

SYLLABUS

FAMILY BUSINESS MANAGEMENT B8529-001 FALL 23 MGMT

MBA – Full term BIDDING ONLY

Course Number: B8529-001

Instructor: Gaia Marchisio (GUY-YAH MAR-KEE-ZEE-OH), PhD, FEA

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Course TA: Farheen Jooma

Day and Time: Monday 2:20PM – 5:35PM

Room Number: Geffen 570

Office Hours: After class and by appointment – Kravis 331

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	 Application of leadership concepts to the family business and the family 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	Application of Operations concepts to the family business Examination of operating decisions as a company transitions through different generations of both family and non-family management
Strategy Formulation	 Recognition of the need to evolve from an entrepreneurial approach to a more professional, evidence-based methodology as a company expands 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 25% (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 real family business. More information will be shared in Canvas and in class.
- Other Written Assignment 40% (Type C assignment)

Please note: Unless in case of force majeure prior discussed with the professor, if assignments are late, there is a penalty (max available points is 90 instead of 100). Forgetting to check canvas is not considered force majeure.

- o Introductory Paper 5% (ie: force majeure you were added late to the class)
- o 3 KTA- Key Take-Aways Class -15%
- o Final paper See Canvas for more information 20%

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:

		TODIC / DECL IIDED DDE DEADINGS / SDEAVEDS
	TITLE	TOPIC / REQUIRED PRE-READINGS / SPEAKERS READINGS ARE AVAILABLE ON CANVAS/MODULES/READINGS FROM SYLLABUS
		TOPICS
		Introduction
		Definition
		5 Bollindon
		CASE TO PREPARE
		 Video BFF – Robert Nason
80	KEY FRAMEWORKS TO	Mandatory Reading For Topic
01 09/08	CAPTURE THE	Sharma, Melin, and Nordqvist. (2014): "Introduction: Scope, evolution
01 (UNIQUENESS OF FAMILY	and future of family business studies." 1-14.
	BUSINESS (I/II)	Grubman, J., (2022) "A Renewed Call for Accurate Research about Family Weelth Longovity."
		Wealth Longevity" ☺️ • https://familybusinessindex.com/
		 https://www.famcap.com/the-worlds-750-biggest-family-businesses/
		Tittps://www.fameap.com/tito-worlds-750-biggest-family-businesses/
		SUGGESTED READING FOR TOPIC (IN CASE YOU ARE INTERESTED)
		Bloch, Alain, Nicolas Kachaner, and George Stalk. "What you can learn
		from family business."Harvard business review 90.11 (2012): 1-5.
		TOPICS
		Enterprising Families and their Capitals
		Three Circle Model
		Powerful Questions
		CASE TO PREPARE
		CASE: Wiley Widget
		CASE. Wiley Wildget
_	KEY FRAMEWORKS TO	GUEST SPEAKER
02 M 09/11	CAPTURE THE	
Σ	UNIQUENESS OF FAMILY	Mandatory Reading For Topic
02	BUSINESS (II/II)	Davis, John. "How three circles changed the way we understand family
		business." Cambridge Institute for Family Enterprise(2018). 🥯
		 Vogt, Brown, Isaacs, The Art of Powerful Questions
		Control Description (Control Description Control Description Contr
		Suggested Reading for Topic (In case you are Interested)
		Schuman, A., Stutz, S., & Ward, J. L. (2010). Family business as paradox (pp. 33-30). New York: Palgray Magnillan
		(pp. 22-29). New York: Palgrave Macmillan. • Hughes Jr, J. E., Massenzio, S. E., & Whitaker, K. (2017). Complete family
		wealth. John Wiley & Sons.

	TITI C	TOPIC / REQUIRED PRE-READINGS / SPEAKERS
	TITLE	READINGS ARE AVAILABLE ON CANVAS/MODULES/READINGS FROM SYLLABUS
03 M 09/18	KEY FRAMEWORKS APPLICATION	 TOPICS Family Enterprise Interfacing Life Cycles CASE TO PREPARE CASE: The Altman's Realization GUEST SPEAKER MANDATORY READING FOR TOPIC De Vries, M. F. K., & Carlock, R. S. (2010). Family business on the couch: A psychological perspective. John Wiley & Sons. Ch. 4
04 M 09/25	FAMILY SYSTEMS AND SUBSYSTEMS	 Family Definition Genogram Identity Map Family as a System Family Subsystems CASE TO PREPARE CASE: Maria Case – PART I MANDATORY READING FOR TOPIC Whiteside, Mary F., Craig E. Aronoff, and John L. Ward. How families work together. Palgrave Macmillan, 2011. Ch 3-4-5 Ancona, D., & Perkins, D. N. T. (2022). Family ghosts in the executive suite. Harv Bus Rev. Papero, D., Frost, R., Havstad, L., & Noone, R. (2018). Natural systems thinking and the human family. Systems, 6(2), 19. SUGGESTED READING FOR TOPIC (IN CASE YOU ARE INTERESTED) von Schlippe, Arist, Klaus A. Schneewind, and K. Schneewind. "Theories from family psychology and family therapy." SAGE handbook of family business (2014): 47-65. Grubman, J. (2013). Strangers in Paradise: How Families Adapt to Wealth Across Generations. Family Wealth Consulting.

