



**CARLETON UNIVERSITY
AREA
BUSI 3611 A
WINTER 2018
MANAGING THE FAMILY ENTERPRISE**

Instructor: Danielle Walsh, CPA, CA
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Course meets: Fridays 1435-1725 Mackenzie Building (ME) 4491

Pre-requisites & precluded Courses: BUSI 1005 or BUSI 1002, BUSI 2101 or 2121, and third year standing.

Course Calendar description from the 2017/2018 University calendar:

**BUSI 3611 A [0.5 credit]
Managing the Family Enterprise**

How family businesses are different, what makes them different and how to effectively manage these differences. Challenges arising from the tension between family and business pressures from governance, management and succession planning perspectives.

Learning Objectives:

- To understand the key differences between family and non-family businesses. Students will leave the course with an appreciation of the advantages / disadvantages of family ownership and how to manage these effectively.
- To understand how and why the field of family business emerged as a distinct discipline. Students will leave the course with an appreciation of the evolution of family business theory and empirical research.

- To understand the unique challenges arising from management and ownership succession in a family-owned firm. Students will learn how to recognize and respond to common issues.
- To become familiar with the concept of Guiding Principles and Family Business Rules. Students will leave the course with a working knowledge of best practices and how to apply / customize them for individual family businesses.
- To appreciate the special importance of governance in family-owned enterprises, and form a working knowledge of critical governance structures: Family Business Meetings, Family Council Meetings and Family Assemblies. Students will leave the course with an ability to manage these structures effectively within a firm.

Reading(s)/Textbook(s):

Textbook: Family Business, Ernesto J. Poza & Mary S. Daugherty, 4th Edition

- Only Chapters 3 & 7
- Can be purchased online for \$8.99 a chapter at:
http://www.cengage.com/search/productOverview.do?N=16&Ntk=P_EPI&Ntt=162314023825061915916342828641828560809&Ntx=mode%2Bmatchallpartial

Articles & Slides: Available on cuLearn

Course Requirements & Methods of Evaluation:

Method of evaluation:

- 15% - 2 Assignments
 - 7.5% – due January 26, 2018 (individual)
 - 7.5% - due April 6, 2018 (in groups)
- 30% - Midterm (February 16, 2018)
- 35% - Final exam (take-home in groups due April 26, 2018)
- 20% - Class participation based on attendance and participation in-class case analysis

Course Schedule:

DATE	TOPICS	REQUIRED READINGS
Jan 12	The Evolution of the Field & Importance of Family Business Introduction to course The business of family business – How did it all start? Importance of family businesses in the economy	Articles: • 5 Reasons Why a Family Business Fails Case 1 (p.75 - 77) Case 7 (p.194 - 195)

Jan 19	The Theory of Family Business What constitutes a family business? The three generation rule (shirtsleeve to shirtsleeve) Systems theory (Three circle model) The role of genograms Stages of ownership	Articles: <ul style="list-style-type: none"> • Enterprising Rural Families – Genogram Info • Stages of Growth in a Family Business • Family-First Businesses Case 4 (p. 84) Case 16 - The new MBA (posted online)
Jan 26	Challenges and Competitive Advantages of Family Businesses Challenges of being a family in business Competitive advantages that can be obtained	Articles: <ul style="list-style-type: none"> • In Canada, a Feud Divides the Irving Family Empire • What You Can Learn from a Family Business • Focus on “Family” is Key to Long-Term Family Business Success Case 2 (p. 77) Case 13 (p. 434) Submit Assignment!
Feb 2	Management Succession – The Common Issues Selecting a successor The next generation Sibling and cousin teams Family dynamics Non-family managers	Articles: <ul style="list-style-type: none"> • Death Of A Family Farm • Surviving in a Family Business When You’re Not Part of the Family Case 8 (p. 195 - 197) Case 10 (p. 214 - 220)
Feb 9	Ownership Succession – The Common Issues CEO exit styles The unique roles of the CEO spouse Letting go Estate planning Pitfalls to avoid in ownership transfer	Articles: <ul style="list-style-type: none"> • Extract: CEO Exit Styles Case 5 (p. 85 - 92) Case 14 (p. 435 - 437)
Feb 16	Midterm!	On all material covered!
Feb 23	READING WEEK!	RELAX!
Mar 2	The Consulting Process, Guiding Principles & their Application The process used to consult as a Family Business Practitioner (FBP) will be outlined and the Guiding Principles, a key tool in a successful family business succession plan, will be discussed.	Articles: <ul style="list-style-type: none"> • Avoid the Traps that Can Destroy Family Businesses • Guiding Principles handout (online) Case 3 (p. 78 – 83) <ul style="list-style-type: none"> • Answer the 3 questions in last paragraph Case 3 Part B (online) <ul style="list-style-type: none"> • Answer the 2 questions in last paragraph Case 19 – New Way (online) <ul style="list-style-type: none"> • Answer Q1, Q2, Q4
Mar 9	Guiding Principles & Their Application Continued. Family Business Rules.	Articles:

