



## Syllabus

### FAMILY BUSINESS MANAGEMENT FOR BIDDING ONLY

**Instructor:** Josh Baron  
**Course Number:** B8529  
**TA:** TBD  
**Day and Time:** Monday, 2pm-5:15pm  
**Zoom:** See Canvas

#### How to Contact:

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#### Course Description, Objectives and Approach:

Managing any business can be challenging in the current 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 businesses 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, 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. 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.

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
- 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
- The core text will be the *Harvard Business Review Family Business Handbook: How to Build and Sustain a Successful, Enduring Enterprise*. Chapters are referred to as "Family Business Handbook" in the syllabus.
- A number of cases are assigned which you should read and prepare for discussion.
- Guest speakers will be brought in from the world of family business.
- 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.
- 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.

## **Case Preparation Guidelines**

Each student will be expected to submit a written case analysis for one course case of their choice where they will discuss the issues and questions that are listed under the name of the case on the syllabus. You can select any of the cases, but you must submit the assignment *prior to* the discussion of that case in class. You only need to write the analysis for one case, and there is no need to inform us in advance about which case you selected. For the case analysis submission, you should use the relevant assignment page on Canvas.

Here are more details on the assignment:

- Write-ups should be at least 2 pages in length, double-spaced
- Answer the assigned questions under the topic on the syllabus
- 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 relevant course terminology and concepts where applicable.

## **Group Presentation**

Each session, other than week 1, a selected student group 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 session. The groups can be found on Canvas. The presentation shouldn't be more than 10 minutes and no more than 5-6 slides. Please share your presentation with the TA via email before you present, so it can be uploaded to Canvas.

## **Independent Research Paper Requirements**

An independent research paper of 15 to 20 pages in length is required in lieu of a final exam. You can choose any family business you wish, including your own, provided it is not one of the cases we discuss in class. Details on the structure of the paper will be provided during the first session of the class. 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). A **Term Paper Proposal is due at the beginning of Session 5** and 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. If you will be writing about your own family business, you only need to confirm that by email and do not need to provide further explanation.

## **The grading structure is weighted as follows:**

Class Participation: 30%

Independent Research Paper: 40%

Group presentation: 20%

Case Assignment: 10%

## **Family Business Matters**

Each day at the end of the class several students will be assigned to share some background information on their family business, or a family business they have come into contact with. No write-up or submission is required. This is an informal opportunity to discuss your backgrounds learn from each other.

## **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>.

## **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), Link <https://cb.hbsp.harvard.edu/cbmp/pl/37654336/37910104/1a9709f8f028d6708213d1f19cb38963>

- Evolution and Revolution as Organizations Grow (HBR), Link <https://cb.hbsp.harvard.edu/cbmp/pl/37654336/37910100/fb61113530a5a83862b6a9e8d7f124a5>

## **January 11<sup>th</sup>, Topic 1: Introduction:**

### **The Nature, Importance and Uniqueness of Family Businesses**

#### Readings:

- “Decode Your Family Business,” *Family Business Handbook*.
- “The Power of Family Ownership,” *Family Business Handbook*.
- 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

- What factors have led to the success of HEICO to date, from a business, family, and/or ownership perspective?
- In what ways - positive and negative - do you think family ownership has affected the business?
- What do you see as the major risks to the family business over the next 10 years? If this business were to have a crisis, what would be the most likely cause(s)?
- What actions do you think are required to set the stage for continued success of HEICO and the Mendelson family?

Guest Speaker: TBD

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## **January 22<sup>nd</sup>, Topic 2: Types of Family Businesses**

#### Readings:

- “Design: Choose the Type of Family Business You Want,” *Family Business Handbook*.

#### Case Assignment: Sam Steinberg (A) and Steinberg (B) Condensed

- In what ways did the family shape the business, and vice versa?
- What type of family business was Steinberg's? In what ways, positive and negative, did that type of ownership affect the family business?
- What do you see as the main reasons why the Steinberg family business was able to achieve its success?

- What were the biggest challenges faced by Steinberg's in continuing that success into the future?

Guest Speaker: TBD

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### **January 25<sup>th</sup>, Topic 3: Governance**

Readings:

- “Decide: Structure governance to make great decisions together,” *Family Business Handbook*.
- “Governance for Family Businesses: Sustaining the ‘Magic’ for Years to Come” C. Egloff & V. Bhalla, BCG Perspectives, Oct. 20, 2014.

Case Assignment: Carvajal, SA: Building on a Century of Business Growth and Family Values

- In what ways is family ownership a positive/negative for Carvajal as a company?
- What are the current governance structures/processes being used at this family business?
- What are the primary challenges faced by Carvajal in 2011?
- How would you address those challenges?

Guest Speaker: TBD

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### **February 1<sup>st</sup>, Topic 4: Strategy in a Family Business**

Readings:

- “Value: Create an Owner Strategy to define your success,” *Family Business Handbook*.
- “How Family Vision Drives Business Strategy” J.L. Ward, *Families in Business*, Nov. 2002, pp. 67–70.

Case Assignment: Ayala Corporation

- What is their business model? How does family ownership either support or detract from that model?
- What are the main vulnerabilities that you see for this family business?
- What options should the Mitchell family consider for its business going forward? Which do you recommend?

Guest Speaker: TBD

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### **February 8<sup>th</sup>, Topic 5: Communication & Conflict**

Readings:

- Groysberg, Boris & Deborah Bell, Generation to Generation: How to Save the Family Business (HBR)
- “Inform: Use effective communication to build trusted relationships,” Family Business Handbook.
- “Conflict in the family business,” Family Business Handbook.

