

BIDDING SYLLABUS

FAMILY BUSINESS MANAGEMENT **B8529-001 Spring 23 MGMT**

MBA – Full term
SPRING 2023

Course Number: B8529-001

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Course TA: TBD
Day and Time: Monday 8:30-11:45
Room Number: Geffen 540
Office Hours: After class and by appointment

1. Course Description, Objectives, and Approach:

Managing any business can be challenging in the current business environment, especially with the increasing impact of technology, social media, and globalization. But, managing a family business can be especially challenging as family considerations add additional levels of complexity to the tasks of management. In short, family dynamics present both problems and opportunities in owning and managing a business.

Family business is a critical topic as it constitutes a significant segment of the economy in the US and an even more significant proportion of the global economy. Worldwide, between 50 and 90% of all businesses are classified as "family businesses."

The body of knowledge rapidly developed by authors also highlights some specific features and challenges that family businesses must face to grow. This course will address these features and challenges, allowing you to better understand the distinctiveness of family businesses and how to cope with them adequately, assuming both the family and the non-family members' perspectives.

The course is directed towards students who are involved with the management and (future) ownership of family businesses, either their own family's or someone else's, as well as towards students who do business with family firms in many diverse areas, including the law, succession planning, financial and estate planning, family

relations, philanthropy, the Family Office, mergers and acquisitions, banking, management consulting, outsourcing, etc.

The focus of this course is primarily on small and mid-size businesses. We will explore the business, personal, and family issues in family-owned and managed companies. These firms' managerial, strategic, financial, and behavioral complexities are also considered. We will discuss specific issues related to particular industries, such as real estate and professional service firms, during the class sessions.

Through lectures, case studies, student work experiences, and guest speakers, we consider questions of ownership, succession, conflict resolution, family dynamics under stress, compensation, attracting and retaining both family and non-family talent, estate planning, and financing the family-owned enterprise.

The course has the following objectives:

- To recognize the unique key competitive advantages and challenges of family businesses, differentiating them from other types of organizations
- To analyze the life cycles of family businesses from the perspective of business, family, and ownership, while understanding the source of their complexity
- To diagnose situations and problems in family businesses and families, including a look at each student's own family or someone else's, fostering critical thinking in the cognitive and affective domains
- To combine the new knowledge with experience to diagnose, evaluate, and troubleshoot different family businesses, adopting a contingency approach
- To perform better (with more awareness, effectiveness, and commitment) as a member of a family firm (either their own family's or someone else's) or as an advisor to such firms, by recognizing and managing biases

a. Required Prerequisites and Connection to the Core

There are no required prerequisites for this course. The learning in this course will utilize, build on and extend concepts covered in the following core courses:

Core Course	Connection with Core
Leadership Development	1. Application of leadership concepts to the family business and the family 2. Examination of the need to evolve as a leader, the need to understand family dynamics, and to develop and apply new leadership styles as a company grows
Operations Management	1. Application of Operations concepts to the family business 2. Examination of operating decisions as a company transitions through different generations of both family and non-family management
Strategy Formulation	1. Recognition of the need to evolve from an entrepreneurial approach to a more professional, evidence-based methodology as a company expands 2. Examination of strategy formulation for both the family enterprise and the family itself

Students will be expected to have mastered these concepts and be able to apply them in the course.

2. Teaching Methods and Course Materials:

Most effective learning is built upon a combination of ingredients, such as lectures, outside readings, life cases, diligent preparation for class, active student participation, guest speakers, teamwork, and other resources that will be considered helpful.

