



**CARLETON UNIVERSITY
BUSI 4901 /B
WINTER 2015
MANAGING THE FAMILY ENTERPRISE**

Instructor: Danielle Walsh, CPA, CA
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Office Hours: On Appointment
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Course meets: CB 2202
Course schedule: Friday 8:35-11:25am

Pre-requisites & precluded Courses: permission of the School of Business

Course Description:

**BUSI 4901 B [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, 4th Edition (available at the bookstore)

Articles & Slides: Available on cuLearn

Course Requirements & Methods of Evaluation:

METHODS OF EVALUATION:

- 30% - Midterm (Feb 13)
- 20% - 2 pop quizzes (10% each) based on required readings
- 10% - Class participation based on attendance and participation in case analysis
- 40% - Final Exam (In-class – April 8, 2015)

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. Three hours are allowed for the completion of the case.

COURSE SCHEDULE:

DATE	TOPICS	REQUIRED READINGS
Jan 9	The Evolution of the Field & Importance of Family Business Introduction to course Introduction to Family Business Book The business of family business – How did it all start? Importance of family businesses in the economy Family business organizations Case 1 & 7 discussions	Case 1 (p.75 - 77) Case 7 (p.194 - 195)

Jan 16	The Theory of Family Business Review of class 1 What constitutes a family business? The three generation rule (shirtsleeve to shirtsleeve) Systems theory (Three circle model) The role of genograms Stages of ownership	Preface Chapter 1 (p. 1-13) Chapter 2 (p. 38 – 41) Chapter 10 (p. 313-315) Article: Enterprising Rural Families – Genogram Info Case 4 (p. 84) Case 16 - The new MBA (posted online)
Jan 23	Challenges and Competitive Advantages of Family Businesses	Chapter 1 (p. 14-29) Chapter 4 (p. 93-101) Article: In Canada, a Feud Divides the Irving Family Empire Case 2 (p.77) Case 13 (p. 434) Case 18 – Glassking Distributor Company (posted online)
Jan 30	Management Succession – The Common Issues Selecting a successor The next generation Sibling and cousin teams Family dynamics Non-family managers	Chapter 6 Chapter 14 Article: Death Of A Family Farm Case 8 (p. 195 - 197) Case 10 (p. 214 - 220)
Feb 6	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	Chapter 7 Chapter 11 (except p. 327 estate taxes in the US, p.333 Trusts & Grantor-retained annuity trust, p.334 Intentionally defective grantor trust) Case 5 (p. 85 - 92) Case 14 (p. 435 - 437)
Feb 13	MIDTERM	All material covered above
Feb 20	READING WEEK!	RELAX!
Feb 27	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	Chapter 9 (except p.274 impact of Sarbanes-Oxley) Chapter 2 (p. 30-37) Case 6 (p. 183 – 193) Article: How Sophisticated Does Our Governance Need to Be (posted online)
Mar 6 & 13	Constitutions, Family Business Rules, Family Policies, and Family Agreements Planning and policy making Family business best practices – rules and policies Conflict management March 13: Guest Lecturer	Chapter 2 (p. 44 – 56) Chapter 4 (p. 104 -111) Chapter 8 (p. 247 – 254) Chapter 9 (p. 292 – 299) Mar 6 Cases: Case 3 Ferre Media Group Part A (p. 78 – 83) & Case Ferre Media Group Part B (posted online) & Case 19 – New Way Distributing (posted online) Mar 13 Cases: Case 9 (p. 197 – 214)

Mar 20	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	Fig. 5.2 in Chapter 2 Posted Documents Article: Market Basket (U.S) Shows the Best and Worst of Family Business
Mar 27	Review for Exam	Case 1 again (p. 75 - 77) Case 12 (p. 419 – 433) Case 15 (p. 438 – 442)
Apr 3	Statutory Holiday	No Class
Apr 8	FINAL EXAM	IN-Class

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.

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/>

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 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 April 2015 exam period is March 6, 2015.

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

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

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

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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