



## Syllabus

**FAMILY BUSINESS MANAGEMENT  
GLOBAL EMBA  
Block Week, Summer, 2020  
BIDDING ONLY**

**Instructors:** Michael Preston  
Josh Baron

**Course Number:** EMBA Block Week SU2019, **B7529-100**

**TA:** Hande Oney  
Email: [Honey20@gsb.columbia.edu](mailto:Honey20@gsb.columbia.edu)  
Cell: 347.759.9659

**Day and Time:** **July 21 to 25**

**Room Number:** **Warren Hall 309**

**How to Contact:**

- Contact information for Professor Preston:  
Cell: (631) 903-9318 (Before 9:30pm please)  
E-mail Address: [michaelspreston@gmail.com](mailto:michaelspreston@gmail.com)
- Contact information for Professor Baron:  
Cell: 1 (917) 363- 2598  
E-mail Address: [jbaron@banyan-fba.com](mailto:jbaron@banyan-fba.com)

**Course Description, Objectives and Approach:**

Managing any business can be challenging in the current business environment especially with the increasing impact of factors such as technology, social media and globalization. But, managing a family business can be especially challenging as family considerations add additional levels of complexity to the tasks of management. In short, the family dynamics present both problems and opportunities in managing a business.

Family business is an important topic as it constitutes a significant segment of the economy in the US and an even larger proportion of the global economy. Worldwide 80% of all businesses are classified as “family businesses.” Although family squabbles often receive headlines from the business press, recent studies have shown that family businesses, on average, outperform and last longer than non-family businesses. This course, Family Business Management, focuses on this vital and interesting sector.

The course is directed towards students who are involved with the management of family businesses, either their own family's or someone else's, as well as towards students who do business with family firms in many diverse areas including the law, succession planning, financial and estate planning, family relations, philanthropy, the Family Office, mergers and acquisitions, banking, management consulting, outsourcing, etc. The focus of this course is primarily on small and mid-size businesses. We will explore the business, personal and family issues found in family owned and managed companies. The managerial, strategic, financial and behavioral complexities in these firms are also analyzed. During the class sessions we will discuss specific issues related to particular industries such as real estate and professional service firms.

Through lectures, case studies, student work experiences and guest speakers, we consider questions of ownership, succession, conflict resolution, sibling rivalry, compensation, attracting and retaining both family and non-family talent, estate planning, and financing the family owned enterprise.

The course has the following objectives:

- Increase your understanding, effectiveness and commitment as a member of a family firm (either you own family's or someone else's) or as an advisor to such firms
- Identify the characteristics that differentiate a family business from other businesses
- Examine the life cycles of family businesses from the perspective of business, family and ownership
- Learn methods to enhance communication ability and conflict resolution with family business owners, managers, and family members
- Learn to identify and evaluate situations and problems in family businesses
- Examine best practices and explore emerging trends in family business management
- Develop family business competitive strategies

**Teaching Methods and Course Materials:**

- The course will include case studies, group research, lectures, readings, videos and discussions
- A number of cases are assigned which you should read and prepare for discussion and one of these cases will require a more detailed write up which will be due at the beginning of the class session assigned to you.

- Guest speakers will be brought in from the world of family business including family members. Specialties including management, psychology, the law, family counseling and academia will be covered.
- There is an extensive library of books about family business. I will provide a bibliography for the class. This is to encourage additional research and follow up on topics of personal interest.

An independent research paper 15 to 20 pages in length is required in lieu of a final exam. (See details below.)

### **Textbook and Required Readings:**

- Family Business by Poza/Daugherty, 5th edition
- Cases and readings will be available via links on Canvas/Syllabus

### **Expectations and Grading**

As the course is based primarily on case studies, it is expected that you will prepare the cases and readings and be ready to participate in the class discussions. This participation will aid your learning and the learning of your classmates. The cases are based on real companies and these course materials have been chosen to provide you insights, not absolute answers. The greater your preparation and participation the more you will learn.