Case: Mitchell Richards

- What is their business model? How does family ownership either support or detract from that model?
- Do you think the Mitchell family communicates effectively with each other? Why or why not?
- What are the main vulnerabilities that you see for this family business? If conflict is on the horizon, where might it come from?
- What options should the Mitchell family consider for its business going forward? Which do you recommend?

Guest Speaker: TBD

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## February 15<sup>th</sup>, Topic 6: Succession and Transition

Readings:

- “Transfer: Plan for the transition to the next generation,” *Family Business Handbook*.
- Stalk, George & Foley, Henry: Avoid the Traps that Can Destroy Family Businesses (HBR)

Case Assignment: Precista Tools AG (A), (HBR)

- What factors have been essential to the success of the company?
- How would you assess Franz Huebel's handling of the transition planning process? What has he done well and poorly?
- How would you assess Greta Huebel's handling of the transition planning process? What has she done well and poorly?
- How could the succession process have been handled differently to reach a better outcome?
- What plan would you suggest for moving forward given the realities at the end of the case?

Guest Speaker: TBD

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## March 8<sup>th</sup>, Topic 7: Non-family Management & Professionalization

Readings:

- Working in a family business,” *Family Business Handbook*.

Case Assignment: The Professionalization of Ujwal Bharati

- Why did Srinivas decide to hire a non-family member to lead the business?
- Why didn't the hiring of Jairaj work out?
- What could Jairaj/Srinivas have done to make the leadership transition work?
- What steps did Parasuram take in order to avoid Jairaj's fate?
- What shift in owner strategy does Parasuram recommend? Do you think it was a wise recommendation?
- What would you do at the end of the case if you were Srinivas? What if you were Parasuram?

Guest Speaker: TBD

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### **March 15<sup>th</sup>, Topic 8: Working in a Family Business**

Readings:

- “Should You Join Your Family Business,” by Judy Walsh and Rob Lachenauer (HBR)
- “Family Employment Policy,” *Family Business Handbook*.

Case Assignment: Salvatore Ferragamo, SpA Case

- What are the pros/cons of having relied on family leadership?
- How has the family avoided a major conflict among Wanda's children working in the business?
- What have been the key elements of Ferragamo's success as a company?
- What do you make of Mazzalovo's assessment of the company and proposed strategy?

Guest Speaker: TBD

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### **March 22<sup>nd</sup>, Topic 9: The Family Office in a Family Business**

Readings:

- “The Family Office in a family business,” *Family Business Handbook*.

Case Assignment: Family Matters: Governance at the Zamil Group

- What are the main factors behind the business success of Zamil Group?
- What are the key elements of the governance system (structures and processes) that was put in place?
- How would you describe the core elements of the family employment policy across the dimensions we discussed last week (attract, entry, etc.)?

- What functions does the family office serve?
- What do you see as the biggest challenges to the family going forward? How would you address them?

Guest Speaker: TBD

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### **March 29<sup>th</sup>, Topic 10: Selling the Family Businesses**

Readings:

- “Selling the Family Business” (<https://mercercapital.com/family-business-director/selling-your-family-business/>)

Case Assignment: Nash Engineering

- How would you describe the situation faced by Nash Engineering?
- How could this situation had been avoided?
- What are the options described in the case? Are there any other approaches you would consider? What are the pros and cons of each option?
- What would be your recommendation?

Guest Speaker: TBD

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### **April 5<sup>th</sup>, Topic 11: Wealth, Taxes, and the Family Enterprise**

- Estate Planning and Family Business Mediation, *The Ethical Will, an Ancient Concept, is Revamped for the Tech Age*, NYTimes Nov, 1, 2014 Link: [http://www.nytimes.com/2014/11/01/your-money/the-ethical-will-an-ancient-concept-is-revamped-for-the-tech-age.html?\\_r=0](http://www.nytimes.com/2014/11/01/your-money/the-ethical-will-an-ancient-concept-is-revamped-for-the-tech-age.html?_r=0)
- “How to be responsible with the Wealth of Your Family Business,” *Family Business Handbook*.

Case Assignment: Lee Kum Kee’s Five Generations of Growth

- What factors have contributed to the multi-generational success of LKK?
- What are the elements of their "family enterprise". By a family enterprise, I mean not just the business, but other investments, philanthropies, entrepreneurial ventures, etc.
- How would you answer the 4 key questions under the Next Steps header on page 9 of the case?

Guest Speaker: TBD

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### **April 12<sup>th</sup>, Topic 12: Family Business Advisors and The Future of Family Businesses**

- “The Business Family: Four disruptions you will face and what to do about them,” *Family Business Handbook*.

- “The Dangers of Losing what You've Built,” *Family Business Handbook*.
- [Why the 21<sup>st</sup> Century will belong to Family Businesses, \*Harvard Business Review\*, March 28, 2016](#)
- “What It Takes for a Family Business to Innovate.” J.B. Craig, Kellogg Insight, May 2016.
- “Serial Business Families – an Overview” D. Kenyon-Rouvinez, *Families in Business*, Apr 2002, pp. 66-67.

#### Case Assignment: Pentland Group

- What factors have been central to the success of this family business?
- The Pentland Group has been both publicly traded and privately held. What are the benefits of each ownership structure?
- In the last class we discussed four main types of family enterprises and how families can move across them. How would you trace the evolution of the Rubin family enterprise across that spectrum?
- What do you see as the critical issues the Rubin family must address to sustain their success into future generations? If you were advising them, what would you tell them to focus on?

Guest Speaker: TBD