	דודו ר	TOPIC / REQUIRED PRE-READINGS / SPEAKERS
	TITLE	READINGS ARE AVAILABLE ON CANVAS/MODULES/READINGS FROM SYLLABUS
05 M 10/02	A MODEL FOR INDIVIDUAL AND FAMILY RESILIENCE	 Resilience Model MANDATORY READING FOR TOPIC Whiteside, Mary F., Craig E. Aronoff, and John L. Ward. How families work together. Palgrave Macmillan, 2011. Ch 7-8-9 Patterson, Joän M. "Integrating family resilience and family stress theory." Journal of marriage and family 64.2 (2002) GUEST SPEAKER SUGGESTED READING FOR TOPIC (IN CASE YOU ARE INTERESTED) 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. Blum, M. E. "Self-defined leadership: Exploring family history to enhance future leadership." Global Leadership (2009)
9 06 M 10/09	MYTHS AND REALITY ABOUT SUCCESSION AND CONTINUITY	TOPICS Types Of Successions Specific Challenges and Opportunities Continuity CASE TO PREPARE CASE: Maria Case − PART II MANDATORY READING FOR TOPIC 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 SUGGESTED READING FOR TOPIC (In CASE YOU ARE Interested) 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 10/16	EXAM WEEK	No Class

		TOPIC / REQUIRED PRE-READINGS / SPEAKERS
	TITLE	READINGS ARE AVAILABLE ON CANVAS/MODULES/READINGS FROM SYLLABUS
07 M 10/23	Understanding Ownership Complexity	TOPICS Ownership Authority and Responsibility The Missing Conversation Introduction to Estate Planning CASE TO PREPARE CASE: The Rocks MANDATORY READING FOR TOPIC Sage-Hayward, Marchisio, Dartt, Own It!: How to Develop a Family Enterprise Owner's Mindset at Every Age. A Family Business Publication, 2022 – CH. 1 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 SPEAKER TBC SUGGESTED READING FOR TOPIC (IN CASE YOU ARE INTERESTED) Renkert-Thomas, A. (2015). Engaged Ownership: A Guide for Owners of Family Businesses. John Wiley & Sons.
08 M 10/30	Introduction to governance - Focus on Governance for the Family and the Ownership	TOPICS Governance Definition Governance Institution and Constitutions for the Family, the Ownership, and the Business CASE TO PREPARE CASE: Airing Dirty Laundry MANDATORY READING FOR TOPIC Davis, Fundamentals of Family Business System Governance 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 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. Rogers, Paul, and Marcia Blenko. "Who has the D." Harvard business review 84.1 (2006): 52-61. SUGGESTED READING FOR TOPIC (IN CASE YOU ARE INTERESTED) Gersick, K. E., & Feliu, N. (2014). Governing the family enterprise: Practices, performance, and research. The SAGE handbook of family business, 196-225.

	TITLE	TOPIC / REQUIRED PRE-READINGS / SPEAKERS
	TITLE	READINGS ARE AVAILABLE ON CANVAS/MODULES/READINGS FROM SYLLABUS
09 M 11/13	GOVERNANCE FOR THE BUSINESS	TOPICS • Elements of Corporate Governance • Criteria to Assess Governance Case to Prepare
		CASE: Troubling Events MANDATORY READING FOR TOPIC
		 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
		SPEAKER • TBC
10 M 11/20	Professionalization of the Operating Businesses	 TOPICS Systems, Structures, and People to Professionalize The Business The Critical Areas in Family Business: A Focus on Hiring, Firing, and Compensation Issues The Importance of Strategic Planning MANDATORY READING FOR TOPIC Schneider, F. S., & Schneider Malek, K. Four Ways of Differentiating Compensation in a Family Business. ♀ 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 SPEAKER TBC
		 SUGGESTED READING FOR TOPIC (IN CASE YOU ARE INTERESTED) 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.

	TITLE	TOPIC / REQUIRED PRE-READINGS / SPEAKERS READINGS ARE AVAILABLE ON CANVAS/MODULES/READINGS FROM SYLLABUS
11 M 11/27	THE COMPLEXITY OF THE OPERATING BUSINESSES: AIMING AT SUSTAINABILITY	 TOPICS Sustainability In Family Enterprise The Social Role of Family Enterprises MANDATORY READING FOR TOPIC 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. ❖ SPEAKER TBC SUGGESTED READING FOR TOPIC (In CASE YOU ARE INTERESTED) 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 12/04	WRAP-UP	 KNOWLEDGE INTEGRATION REVIEW SESSION NEXT STEPS AND FINAL ASSIGNMENTS

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.