Each student will be expected to submit a written case analysis for an assigned case and to discuss the issues and questions that are highlighted in the Preliminary Written Assignment.

### **Case Preparation Guidelines**

- Cases should be at least 2 pages in length, double spaced
- Answer the assigned questions
- Paper should reflect an understanding of the topic of the session
- Support conclusions with references to sources including at least the assigned readings and where appropriate references to:
  - other books, readings and cases
  - guest speaker comments and insights
  - relevant courses
  - your own personal experiences
- Use course terminology and concepts.

Each day, selected students groups will be asked to prepare a written summary and make a presentation on their insights and observations on the Key Take-Aways of the prior day's sessions.

Each day at the end of the class several students will be assigned to participate in a discussion of the issues and questions presented in their Preliminary Written Assignment which is to be submitted at the beginning of class 1.

**The grading structure is weighted on this basis as follows:**

Class Participation 35%  
 Independent Research Paper 35%  
 Case Assignment and Key Take-Aways Summary 30%

## **REQUIRED PREREQUISITES AND CONNECTION TO THE CORE**

The learning in this course will utilize, build on and extend concepts covered in the following core courses:

<b>Core Course</b>	<b>Connection with Core</b>
Leadership Development	<ol style="list-style-type: none"> <li>1. Application of leadership concepts to the family business and the family</li> <li>2. Examination of the need to evolve as a leader, the need to understand family dynamics and to develop and apply new leadership styles as a company grows</li> </ol>
Operations Management	<ol style="list-style-type: none"> <li>1. Application of Operations concepts to the family business</li> <li>2. Examination of operating decisions as a company transitions through different generations of both family and non-family management</li> </ol>
Strategy Formulation	<ol style="list-style-type: none"> <li>1. Recognition of the need to evolve from an entrepreneurial approach to a more professional evidence based methodology as a company expands</li> <li>2. Examination of strategy formulation for both the family enterprise and the family itself</li> </ol>

Students will be expected to have mastered these concepts and be able to apply them in the course.

## **INCLUSION, ACCOMMODATIONS, AND SUPPORT FOR STUDENTS**

At Columbia Business School, we believe that diversity strengthens any community or business model and brings it greater success. Columbia Business School is committed to providing all students with the equal opportunity to thrive in the classroom by providing a learning, living, and working environment free from discrimination, harassment, and bias on the basis of gender, sexual orientation, race, ethnicity, socioeconomic status, or ability.

Columbia Business School will make reasonable accommodations for persons with documented disabilities. Students are encouraged to contact the Columbia University's Office of Disability

Services for information about registration.

Students seeking accommodation in the classroom may obtain information on the services offered by Columbia University's Office of Disability Services online at [www.health.columbia.edu/docs/services/ods/index.html](http://www.health.columbia.edu/docs/services/ods/index.html) or by contacting (212) 854-2388.

Columbia Business School is committed to maintaining a safe environment for students, staff and faculty. Because of this commitment and because of federal and state regulations, we must advise you that if you tell any of your instructors about sexual harassment or gender-based

misconduct involving a member of the campus community, your instructor is required to report this information to a Title IX Coordinator. They will treat this information as private, but will need to follow up with you and possibly look into the matter. Counseling and Psychological Services, the Office of the University Chaplain, and the Ombuds Office for Gender-Based Misconduct are confidential resources available for students, staff and faculty. “Gender-based misconduct” includes sexual assault, stalking, sexual harassment, dating violence, domestic violence, sexual exploitation, and gender-based harassment. For more information, see <http://sexualrespect.columbia.edu/gender-based-misconduct-policy-students>.

