I. Course Objectives and Overview

This course provides an introduction 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, which 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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<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>3. Ethics</td>
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<td>Strategy Formulation</td>
<td>1. Trade-offs, value-added, efficiencies</td>
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<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 two decades 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 will be 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 highly recommended:


A list of additional recommended resources will be provided to the class.

III. **Course Requirements and Assignments**

The class will be interactive and 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: 30%**. Students will be expected to participate in class discussions and exercises in a manner that shows that they have done the assigned readings. Students should expect to be “cold called” in class and be ready to apply concepts to case studies. Participation shall include in-class exercises and may include a short group presentation.

b. **Individual Writing Assignments (Type “C”): 70%**.

   i. **Writing Assignment. (10%).** There will be a short writing assignment due one week after the first class. Several choices of assignment topics will be provided at the end of the first session.

   ii. **Weekly Reading Questions (including Family Genogram (10%)).** Students will be required to submit short answers on Canvas to questions about the readings on a weekly basis. Students must prepare a "family genogram" for their own families, due at the beginning of the third session.

   iii. **Term Paper. (50%).** A 10-15 page term paper will be due after the end of term. In the term 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. Students must obtain approval of the family enterprise by the beginning of the fourth session.
IV. Course Syllabus

Session 1 - What is a Complex “Family Enterprise”? What is “Family Wealth”?

a. This session will start with the questions: what is a complex “family enterprise”? What is “family wealth”? And explore why these topics matter to MBA students. It will focus on general demographics and some specific characteristics of complex multi-generational family enterprises, including developmental phases over time and the rise of family enterprises globally. The implications of family enterprises on the business, financial, and philanthropic sectors will be highlighted. 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

d. Weekly Reading Questions: See Canvas.

Session 2 – 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. This session will explore families in diverse cultures.

b. Readings:

c. Guest Speaker: Family enterprise principal/ advisor

d. Weekly Reading Questions: See Canvas.

Session 3 – What makes a “Family Business" unique?

a. Family businesses are often the core holdings of a family enterprise, yet rarely does a complex family enterprise have only one business within it; rather, a family enterprise is a conglomerate. This session will help students focus on the unique aspects of businesses within the family enterprise. Students will be introduced to key family business concepts, including the three-circle developmental model and the respective roles of owners, managers, and family members.

b. Readings:
   i. Required: Case Study to be assigned.

c. Guest Speaker: Family business member

d. Weekly Reading Questions: See Canvas.

e. Due: Family Genogram.

Session 4 - 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:
   iii. Required: Hughes, Family Wealth. Chapter 1
   iv. Recommended: Hughes, Family Wealth. Chapters 9, 10, 11 and 15.

c. Guest Speaker: Family enterprise advisor

d. Weekly Reading Questions: See Canvas.
Session 5 – 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. "Asset Location." Investment professionals generally focus on asset allocation 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 and a broader view is necessary.
   ii. Family enterprises are demanding new services, and the private wealth management industry is undergoing major changes in business models and service delivery. Both trends are creating tensions and new challenges, which will be explored.

b. Readings:

c. Guest Speaker: Private wealth management professional(s)
d. Weekly Reading Questions: See Canvas.

Session 6 – How does a family enterprise impact the community?

a. This session will explore the role of family enterprises in the larger community. Discussion will center on the definitions of success for different groups, within and outside the family. The critical role of family enterprises in philanthropy and social enterprise will be explored.

b. Readings:

c. Guest speaker: Member of a family enterprise or professional advisor
d. Weekly Reading Questions: See Canvas.