



Carleton
University

Sprott
School of Business

CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI3611A
WINTER 2023
MANAGING THE FAMILY ENTERPRISE

Instructor: Danielle Walsh, CPA, CA
Office: NA
Office Hours: upon request
Email: Danielle.walsh@carleton.ca
Phone Number: 613-558-6859

TA: TBD
Email: TBD

Modality: in person Thursday's 11:35am – 2:25pm

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

Course Calendar description from the [2022/2023 University calendar](#):

BUSI 3611 [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 Outcomes:

1. 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.

2. 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.
3. 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.
4. 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.
5. 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

Articles, Slides and Videos: Available on Brightspace

Course Requirements & Methods of Evaluation (including due dates):

Method of evaluation:

- 10% Assignment (to be submitted online January 26, 2023 before the start of class (2:35pm))
- 30% Midterm (February 16, 2023, in-class)
- 20% Individual assignment (to be submitted online March 23, 2023 before the start of class (2:35pm))
- 40% Final exam (take-home in groups of 5 or 6 due April 27, 2023 before midnight)

Note: the assignment as well as the final exam are to be submitted through Brightspace. Feedback and marks will be provided through Brightspace as well

Course Schedule:

DATE	TOPICS	REQUIRED READINGS
Jan 12 (Week 1)	The Evolution of the Field & the Importance of Family Business Introduction to course The business of family business – How did it all start?	Book: <ul style="list-style-type: none"> • Introduction Case 1 (posted online) Case 7 (posted online)

	Importance of family businesses in the economy	
Jan 19 (Week 2)	<p>The Theory of Family Business – <i>Understanding the theory surrounding families in business</i></p> <p>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</p>	<p>Book:</p> <ul style="list-style-type: none"> • Chapter 1 <p>Case 4 (posted online) Case 16 (posted online)</p>
Jan 26 (Week 3)	<p>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></p> <p>Challenges of being a family in business Competitive advantages that can be obtained</p>	<p>Book:</p> <ul style="list-style-type: none"> • Chapter 2 <p>Case 2 (posted online) Case 13 (posted online)</p>
Feb 2 (Week 4)	<p>Management Succession Issues – <i>Identifying the management succession issues that plague families in business</i></p> <p>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</p>	<p>Book:</p> <ul style="list-style-type: none"> • Chapter 3 including Successor Grooming Template on page 194 (Appendix A) <p>Article:</p> <ul style="list-style-type: none"> • Death of a family farm <p>Case 8 (posted online) Bourne case (posted online)</p>
Feb 9 (Week 5)	<p>Ownership Succession Issues – <i>Identifying the ownership succession issues that can wreak havoc on family harmony</i></p> <p>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.</p>	<p>Book:</p> <ul style="list-style-type: none"> • Chapter 4 • Chapter 5 (only pages 118 – 122 for estate freeze example) <p>Case 5 (posted online)</p>
Feb 16 (Week 6)	Midterm (in-class)	All topics covered to date!
Feb 23	READING WEEK!	RELAX!!
March 2 (Week 7)	<p>The role of the Family Business Practitioner (Part 1) – <i>The importance of developing family business succession guiding principles</i></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</p>	<p>Book:</p> <ul style="list-style-type: none"> • Chapter 5 <p>Case 3 Part A</p>

