



**Carleton**  
UNIVERSITY

**SPROTT**  
SCHOOL OF BUSINESS

**CARLETON UNIVERSITY  
BUSI 3611 A  
WINTER 2021  
MANAGING THE FAMILY ENTERPRISE**

**Instructor:** Danielle Walsh, CPA, CA

**Office:** NA

**Office Hours:** upon request

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**Email:** TBD

**Course meets:** asynchronous learning (learning on your own time). However, I will hold periodic Zoom calls on Tuesdays at 11:35am to answer any questions (attendance not required).

**Pre-requisites & precluded Courses:** BUSI 1005 or BUSI 1002, and BUSI 2101 or 2121 or 2702, and third year standing.

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**Course Calendar description from the 2019/2020 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:** A Practical Guide to Family Business Succession Planning – The advice you won't get from accountants and lawyers

**Link to purchase:** [https://www.amazon.ca/Practical-Family-Business-Succession-Planning/dp/177509815X/ref=sr\\_1\\_1?keywords=Family+Business+Succession+Planning&qid=1575837903&sr=8-1](https://www.amazon.ca/Practical-Family-Business-Succession-Planning/dp/177509815X/ref=sr_1_1?keywords=Family+Business+Succession+Planning&qid=1575837903&sr=8-1)

**Articles, Slides and Videos:** Available on cuLearn

#### **Course Requirements & Methods of Evaluation:**

##### **Method of evaluation:**

- 15% Individual assignment (to be submitted January 29, 2021 before midnight)
- 30% Individual assignment (to be submitted March 26, 2021 before midnight)
- 40% Final exam (take-home in groups of 5 due April 27, 2021 before midnight)
- 15% Participation on Discussion Forum
  - Must participate before midnight on Friday for each week

**Note:** all assignments as well as the final exam are to be submitted through CuLearn. Feedback and marks will be provided through CuLearn as well.

#### **Course Schedule:**

<b>DATE</b>	<b>TOPICS</b>	<b>REQUIRED READINGS</b>
Jan 12 (Week 1)	<b>The Evolution of the Field &amp; the Importance of Family Business</b> Introduction to course The business of family business – How did it all start?	Book: <ul style="list-style-type: none"> <li>• Introduction</li> </ul> Week 1 Video (Part 1 & 2)

	Importance of family businesses in the economy	Case 1 (posted online) Case 7 (posted online)  Discussion forum questions must be answered by <b>Jan 15th</b>
Jan 19 (Week 2)	<b>The Theory of Family Business – <i>Understanding the theory surrounding families in business</i></b> What constitutes a family business? The three generation rule (shirtsleeve to shirtsleeve) Systems theory (Three circle model) Evolution of a family business The role of genograms	Book: • Chapter 1  Week 2 Video (Part 1 & 2)  Case 4 (posted online) Case 16 (posted online)  Discussion forum questions must be answered by <b>Jan 22nd</b>
Jan 26 (Week 3)	<b>The Benefits and Challenges of Being a Family Business – <i>What are the unique opportunities, benefits and challenges of being a family in business?</i></b> Challenges of being a family in business Competitive advantages that can be obtained  <b>Zoom call at 11:35am on Jan 26th for anyone who wants to attend to answer questions about assignment and/or content</b>	Book: • Chapter 2  Week 3 Video (Part 1 & 2)  Case 2 (posted online) Case 13 (posted online)  <b>Assignment 1 Due Jan 29<sup>th</sup> before midnight</b>  No discussion forum this week
Feb 2 (Week 4)	<b>Management Succession Issues – <i>Identifying the management succession issues that plague families in business</i></b> Employment for family members Compensation for family members Grooming and performance reviews for family members Professionalization Leadership & conflict The importance and role of non-family managers	Book: • Chapter 3 including Successor Grooming Template on page 194 (Appendix A)  Week 4 Video (Part 1 & 2)  Article: • Death of a family farm  Case 8 (posted online) Bourne case (posted online)  Discussion forum questions must be answered by <b>Feb 5<sup>th</sup></b> .
Feb 9 (Week 5)	<b>Ownership Succession Issues – <i>Identifying the ownership succession issues that can wreak havoc on family harmony</i></b> Who can own shares? How is the share transfer funded? Mechanics of an estate freeze What are the terms and conditions surrounding each exit: death, incapacity, voluntary exit.	Book: • Chapter 4 • Chapter 5 (only pages 118 – 122 for estate freeze example)  Week 5 Video (Part 1 & 2)  Case 5 (posted online)  Discussion forum questions must be answered by <b>Feb 12<sup>th</sup></b> .