In particular, this course is taught by an experienced professional who was raised in an enterprising family and, after extensive education, has worked with family enterprises for about 25 years as an academic, independent consultant, and non-family executive. Lectures will draw from this experience, with a particular emphasis on real-life cases of family business, as social, emotional and economic unit, having relent, yet rigorous theoretical and practical conversations to advance students' learning. Readings will include case studies and excerpts from some of the seminal books and articles. Guest speakers will be invited to provide additional context and depth to discussions. Class participation is required, and open dialogue about the complexity of issues is expected. Students' critical thinking and analytical skills will be practiced continuously and their ability to critically apply, evaluate, and integrate new knowledge with prior experience.

b. Textbook and Required Readings:

All readings (book chapters, cases, and readings) will be available through Canvas and/ or through library reserves, and the purchase of the following book is recommended:

- Baron, Josh, and Rob Lachenauer. Harvard Business Review Family Business Handbook: How to Build and Sustain a Successful, Enduring Enterprise. Harvard Business Press, 2021.
Paperback ISBN: 978-1-63369-904-5
Hardcover ISBN: 978-1-63369-905-2
eBook ISBN: 978-1-63369-906-9
- Whiteside, Mary F., Craig E. Aronoff, and John L. Ward. How families work together. Palgrave Macmillan, 2011. (ONLINE)

- The course will include case studies, group research, lectures, readings, videos, and discussions
- A number of cases are assigned, which you should read and prepare for the discussion.
- Guest speakers will be brought in from the world of family business, including family members. In addition, specialties including management, psychology, the law, family counseling, and academia will be covered.
- There is an extensive library of books about the family business. In session 4 (Course roadmap) I have indicated some additional titles, under **SUGGESTED READING FOR THE TOPIC**, in case students have a particular interest in learning more about the specific topic. **You are not expected to read the suggested readings for class.** This is to encourage additional research and follow-up on topics of personal interest.

3. Course Requirements and Assignments

a. Expectations and Grading

As the course is based primarily on case studies, it is expected that you will prepare the cases and readings and be ready to participate in the class discussions. This participation will aid your learning and the learning of your classmates. The cases are based on real companies, and these course materials have been chosen to provide you with insights, not absolute answers. The greater your preparation and participation, the more you will learn.

The grading structure is weighted on this basis as follows:

- **Class Contribution - 35%** - (*Type C assignment*): The class sessions will be highly interactive. We will have conversations about the assigned articles and discuss applications of the material by analyzing real family business cases. Participation reflects efforts to share thoughts and opinions on the concepts and materials covered in the course. The best contributions are considered to exhibit thoroughness, originality, and creativity. Regularly participating in the conversations, expanding on and augmenting the information in the lectures and articles, AND integrating the information in the lectures and articles with other facets of the class, such as material from previous sessions or current events, will be highly considered.
- **Field Team Project - 30%** - (*Type A assignment*): Family business learning requires life application. This field project aims at encouraging your skill application outside the classroom in settings naturally occurring in family business lives, which will help you foster critical thinking in the cognitive and affective domains, which you will soon realize are crucial when dealing with families in business. For this reason, the primary assignment for this course sends you "out into the field" to investigate a family business of your choosing, as long as you find a company led by one (or more) member of (at least) a second generation. More information will be shared in Canvas and in class. At the end of the semester each team will be asked to present the findings of the project. The presentation will be up to 20 minutes. Check Canvas for more information about expectations.
- **Other Written Assignment - 35%** - (*Type C assignment*)
 - **Multiple Choice Tests**
 - **Key Take-Aways Summary**
 - **Final paper – Compare and contrast the material with the challenges**
See Canvas for more information.

b. Other expectations:

Confidentiality - This course stimulates the discussion of sensitive and personal topics about individual class members and their family enterprises and other family businesses. An essential aspect of the learning process is discussing this private information. We define any information or material shared as a part of this class as confidential, whether in the classroom or as a learning activity. This confidential material must not be discussed outside the classroom, except as part of a learning activity, only with class members or an instructor. Each participant agrees to this confidentiality agreement and accepts that any violation of this confidentiality agreement will result (at a minimum) in no grade or credit for the course.

Columbia Core Culture – Students are expected to adhere to CBS Core Culture in this class by being Present, Prepared, and Participating.