### Independent Research Paper Requirements

You should choose any family firm you wish, provided that it is in at least the second or preparing to transition to the second generation of ownership and/or management. Topics to be included:

1. Company History and Description
  - a. Detailed account of the firm’s history including why and how it started
  - b. Any significant milestones in the company’s development
  - c. Organizational ownership structure
  - d. Description of products and services
2. Current Analysis
  - a. Current goals and objectives
  - b. Current strategy
  - c. Financial Analysis – give a brief overview (to the extent available)
3. Family Business Mission Statement (if available)
  - a. Explain if this statement is consistent with your analysis of the company
4. Family History
  - a. From the founder through the current generation, develop a brief history of the family including where the family originated and any myths, rules, etc.
  - b. Family members in management positions and in ownership
  - c. Their title
  - d. Job responsibilities
  - e. Career goals
5. **This is the most important sections of your paper. You should devote appropriate attention as you answer the following questions:**
  - What are three critical family business challenges facing the company and/or the owning family (families) that are present and what is your recommended approach for dealing with each one?
  - What are the most important lessons you take from this research paper that apply to you career?

Be sure to analyze the manner in which the structure of the family, family dynamics, management of the business and personality styles will help or hinder success in overcoming challenges.

### Independent Research Paper Due Dates:

- **Term Paper Proposal: Due at the beginning of class on Thursday July 25th**
  - The Term Paper Proposal should be one or two paragraphs indicating

the company you have chosen and the reasons you have selected it and confirming that it meets all of the requirements

- **Term Paper Assignments: Due Thursday, August 7th**
  - Paper must be at least 15-20 pages; typed in 12 pt. double spaced with normal margins and footnotes or end notes
  - Papers must include a bibliography as well as any supporting Exhibits (Note: these are not included in the 15-20 page length).

## **AN OVERVIEW OF THE COURSE**

The course outline is provided below. It may be necessary during the term to adjust the sequence of sessions or modify teaching materials to accommodate guest speakers. If this should occur, you will be informed by the Professor or the course TA.

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### **Preparatory Readings;**

- [John Davis: Preparing Family Business Cases \(HBR\)](#)
- Poza text: Genogram Template page 33.
- [Evolution and Revolution as Organizations Grow \(HBR\)](#)

### **Preliminary Written Assignment (to be handed in at the beginning of class one):**

- If you are from a family business: What are the main challenges facing your family business? What challenges are you facing related to the family business, if any?
- If you are not from a family business, what is your particular interest in family businesses? What do you expect from this course?
- Each student will be expected to discuss the business and personal family business issues confidentially with the class during the class sessions

### **July 21 AM, Topic 1, Introduction:**

#### **The Nature, Importance and Uniqueness of Family Business and Great Family Business**

Readings for Topic 1

- Poza/Daugherty Part 1, Chapters 1 and 2...highlights

Articles on Family Business:

- To Have and to Hold, Family Companies, The Economist. Link: <http://www.economist.com/news/special-report/21648171-far-declining-family-firms-will-remain-important-feature-global-capitalism>

- The Economist, November 1, 2014 “Business in the Blood”, Link: <http://www.economist.com/news/business/21629385-companies-controlled-founding-families-remain-surprisingly-important-and-look-set-stay>

Case Assignment: HEICO Corporation, Canvas

Questions:

1. List the principal issues facing Eric & Victor
2. What are the business and family issues?
3. What should be the Business Strategy and what should be the strategy of the Family? Please explain why. Is there additional information you would like to know?
  - For the business issues, take into account the 5 stages of growth model.
  - For the family governance issues, think about the principles of good governance.

Guest Speakers: Victor & Eric Mendelson

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### **July 21 PM, Topic 2, The Ownership Challenge:**

Readings:

- Poza/Daugherty Part 1, Chapters 3 and 4, and Part 3 Chapter 11...highlights
- Baron, Josh & Lichenauer, Rob: The 5 Models of Family Business Ownership

Case Assignment: Salvatore Ferragamo, SpA Case, Canvas

Questions:

1. Describe the family and business history in the case paying special attention to aspects that are unique, including prevailing cultural norms and traditions, existing family and business conflicts, and the manner in which the family and business interact. Is this a family-first business or a business-first business?
2. Use the tools developed in class to provide a framework for discussion: The Family Genogram, Three Circle Model, Three Axis Model, Five Phases of Growth Model, Family Business Types Model, SWOT Analysis, etc.
3. Highlight the critical family business issues in the case, and use the models in 2) above to discuss why these are such important issues, how they were handled or mishandled in the case, and your thoughts about how you would have handled them differently. What is the one main lesson you take away from this case?