	successful family business succession plan, will be discussed.	
March 9 (Week 8)	The role of the Family Business Practitioner (Part 2) – <i>The importance of developing family business rules</i> 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 Guiding Principles.	Book: • Chapter 6 Article: • Developing Policies Can Save Your Family Business Case 5 Revisited
Mar 16 (Week 9)	Governance – <i>Governing the family, the business and the ownership group</i> Board of directors vs. Advisory board Family business meetings Family council meetings Management table Management meeting Review of assignment due March 23	Book: • Chapter 7 Articles: • How Sophisticated Does Our Governance Need to Be? • Making Sibling Teams Work Case 10 (posted online)
Mar 23 (Week 10)	Application of Guiding Principles, Family Business Rules & Governance - to the Bourne case & our Family Business Scenario	Bourne Case Revisited Our Family Business Scenario Revisited Please submit your assignment before class online!
Mar 30 (Week 11)	The Succession Binder – <i>Integrating the technical and family components</i> Unique characteristics of a family business shareholder’s agreement Marriage contracts Wills Power of attorney Insurance	Book: • Chapter 8 Shareholder Agreement Template (posted online) Article: Market Basket (U.S) Shows the Best and Worst of Family Business (posted online) Case 1 (Revisited – posted online)
April 6 (week 12)	Review the feedback on the assignment in preparation for Take-home Exam & overall review	

Contribution to Learning Goals of the Program (BCom, BIB):

Program Learning Goal	Competencies Not Covered	Competencies Introduced (only)	Competencies Taught But Not Assessed	Competencies Taught and Assessed
CHECK (X) ONE PER ROW				
BC1 Knowledge <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i>				X
BC2 Collaboration <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i>				X
BC3 Critical Thinking <i>Graduates will be discerning critical thinkers, able to discuss different viewpoints, challenge biases and assumptions, and draw conclusions based on analysis and evaluation.</i>				X
BC4 Communication <i>Graduates will be effective and persuasive in their communications.</i>				X
BI5 Global Awareness (BIB ONLY) <i>Graduates will be globally-minded.</i>	X			

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).

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.

Grading

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 Accommodation

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

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

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 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

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

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

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.

Process: If an alleged violation occurs, all relevant documentation will be forwarded to the Dean. If the allegation proves true, the 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. **For a first offence, at a minimum, the penalty assigned will normally be a zero on the submitted work and at least a minimum full grade reduction of the final course grade. For a second offence, at a minimum, the penalty assigned will normally lead to a suspension from studies.**

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 Undergraduate Student Services Office offers program advising and overall student success support. Our team is available to discuss your academic goals and your program progression plans. We can also work with you to develop strategies for success, including study skills for Business. If you experience any difficulty this term or if you would like to access support, please contact our team at bcom@sprott.carleton.ca or at bib@sprott.carleton.ca.

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 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/>

Covid-19 Information:

It is important to remember that COVID is still present in Ottawa. The situation can change at any time and the risks of new variants and outbreaks are very real. There are [a number of actions you can take](#) to lower your risk and the risk you pose to those around you including being vaccinated, wearing a mask, staying home when you're sick, washing your hands and maintaining proper respiratory and cough etiquette.

Feeling sick? Remaining vigilant and not attending work or school when sick or with symptoms is critically important. If you feel ill or exhibit COVID-19 symptoms do not come to class or campus. If you feel ill or exhibit symptoms

while on campus or in class, please leave campus immediately. In all situations, you must follow Carleton's [symptom reporting protocols](#).

Masks: Carleton has paused the [COVID-19 Mask Policy](#), but continues to strongly recommend masking when indoors, particularly if physical distancing cannot be maintained. It may become necessary to quickly reinstate the mask requirement if pandemic circumstances were to change.

Vaccines: Further, while proof of vaccination is no longer required as of May 1 to attend campus or in-person activity, it may become necessary for the University to bring back proof of vaccination requirements on short notice if the situation and public health advice changes. Students are strongly encouraged to get a full course of vaccination, including booster doses as soon as they are eligible, and submit their booster dose information in [cuScreen](#) as soon as possible. Please note that Carleton cannot guarantee that it will be able to offer virtual or hybrid learning options for those who are unable to attend the campus.

All members of the Carleton community are required to follow requirements and guidelines regarding health and safety which may change from time to time. For the most recent information about Carleton's COVID-19 response and health and safety requirements please see the [University's COVID-19 website](#) and review the [Frequently Asked Questions \(FAQs\)](#). Should you have additional questions after reviewing, please contact covidinfo@carleton.ca.
