



**CARLETON UNIVERSITY  
BUSI 4901 A  
FALL 2016  
MANAGING THE FAMILY ENTERPRISE**

**Instructor:** Danielle Walsh, CPA, CA  
**Office:** TBA  
**Office Hours:** On Appointment  
**Email:** Danielle.walsh@carleton.ca

**Course meets:** Mackenzie Building (ME) 4332  
**Course schedule:** Monday 8:35-11:25am

**Pre-requisites & precluded Courses:** 3<sup>rd</sup> year standing

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**Course Description:**

**BUSI 4901 A [0.5 credit]  
Managing the Family Enterprise**

A selected topics course may be offered. Eligibility for this course to serve as an option for specific concentrations is to be established by the School.

This course will provide students with a solid understanding of how family businesses are different, what makes them different and how to effectively manage these differences, particularly 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.

### Required Course Materials:

**Textbook:** Family Business, Ernesto J. Poza & Mary S. Daugherty, 4<sup>th</sup> 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](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:

#### METHODS OF EVALUATION:

- 10% - Case Presentation #1 (Oct 17<sup>th</sup>)
- 30% - Midterm (Oct 31)
- 15% - Case Presentation #2 (Nov 21<sup>st</sup>)
- 10% - Class participation based on attendance and participation in-class case analysis
- 35% - Case Presentation (15%) & Report (20%) (Dec 9<sup>th</sup>)

**Final Exam:** The final exam case is a comprehensive case requiring a significant degree of application and integration of the material covered in the entire course.

#### COURSE SCHEDULE:

DATE	TOPICS	REQUIRED READINGS
Sept 12	<b>The Importance of Family Business &amp; the Theory of Family Business</b> Introduction to course The business of family business – How did it all start? Importance of family businesses in the economy Systems theory (Three circle model)	Bourne Case (posted online) Articles: <ul style="list-style-type: none"> <li>• 5 Reasons Why a Family Business Fails</li> <li>• Enterprising Rural Families – Genogram Info</li> <li>• Family-First Businesses</li> </ul>

	The role of genograms Stages of ownership	
Sept 19	<b>Challenges &amp; Competitive Advantages of Family Business</b> The common challenges as they relate to both management (selecting a successor, non-family managers, and family dynamics) & ownership succession (who gets to own shares, how will they be acquired, exit strategies). The competitive advantages that can be garnered by well-managed family businesses.	Articles: <ul style="list-style-type: none"> <li>• What You Can Learn from a Family Business</li> <li>• Death Of A Family Farm</li> <li>• Surviving in a Family Business When You're Not Part of the Family</li> </ul>
Sept 26	<b>The Consulting Process, Guiding Principles &amp; their Application</b> 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.	<ul style="list-style-type: none"> <li>• Guiding Principles handout</li> <li>• Case 2 – Power Play at the Inn</li> </ul> Articles: <ul style="list-style-type: none"> <li>• Avoid the Traps that Can Destroy Family Businesses</li> </ul>
Oct 3	<b>Guiding Principles &amp; Their Application Continued. Family Business Rules.</b> Practice applying the GP's to the Bourne 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.	<ul style="list-style-type: none"> <li>• Review Bourne Case – Identify which GPs apply, why and how you would apply them (recommendations)</li> <li>• Family Business Rules handout</li> <li>• Case 3 – The Ferre Media Group</li> </ul> Articles: <ul style="list-style-type: none"> <li>• Developing Policies Can Save Your Family Business</li> </ul>
Oct 10	<b>No Class - Thanksgiving</b>	To work on group presentations for next week.
Oct 17	<b>Case Presentation (10%)</b> <ul style="list-style-type: none"> <li>• On Case 5 – Vega Foods</li> <li>• See Case Presentation Outline for more information</li> </ul>	<ul style="list-style-type: none"> <li>• Case 5</li> </ul>
Oct 24	<b>READING WEEK!</b>	<b>RELAX! And study for Midterm!</b>
Oct 31	<b>Midterm</b>	<b>On all material covered!</b>
Nov 7	<b>Governance (Family Business Meetings, Family Councils, Family Assembly's Communication)</b> Board of directors vs. Advisory board Criteria for board member selection The board's role Family meetings Family council meetings The family office	<ul style="list-style-type: none"> <li>• Article: How Sophisticated Does Our Governance Need to Be</li> <li>• Case 10 – The Cousins Tournament</li> </ul>