4. Course Roadmap:

	TOPIC	REQUIRED PRE-READINGS / SPEAKERS
PREWORK	AN INTRODUCTION TO THIS CLASS - FAMILY BUSINESS AND ITS STUDY FIELD - THEIR NATURE, IMPORTANCE, AND UNIQUENESS	<ul style="list-style-type: none"> Sharma, Melin, and Nordqvist. (2014): "Introduction: Scope, evolution and future of family business studies." 1-14. Grubman, J., (2022) "A Renewed Call for Accurate Research about Family Wealth Longevity" 🌟 https://familybusinessindex.com/ https://www.famcap.com/the-worlds-750-biggest-family-businesses/ Video BFF – Robert Nason 🌟 <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Bloch, Alain, Nicolas Kachaner, and George Stalk. "What you can learn from family business." Harvard business review 90.11 (2012): 1-5.
01 M 01.23	KEY FRAMEWORKS TO CAPTURE THE UNIQUENESS OF FAMILY BUSINESS (I/II)	<ul style="list-style-type: none"> Davis, John. "How three circles changed the way we understand family business." Cambridge Institute for Family Enterprise(2018). 🌟 CASE: The Altman's Realization
02 M 01.30	KEY FRAMEWORKS TO CAPTURE THE UNIQUENESS OF FAMILY BUSINESS (II/II)	<ul style="list-style-type: none"> De Vries, M. F. K., & Carlock, R. S. (2010). Family business on the couch: A psychological perspective. John Wiley & Sons. Ch. 4 <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Schuman, A., Stutz, S., & Ward, J. L. (2010). Family business as paradox (pp. 22-29). New York: Palgrave Macmillan. Hughes Jr, J. E., Massenzio, S. E., & Whitaker, K. (2017). Complete family wealth. John Wiley & Sons.
03 M 02.06	KEY FRAMEWORKS APPLICATION	<ul style="list-style-type: none"> Vogt, Brown, Isaacs, The Art of Powerful Questions 🌟 SPEAKER: TBC
04 M 02.13	FAMILY SYSTEMS AND SUBSYSTEMS	<ul style="list-style-type: none"> von Schlippe, Arist, Klaus A. Schneewind, and K. Schneewind. "Theories from family psychology and family therapy." SAGE handbook of family business (2014): 47-65. Whiteside, Mary F., Craig E. Aronoff, and John L. Ward. How families work together. Palgrave Macmillan, 2011. Ch 3-4-5 CASE: Maria Case – PART I <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Ancona, D., & Perkins, D. N. T. (2022). Family ghosts in the executive suite. Harv Bus Rev. 🌟 Grubman, J. (2013). Strangers in Paradise: How Families Adapt to Wealth Across Generations. Family Wealth Consulting.
05 M 02.20	A MODEL FOR INDIVIDUAL AND FAMILY RESILIENCE	<ul style="list-style-type: none"> Blum, M. E. "Self-defined leadership: Exploring family history to enhance future leadership." Global Leadership (2009) 🌟 Patterson, Joan M. "Integrating family resilience and family stress theory." Journal of marriage and family 64.2 (2002) 🌟 SPEAKER: TBC <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Covey, S. R., & Merrill, R. R. (2006). The speed of trust: The one thing that changes everything. Simon and Schuster. Grenny, J., Patterson, K., McMillan, R., Switzler, A., & Gregory, E. (2022). Crucial Conversations. McGraw Hill. Whiteside, Mary F., Craig E. Aronoff, and John L. Ward. How families work together. Palgrave Macmillan, 2011. Ch 7-8-9
06 M 02.27	MYTHS AND REALITY ABOUT SUCCESSION AND CONTINUITY	<ul style="list-style-type: none"> Marchisio, G. (2018), When a three-legged relay race replaces passing the baton 🌟 Cunningham – Sage-Hayward- Marchisio, (2016), A new perspective on Succession Planning: creating continuity 🌟 CASE: Maria Case – PART II SPEAKER: TBC <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Leventhal, G. S. (1980). What should be done with equity theory?. In Social exchange (pp. 27-55). Springer, Boston, MA. Jaskiewicz, P., & Rau, S. B. (2021). Enabling Next Generation Legacies: 35 Questions that Next Generation Members in Enterprising Families Ask. Family Enterprise Knowledge Hub Publishing. Hughes Jr, J. E., Massenzio, S. E., & Whitaker, K. (2014). The voice of the rising generation: Family wealth and wisdom. John Wiley & Sons.
M 03.06	STUDY DAY	No Class
M 03.13	EXAM WEEK	No Class