Guest Speaker: Alice Chen

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## **July 22 AM Topic 3 Succession**

### Readings:

- Poza/Daugherty Part 2, Chapters 5 and 6...highlights
- [Baron, Josh & Lachenauer, Rob: What to Do If a Feud Threatens Your Family Business \(HBR\)](#)
- [Stalk, George & Foley, Henry: Avoid the traps that Can Destroy Family Businesses \(HBR\)](#)

Case Assignment: [Sam Steinberg \(A\) and Steinberg \(B\) Condensed \(HBR\)](#)

### Questions:

1. Describe the family and business history in the case paying special attention to aspects that are unique, including prevailing cultural norms and traditions, existing family and business conflicts, and the manner in which the family and business interact. Is this a family-first business or a business-first business?
2. Use the tools developed in class to provide a framework for discussion: The Family Genogram, Three Circle Model, Three Axis Model, Five Phases of Growth Model, Family Business Types Model, SWOT Analysis, etc.
3. Highlight the critical family business issues in the case, and use the models in 2) above to discuss why these are such important issues, how they were handled or mishandled in the case, and your thoughts about how you would have handled them differently. What is the one main lesson you take away from this case?

Guest Speaker: Vivek Salgaocar

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## **July 22 PM Topic 4 Transfer of Power**

### Readings:

- Poza Chapter 7
- Integrating the Daughter into the Family Business\*
- Josh Baron, Rob Lachenauer and Sebastain Ehrensberger Making Better Decisions in Your Family Business

[Case Assignment: Precista Tools AG \(A\), \(HBR\)](#)

Precista Tools AG (B)\* and (C)\*

(\*These cases will be handed out in class.)

### Questions:

1. Describe the family and business history in the case paying special attention to aspects that are unique, including prevailing cultural norms and traditions, existing family and business conflicts, and the manner in which the family and business interact. Is this a family-first business or a business-first business?
2. Use the tools developed in class to provide a framework for discussion: The Family Genogram, Three Circle Model, Three Axis Model, Five Phases of Growth Model, Family Business Types Model, SWOT Analysis, etc.
3. Highlight the critical family business issues in the case, and use the models in 2) above to discuss why these are such important issues, how they were handled or mishandled in the case, and your thoughts about how you would have handled them differently. What is the one main lesson you take away from this case?

Guest Speaker: Lily Oswald

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### **July 23 AM, Topic 5, Financial and Wealth Management in the Family Business**

Readings:

- Poza/Daugherty Part3 Chapters 13 and 14...highlights
- Selections from “Financing Transitions: Managing Capital and Liquidity in Your Family Business” by Francois M. de Visscher and John L. Ward, \* Handed out in class

#### [Case: Nash Engineering](#)

Questions:

- What are the key strengths and weaknesses of the Nash Engineering Company and the Nash Family?
- What are their options? Evaluate the three strategic alternatives that are being considered: (a) Stand Alone (b) Sale of the Nash Engineering Company and (c) Recapitalization with Elmo/Siemens. Are there any other approaches you would suggest?
- What type of financial and ownership structure would best support an acquisition, as well as shareholders' long-term goals?
- What would your final recommendation be?

