results obtained indicate that good communication and relationships between family members, as well as family values and culture maintained by the company will form a good and healthy Socio-Emotional Wealth. Where a healthy SEW will greatly affect the company's decision making during the process of succession, diversification, and the continuity of the family business.*

**Keywords:** *family business, SEW, succession, diversification*