	TOPIC	REQUIRED PRE-READINGS / SPEAKERS
07 M 03.20	UNDERSTANDING OWNERSHIP COMPLEXITY (I/II)	<ul style="list-style-type: none"> Baron, Josh, and Rob Lachenauer. Harvard Business Review Family Business Handbook: How to Build and Sustain a Successful, Enduring Enterprise. Harvard Business Press, 2021 – Ch 2-3-5 CASE: The Rocks <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Sage-Hayward, Marchisio, Dartt, Own It!: How to Develop a Family Enterprise Owner's Mindset at Every Age. A Family Business Publication, 2022 Renkert-Thomas, A. (2015). Engaged Ownership: A Guide for Owners of Family Businesses. John Wiley & Sons.
08 M 03.27	UNDERSTANDING OWNERSHIP COMPLEXITY (II/II) INTRODUCTION TO GOVERNANCE	<ul style="list-style-type: none"> Schneider, F. S., & Schneider Malek, K. Four Ways of Differentiating Compensation in a Family Business. 🌸 Davis, Fundamentals of Family Business System Governance 🌸 SPEAKER: TBC
09 M 04.03	GOVERNANCE FOR THE FAMILY AND FOR THE OWNERSHIP	<ul style="list-style-type: none"> Baron, Josh, and Rob Lachenauer. Harvard Business Review Family Business Handbook: How to Build and Sustain a Successful, Enduring Enterprise. Harvard Business Press, 2021 – Ch 4 Rogers, Paul, and Marcia Blenko. "Who has the D." Harvard business review 84.1 (2006): 52-61. 🌸 Van der Heyden, L., Blondel, C., & Carlock, R. S. (2005). Fair process: Striving for justice in family business. Family business review, 18(1), 1-21. 🌸 CASE: Airing Dirty Laundry SPEAKER: TBC <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Gersick, K. E., & Feliu, N. (2014). Governing the family enterprise: Practices, performance, and research. The SAGE handbook of family business, 196-225.
10 M 04.10	CORPORATE GOVERNANCE AND PROFESSIONALIZATION OF THE OPERATING BUSINESSES	<ul style="list-style-type: none"> Lane, S., et al., Guidelines for Family Business Boards of Directors, Family Business Review, 2006. 19 (2): 147-167 🌸 Barrow, C. and Tompkins, J., The Case of Poe Financial Group: Great power and great responsibility 🌸 CASE: Troubling Events <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Baron and Lachenauer, Surviving in a family business when you are not part of the family, HBR 2015 🌸 Zona, F. (2015). Board ownership and processes in family firms. Small Business Economics, 44(1), 105-122. Dekker, J. C., Lybaert, N., Steijvers, T., Depaire, B., & Mercken, R. (2013). Family firm types based on the professionalization construct: Exploratory research. Family Business Review, 26(1), 81-99. Ransburg, D., Sage-Hayward, W., & Schuman, A. M. (2016). Human resources in the family business: Maximizing the power of your people. London: Palgrave Macmillan.
11 M 04.17	THE COMPLEXITY OF THE OPERATING BUSINESSES: AIMING AT SUSTAINABILITY	<ul style="list-style-type: none"> Baron and Lachenauer. Harvard Business Review Family Business Handbook: How to Build and Sustain a Successful, Enduring Enterprise. Harvard Business Press, 2021 – Ch 9-10 Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional wealth in family firms: Theoretical dimensions, assessment approaches, and agenda for future research. Family business review, 25(3), 258-279. 🌸 Family Business for Sustainable Development https://fbsd.unctad.org/ 🌸 Habbershon, T. G., & Pistrui, J. (2002). Enterprising families domain: Family-influenced ownership groups in pursuit of transgenerational wealth. Family Business Review, 15(3), 223-237. 🌸 CASE & SPEAKERS: TBC <p>SUGGESTED READING FOR TOPIC</p> <ul style="list-style-type: none"> Polaris – Redefining Success Across Generations Miller, D., & Le Breton-Miller, I. (2005). Managing for the long run: Lessons in competitive advantage from great family businesses. Harvard Business Press. Habbershon, T. G., & Williams, M. L. (1999). A resource-based framework for assessing the strategic advantages of family firms. Family business review, 12(1), 1-25.
12 M 04.24	WRAP-UP	<ul style="list-style-type: none"> REVIEW SESSION – SHARED LEARNING PRESENTATIONS NEXT STEPS AND FINAL ASSIGNMENTS