Guest Speaker: Josh Dick

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### **July 23 PM, Topic 6, Family Business Advisors**

Readings:

- Poza/Daugherty Part3 Chapters 15 pages 342 and 343...highlights
- Poza, pp., 413-415

Case Assignment: [Mitchells Richards Link \(HBS\)](#)

Questions:

1. Describe the family and business history in the case paying special attention to aspects that are unique, including prevailing cultural norms and traditions, existing family and business conflicts, and the manner in which the family and business interact. Is this a family-first business or a business-first business?
2. Use the tools developed in class to provide a framework for discussion: The Family Genogram, Three Circle Model, Three Axis Model, Five Phases of Growth Model, Family Business Types Model, SWOT Analysis, etc.
3. Highlight the critical family business issues in the case, and use the models in 2) above to discuss why these are such important issues, how they were handled or mishandled in the case, and your thoughts about how you would have handled them differently. What is the one main lesson you take away from this case?

Guest Speaker: Jack Mitchell

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## **July 24 AM, Topic 7, Governance, Communication & Conflict Resolution**

Readings:

- Poza/Daugherty Part3 Chapters 9 and 10...highlights
- [Groysberg, Boris & Deborah Bell, Generation to Generation: How to Save the Family Business \(HBR\)](#)
- [Baron, Josh: Why Family Businesses Need to Find the Right Level of Conflict](#)

Case Assignment: [Market Basket a Governance Challenge \(Columbia Caseworks\)](#)

Questions:

1. Describe the family and business history in the case paying special attention to aspects that are unique, including prevailing cultural norms and traditions, existing family and business conflicts, and the manner in which the family and business interact. Is this a family-first business or a business-first business?
2. Use the tools developed in class to provide a framework for discussion: The Family Genogram, Three Circle Model, Three Axis Model, Five Phases of Growth Model, Family Business Types Model, SWOT Analysis, etc.

3. Highlight the critical family business issues in the case, and use the models in 2) above to discuss why these are such important issues, how they were handled or mishandled in the case, and your thoughts about how you would have handled them differently. What is the one main lesson you take away from this case?

Guest Speaker: Daniel Korshun

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### **July 24 PM, Topic 8, Non Family Management**

Readings:

- Poza/Daugherty Part3 Chapters 15...highlights
- **Surviving in a Family Business When You're Not Part of the Family By Josh Baron and Rob Lachenauer JANUARY 15, 2015 HBR**

Case Assignment: [The Professionalization of Ujwal Bharati \(HBR\)](#)

Questions:

1. Describe the family and business history in the case paying special attention to aspects that are unique, including prevailing cultural norms and traditions, existing family and business conflicts, and the manner in which the family and business interact. Is this a family-first business or a business-first business?
2. Use the tools developed in class to provide a framework for discussion: The Family Genogram, Three Circle Model, Three Axis Model, Five Phases of Growth Model, Family Business Types Model, SWOT Analysis, etc.
3. Highlight the critical family business issues in the case, and use the models in 2) above to discuss why these are such important issues, how they were handled or mishandled in the case, and your thoughts about how you would have handled them differently. What is the one main lesson you take away from this case?

Guest Speakers: Josh and George Jacobstein and Kevin Coughlin

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### **July 25 AM, Topic 9, Planning the Estate**

Readings:

- Poza/Daugherty Part3 Chapters 12...highlights

Case Assignment: [Angus, Patricia; Pritzker Family Enterprise, Columbia Caseworks](#)

Questions:

1. What should Jay have done differently?
2. What did he do and why did he do it?

3. If his plan had worked out how would things be different?
  4. How do family members feel about how things actually worked out?
- [Estate Planning and Family Business Mediation, \*The Ethical Will, an Ancient Concept, is Revamped for the Tech Age\*, NYTimes Nov. 1, 2014](#)

Guest Speakers: William Kambas & Marissa Dungee

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**July 25 PM, Topic 10, The Future of Family Businesses**

- Poza/Daugherty Part 2 Chapter 8...highlights
- **Why the 21<sup>st</sup> Century will belong to Family Businesses by Josh Baron HBR**

Guest Speaker: Archie Gottesman

**FINAL TERM PAPERS ARE DUE: Thursday August 8, 2018**