FAMILY ENTERPRISE AND WEALTH (EMBA)
COURSE OVERVIEW AND SYLLABUS
JUNE 2021

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Day and Time: Tuesday June 1st: 1 pm – 5 pm ET
Wednesday June 2nd: 9:00 am – 5 pm ET
Thursday June 3rd: 9:00 am – 5 pm ET

Room Number: Online Zoom – Log in via Canvas

Office Hours: After class and by appointment

I. Course Objectives and Overview

This course introduces students to the complex topics of family enterprise and family wealth. Wealth in the United States and globally has become increasingly concentrated in the hands of a small number of families, which is having a major impact on business, financial, and philanthropic sectors. These families often start with an entrepreneur who creates an operating business, that later evolves into trusts, holding companies, investment vehicles, a family office, and charitable foundations. This conglomeration of holdings is referred to as a complex "family enterprise" and all the assets of the family comprise its "wealth." Given the magnitude of this trend, it is almost inevitable that each MBA student will own, work for, invest in, or otherwise interact with family enterprises after graduation.

Students will be exposed to a variety of perspectives, including in-depth research, analysis, and insider's views on family dynamics, governance, business, investments, and philanthropy. The course will proceed from the perspective of family first and particular emphasis will be given the fact that the family’s “human capital” is its most important resource to foster a successful family enterprise and optimize its important role in society. Technical issues, including legal concepts and structures applicable to family enterprises, will also be examined. Guest lecturers from industry and family enterprises will provide real-life context to class discussions.
Students will leave the course prepared to more effectively own, manage, and work with family enterprises, and with a more nuanced understanding of family wealth as it is now understood by leading global families. This will have a direct impact on future success, both personally and professionally. While the course will be especially relevant for students who come from family enterprises, it will also provide insights and tools for students who intend to work in private wealth management, privately held companies, management consulting, private equity/venture capital, and social enterprises. This is not just an investment, finance, or family business management course, as those subjects are covered in more detail elsewhere in the curriculum but is a multi-disciplinary approach to this complex set of issues.

The course has the following objectives:

- Increase awareness of the role and importance of family enterprises globally.
- Expand understanding of “family wealth” as it is defined and developed by leading families.
- Develop the ability to identify critical factors that are essential to the success of a family enterprise.
- Learn to navigate complex issues in a student’s own family enterprise or those with whom the student interacts.
- Gain familiarity with key theories applying to family enterprise and wealth, and how to put them into practice.

**Required Prerequisites and Connection to the Core**

There are no required prerequisites for this course. The following core courses are most closely related to and helpful for the content of the course.

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<thead>
<tr>
<th>Core Course</th>
<th>Connection with Core</th>
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<tr>
<td>Leadership Development</td>
<td>1. Decision making</td>
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<td></td>
<td>2. Influence and Persuasion</td>
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<td>3. Ethics</td>
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<tr>
<td>Strategy Formulation</td>
<td>1. Trade-offs, value-added, efficiencies</td>
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<tr>
<td></td>
<td>2. Diversification and scope</td>
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<td>3. Behavioral and evidence-based strategy</td>
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II. Teaching Methods and Course Materials

This course is taught by an experienced professional who has worked with family enterprises for more than 25 years as a lawyer, wealth advisor, and independent consultant. Lectures will draw from this experience, with a special emphasis on real-life examples of family enterprise and wealth in theory as well as practice. Readings will include case studies and excerpts from some of the seminal books and articles on family wealth, business, psychology, philanthropy, and related areas. Guest speakers will be invited to provide additional context and depth to discussions. Class participation is required and open dialogue about the complexity of issues is expected. Students will apply their knowledge through class exercises and assignments.

All readings will be available through Canvas and/or through library reserves, and purchase of the following book is recommended:


III. Course Requirements and Assignments

The class will be interactive. Students must attend all sessions and actively participate in all discussions and exercises. Class sessions will vary among lecture, guest speakers, and group discussion. Grading will be weighted as follows:

a. **Class Participation (Type “C”): 35%**. Students will be expected to participate in class discussions in a manner that shows that they have done the assigned readings. Students will be “cold called” in class and must be ready to apply concepts to case studies.

b. **Individual Writing Assignments (Type “C”): 65%**.
   
i. **Writing Assignment. (5%)**. There will be a short (one page) personal essay due before the first class. Several choices of assignment topics will be provided in advance of class.