To share knowledge in family business

**PLEASE CONSULT CANVAS FOR DETAILED INFORMATION ABOUT PREPARATION WORK FOR EACH CLASS
and IN THE ASSIGNMENTS SESSION**

GUEST SPEAKERS TBC

5. Additional Requirements

a. Attendance Policy

Students are required to attend each class. Students should reach out to the instructor or TA regarding excused absences (for religious observances; personal, medical, and family emergencies; military service; court appearances such as jury duty). Unexcused absences will affect your course grade.

Students who miss **more than 33%** of the classes (unexcused absences) **will receive a P** for the course grade.

Students who miss **more than 50%** of their classes (unexcused absences) **will receive an F** for the course grade.

b. Poll Everywhere

This course may use PollEverywhere as a tool to increase in-class student engagement. PollEverywhere may also be used to confirm student attendance and participation records. Students who have concerns regarding whether their responses have been recorded should contact the instructor.

If a student is not present in the classroom at the time of a poll (due to absences or other reasons), the poll should not be answered. Responding to a poll when not present in the classroom is a violation of the Honor Code.

c. Inclusion, Accommodations, and Support for Students

At Columbia Business School, we believe that diversity strengthens any community or business model and brings it greater success. Columbia Business School is committed to providing all students with the equal opportunity to thrive in the classroom by providing a learning, living, and working environment free from discrimination, harassment, and bias on the basis of gender, sexual orientation, race, ethnicity, socioeconomic status, or ability.

Columbia Business School will make reasonable accommodations for persons with documented disabilities. Students are encouraged to contact the Columbia University's Office of Disability Services for information about registration. Students seeking accommodation in the classroom may obtain information on the services offered by Columbia University's Office of Disability Services online at www.health.columbia.edu/docs/services/ods/index.html or by contacting (212) 854-2388.

Columbia Business School is committed to maintaining a safe environment for students, staff, and faculty. Because of this commitment and because of federal and state regulations, we must advise you that if you tell any of your instructors about sexual harassment or gender-based misconduct involving a member of the campus community, your instructor is required to report this information to a Title IX Coordinator. They will treat this information as private but will need to follow up with you and possibly look into the matter. Counseling and Psychological Services, the Office of the University Chaplain, and the Ombuds Office for Gender-Based Misconduct are confidential resources available for students, staff and faculty. "Gender-based misconduct" includes sexual assault, stalking, sexual harassment, dating violence, domestic violence, sexual exploitation, and gender-based harassment. For more information, see <http://sexualrespect.columbia.edu/gender-based-misconduct-policy-students>.