Feb 16	<b>READING WEEK!</b>	<b>RELAX!</b>
Feb 23 (week 6)	<p><b>The role of the Family Business Practitioner (Part 1) – <i>The importance of developing family business succession guiding principles</i></b></p> <p>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.</p>	<p>Book:</p> <ul style="list-style-type: none"> <li>Chapter 5</li> </ul> <p>Week 6 Video (Part 1, 2 &amp; 3)</p> <p>Case 3 Part A</p> <p>Discussion forum questions must be answered by <b>Feb 26th</b></p>
March 2 (week 7)	<p><b>The role of the Family Business Practitioner (Part 2) – <i>The importance of developing family business rules</i></b></p> <p>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 in support of their GP's.</p>	<p>Book:</p> <ul style="list-style-type: none"> <li>Chapter 6</li> </ul> <p>Week 7 Video (Part 1 &amp; 2)</p> <p>Article:</p> <ul style="list-style-type: none"> <li>Developing Policies Can Save Your Family Business</li> </ul> <p>Case 5 Revisited</p> <p>Discussion forum questions must be answered by <b>March 5th</b></p>
Mar 9 (week 8)	<p>Review and application of guiding principles and family business rules to the Bourne case</p> <p><b>Zoom call at 11:35am on March 9th for anyone who wants to attend to answer questions about assignment (due March 26<sup>th</sup>), Bourne Case or content.</b></p>	<p>Bourne Case Revisited</p> <p>Discussion forum questions must be answered by <b>March 12<sup>h</sup></b></p> <p>Video outlining correct answers for the Bourne case will be posted after March 12th</p>
Mar 16 (week 9)	<p><b>Governance – <i>Governing the family, the business and the ownership group</i></b></p> <p>Board of directors vs. Advisory board  Family business meetings  Family council meetings  Management table  Management meeting</p>	<p>Book:</p> <ul style="list-style-type: none"> <li>Chapter 7</li> </ul> <p>Week 9 Video (Part 1, 2 &amp; 3)</p> <p>Articles:</p> <ul style="list-style-type: none"> <li>How Sophisticated Does Our Governance Need to Be?</li> <li>Making Sibling Teams Work</li> </ul> <p>Case 10 (posted online)</p> <p>Discussion forum questions must be answered by <b>March 19<sup>th</sup></b>.</p>

Mar 23 (week 10)	<p><b>Conflict in the Family Business – <i>The importance of conflict resolution and communication in a family business</i></b> A professional Mediator and Dispute Resolution Officer will be joining us to talk about conflict resolution</p> <p><b>Zoom call at 11:35am on March 23rd with the guest speaker.</b></p>	<p>Three articles posted online:</p> <ul style="list-style-type: none"> <li>• Conflict Resolution in the Family</li> <li>• Harvard – Mediation</li> <li>• Negotiations, Logrolling</li> </ul> <p><b>Submit your assignment by midnight on March 26<sup>th</sup>.</b></p>
March 30 (week 11)	<p><b>The Succession Binder – <i>Integrating the technical and family components</i></b> Unique characteristics of a family business shareholder’s agreement Marriage contracts Wills Power of attorney Insurance</p>	<p>Book:</p> <ul style="list-style-type: none"> <li>• Chapter 8</li> </ul> <p>Shareholder Agreement Template (posted online)</p> <p>Week 11 Video (Part 1 &amp; 2)</p> <p>Article: Market Basket (U.S) Shows the Best and Worst of Family Business (posted online)</p> <p>Discussion forum questions must be answered by <b>April 2<sup>nd</sup></b>.</p>
April 6 (week 12)	<p><b>Review the feedback on Assignment #2 in preparation for Take-home Exam</b></p>	<p>A video will be posted once the assignments are all graded with feedback and areas for improvement (important for final exam).</p> <p>Students to reach out if they want to discuss their assignment individually.</p>
April 13 (week 13)	<p><b>Zoom call at 11:35am on April 13<sup>th</sup> to discuss the take-home exam and any questions.</b></p>	

#### ADDITIONAL INFORMATION



#### Missed or Late Term Work

The only valid excuse for missing a deadline or midterm is for medical reasons or death in the family and must be documented with a medical certificate. Any other reason (such as travel, etc.) will not be considered. In such circumstances, separate arrangements may

be made. If you miss a deadline for a reason that is not deemed as legitimate, your mark will be zero.

### **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).

### **Required calculator in BUSI course examinations**

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

### **Group work**

The Spratt 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**

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 Accommodation**

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

### **Pregnancy obligation**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is

known to exist. For more details, visit the Equity Services website:

[carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf](https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf)

### **Religious obligation**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website:

[carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf](https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf)

### **Academic Accommodations for Students with Disabilities**

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. [carleton.ca/pmc](https://carleton.ca/pmc)

### **Survivors of Sexual Violence**

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: [carleton.ca/sexual-violence-support](https://carleton.ca/sexual-violence-support)

### **Accommodation for Student Activities**

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist.

<https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: [students.carleton.ca/course-outline](https://students.carleton.ca/course-outline)

### **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/>

*\* Note that the office is physically closed. However, e-drop in is available between 8:30-4:30 until social distancing requirements are updated by the Province.*

### **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](http://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 <https://carleton.ca/its/get-started/new-students-2/>
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