   ii. **Reading Questions/ Case Analysis (5%)**. Students will be required to submit a written analysis of course readings or an assigned case study before the start of class on the last day.

   iii. **Family Genogram (5%)**. Students must prepare a “family genogram” for their own families, due along with the final paper.

   iv. **Final Paper. (50%)**. A 10-15 page final paper will be due after the end of class. In the final paper, each student will apply the concepts learned in class to a family enterprise. Students may choose to focus on a family enterprise discussed in class or another family enterprise (including their own) chosen by the student with approval from the Professor.
IV. Course Syllabus

Day One/ Afternoon: What is a Complex “Family Enterprise”? What is “Family Wealth”?

a. This session will start with the questions: what is a complex “family enterprise”? and what is “family wealth”? and explore why these topics matter. It will focus on general demographics and specific characteristics of complex multi-generational family enterprises, including developmental phases over time. The topic of “wealth,” including the way in which the definition has been expanding over the past decades, will be explored.

b. Readings:

c. Guest speaker: Member of a family enterprise

Day Two/ Morning: What is “Family”? What is "Systems Thinking"?

a. In order to understand what makes a family enterprise tick, it is essential to understand families. Among professionals studying and working with family enterprises, it is commonly understood that most family enterprises that do not succeed across generations fail due to family, not business or financial, reasons. Students will be introduced to “family systems” theory as a way of understanding how to identify and address these family challenges. The "family genogram" will be introduced.

b. Readings:

c. Guest Speaker: Family enterprise principal/ advisor
Day Two/ Afternoon - How is family wealth "owned" and "governed"?

a. Families create and live with a variety of entities that own and manage their wealth, including trusts, holding companies, and partnerships. Further, family enterprises must “govern” themselves and the entities they own, whether they realize it or not. Governance is one of the key ways for a family enterprise to survive and excel over time. This session will introduce governance mechanisms as well as a framework and process for effective governance.

b. Readings:

   c. Guest Speaker: Family enterprise advisor(s)

Day Three/ Morning – What’s a “Family Office”? Is it a “family business?”

a. Family offices are often at the core of a complex family enterprise. There are special considerations to take into account in developing, governing, and operating a family office. This session will address these challenges and opportunities.

b. Readings:

   c. Guest Speaker: Family enterprise principal or advisor

Day Three/ Afternoon – How do families invest? How are they served by the private wealth management industry?
a. The financial and investment issues for family enterprises are complex and intricate in ways that are not readily apparent. This session will provide an overview of some key issues including:
   i. Family enterprises are demanding new services, and the private wealth management industry is undergoing major changes in business models and service delivery. Family offices increasingly serve as the hub for family wealth management. These trends are creating tensions and new challenges, which will be explored.
   ii. Family Wealth. Investment professionals generally focus on liquid financial assets in investment portfolios. However, a family enterprise has a wide variety of assets, and liquid investments often constitute only a minority of the family’s assets. A broader view will be introduced.

b. Readings:
   iv. Recommended: Hughes. Family Wealth. Chapters 4 and 5. Wrote “see library reserves for access”

c. Guest Speaker: Private wealth management professional(s)

Day Three/ Afternoon – Wrap up Discussion - How does a family enterprise impact the community?

a. The course will end with a discussion of family enterprises in the larger community. How is success defined for different groups, within and outside the family? The critical role of family enterprises in philanthropy and social enterprise will be explored, especially in light of increasing wealth disparity.

b. Readings:

V. Additional Requirements

a. Attendance Policy
Students are required to attend each class. Students should reach out to the instructor or TA regarding excused absences (for religious observances; personal, medical, and family emergencies; military service; court appearances such as jury duty). Unexcused absences will affect your course grade. Asynchronous attendees should contact the instructor or TA regarding participation requirements.
Recordings of all classes will be available online.

Students who miss more than 33% of the classes (unexcused absences) will at most receive a **P for the course grade.**

Students who miss more than 50% of their classes (unexcused absences) will receive a **F for the course grade.**

**b. Poll Everywhere**

This course may use Poll Everywhere as a tool to increase in-class student engagement. Poll Everywhere may also be used to confirm student attendance and participation records. Students who have concerns regarding whether their responses have been recorded should contact the instructor.

If a student is not present in the classroom at the time of a poll (due to absences or any other reasons), the poll should not be answered. Responding to a poll when not present in the classroom is a violation of the Honor Code.

**c. 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.