	Practice applying the GP's to a case. The Family Business Constitution is made up of Guiding Principles and Family Business Rules, therefore, this class will focus on what kind of rules families need to develop to support their GP's. .	<ul style="list-style-type: none"> Developing Policies Can Save Your Family Business Family Business Rules handout (online) <p>Case 9 (p.197 - 214)</p>
Mar 16	Governance (Family Business Meetings, Family Councils, Family Assembly's Communication) Board of directors vs. Advisory board Criteria for board member selection The board's role Family meetings Family council meetings The family office	Article: <ul style="list-style-type: none"> How Sophisticated Does Our Governance Need to Be <p>Case 10 (p. 214 – 220)</p>
Mar 23	Governance (application) & the Importance of Communication	Articles: <ul style="list-style-type: none"> Making Sibling Teams Work 7 Steps to Sustainability in Family Business <p>Case 6 (p. 183 – 193) Case 1 (p. 75 – 77)</p>
Mar 30	No Class	No Class
April 6	Shareholder's Agreement, the Importance of Legalizing the Family Business Succession Plan Unique characteristics of a family business shareholder's agreement Marriage contracts Sibling Partnership Agreements Wills	Articles: <ul style="list-style-type: none"> Market Basket (U.S) Shows the Best and Worst of Family Business (posted online) Shareholder Agreement Template (posted online) <p>Submit Assignment!</p>
April 11	Practice Applying it All Together Review before take-home exam	<ul style="list-style-type: none"> Freedom Communications (online)

ADDITIONAL INFORMATION

Course Sharing Websites

Materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Group work

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59
A = 85-89	B = 73-76	C = 63-66	D = 53-56
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52
F = Below 50			

Grades entered by Registrar:

WDN = Withdrawn from the course

DEF = Deferred

Academic Regulations, Accommodations, Etc.

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodations

For Students with Disabilities:

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your **Letter of Accommodation** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). **Requests made within two weeks will be reviewed on a case-by-case basis.** After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website (www.carleton.ca/pmc) for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

For Religious Obligations:

Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two

weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students and instructors can confirm accommodation eligibility of a religious event or practice by referring to the Equity Services website (<http://carleton.ca/equity/accommodation/religious-observances/>) for a list of holy days and Carleton's Academic Accommodation policies. If there are any questions on the part of the student or instructor, they can be directed to an Equity Services Advisor in the Equity Services Department for assistance.

For Pregnancy:

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include; a grade of Failure on the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <https://carleton.ca/registrar/academic-integrity/>.

Sprott Student Services

The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you are having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! <http://sprott.carleton.ca/students/undergraduate/learning-support/>

Centre for Student Academic Support

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: carleton.ca/csas.

Important Information:

- Students must always retain a hard copy of all work that is submitted.
 - All final grades are subject to the Dean's approval.
 - For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, in order to respond to your inquiries, please send all email from your Carleton CMail account. If you do not have or have yet to activate this account, you may wish to do so by visiting <http://carleton.ca/ccs/students/>
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