Nov 14	<b>Governance (application) &amp; the Importance of Communication</b>	Review Bourne case & identify which governance structures are required for the family, the business, and the owners <ul style="list-style-type: none"> <li>• Article: Making Sibling Teams Work</li> <li>• Article: 7 Steps to Sustainability in Family Business</li> <li>• Case 6 – Gupta Garments</li> </ul>
Nov 21	<b>Case Presentation – 15% (practice for final)</b> See Case Presentation #2 Outline online for more information	Case 9 – Fasteners For Retail
Nov 28	<b>Shareholder’s Agreement, the Importance of Legalizing the Family Business Succession Plan</b> Unique characteristics of a family business shareholder’s agreement Marriage contracts Sibling Partnership Agreements Wills	Shareholder Agreement Template (posted online) Article: <ul style="list-style-type: none"> <li>• Market Basket (U.S) Shows the Best and Worst of Family Business (posted online)</li> </ul>
Dec 5	<b>Review &amp; In-class work on Final Exam</b>	<b>Group work.</b>
Dec 9	<b>Final Exam Case Presentation</b>	

### EVALUATION AND GRADING POLICY:

No make-up quizzes are available if one is missed for any reason. Providing that a student has demonstrated satisfactory in-term performance, as described below, the weight of a major component missed for documented medical reasons (but not class participation) may be transferred to the final case examination. You will need to submit to me a medical certificate or other verifiable documentation no later than 5 days after the midterm date.

The criteria and standards for satisfactory in-term performance for this course are as follow:

- (a) Completion of at least 50% of all term work, and
- (b) Achievement of the minimum average grade of 50% on all term work.

Unsatisfactory in-term performance in this course, described above in (a) and (b), will lead to:

- (a) Failure in this course (regardless of performance on the final exam or project) Yes  No
- (b) FND grade in this course (in case of missed final exam or project) Yes  No

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          WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred

FND (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

### **Conduct:**

Professional conduct is built upon the idea of mutual respect. Such conduct includes (but is not limited to):

#### 1) Attendance & Punctuality

Doing well in the course is highly correlated to your attendance (notwithstanding earning participation points for being here). I will do my best to make the class of value to you, and in turn, I expect you to bring your energy and good attitude with you to each and every class. If circumstances prevent attendance, please remember that you are responsible for all materials discussed, handouts distributed, problems covered, and announcements made. Late arrivals are disruptive to instructors and the other students in the class. On that note, early departures should also be an exception.

#### 2) Other Disruptions

This is a very broad category, and includes leaving and re-entering class (although we understand that there are times that this is a necessity). Side conversations are incredibly distracting to me and the other students in the class. Talking to the class as a whole, though, is encouraged. Texting, other cell phone use, internet surfing or completing other classwork while in class is a poor use of your time and will not be tolerated. Unfortunately, you are not as good a multitasker as you would like to believe. Please turn your phone on silent (or off)

#### 3) Being Prepared

You should be ready to discuss any assigned readings and to answer any assigned questions for each day's class.

### **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/>

### **Course Sharing Websites**

Student or professor 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).

### **Requests for Academic Accommodations**

#### **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](mailto: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*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made.

- - The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2016 exam period is November 11, 2016.

#### *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 or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact 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 expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, 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 <http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/>.

#### **Assistance for Students:**

Student Academic Success Centre (SASC): [www.carleton.ca/sasc](http://www.carleton.ca/sasc)

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

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Peer Assisted Study Sessions (PASS): [www.carleton.ca/sasc/peer-assisted-study-sessions](http://www.carleton.ca/sasc/peer-assisted-study-sessions)

### **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're 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/support-services/>  
Be in the know with what's happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.

### **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.
  - Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from me. However, for me to respond to your emails, I need to see your full name, CU ID, and the email must be written from your valid CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>
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